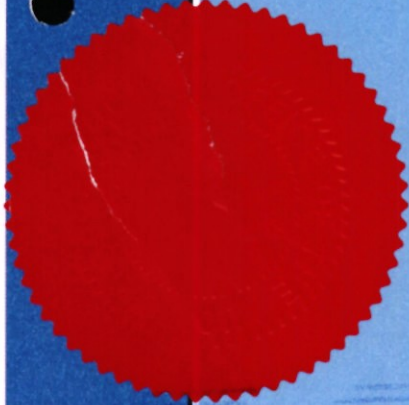


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 07 AUG 2024

DAY: Afternoon

TABLED BY: Deputy Leader of Majority Party

CLERK-AT-THE-TABLE:

REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – TIGANIA EAST
CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2023**



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OFFICE OF THE AUDITOR - GENERAL
PO BOX 153 - 6010 HARARE
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TIGANIA EAST CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

*Tigania East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

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1. Acronyms and Glossary of terms

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project management committees

FY-Financial Year

2. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The Tigania east Constituency NGCDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Danson Njogu Njiru
2.	Sub-County Accountant	Mercy Gitonga
3.	Chairman NGCDFC	George Kalera
4.	Member NGCDFC	Priscilla Mithika

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Tigania east Constituency NGCDF. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(d) Tigania East Constituency NGCDF Headquarters

P.O. Box 17-60605
NG-CDF Building House
Meru-Maua Road
Meru, KENYA

(e) Tigania Constituency NGCDF Contacts

Telephone: (254) 703 780 482
E-mail: cdftiganiaeast.go.ke
Website: www.cdftiganiaeast.go.ke

(f) Tigania east Constituency NGCDF Bankers

Co-operative Bank (01120378126000)
Makutano Branch
P.O.Box 417
Maua.

(g) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. NG-CDFC Chairman's Report



GEORGE KALERA, Chairman Tigania east NG-CDF.

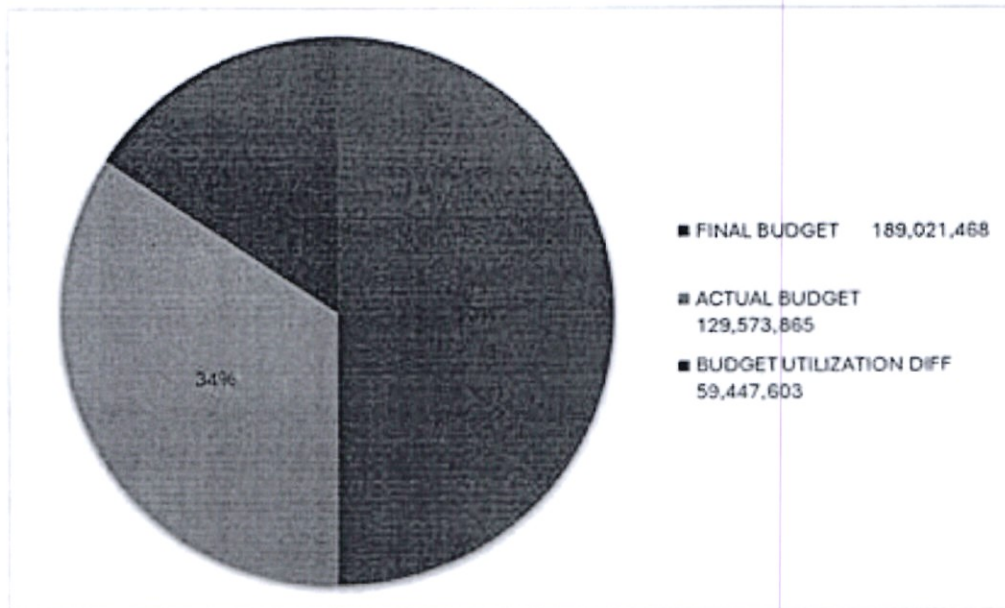
Tigania east constituency is situated along Meru-Maua road and borders Igembe central on the north, Isiolo on the west and Tigania west on the south regions. The main economic stay of the constituency is mainly farming of food crops, tea and coffee with a small portion with Miraa cash crop .There is a large area in the west which is dry and the community majors on livestock keeping as their main economic activities. The constituency is vast with five wards and approximately has 400,000 population. The constituency is wholly developed by NGCDF in about 90% together with other partners, mainly national government and nongovernmental organizations.

TIGANIA EAST NGCDF PERFORMANCE

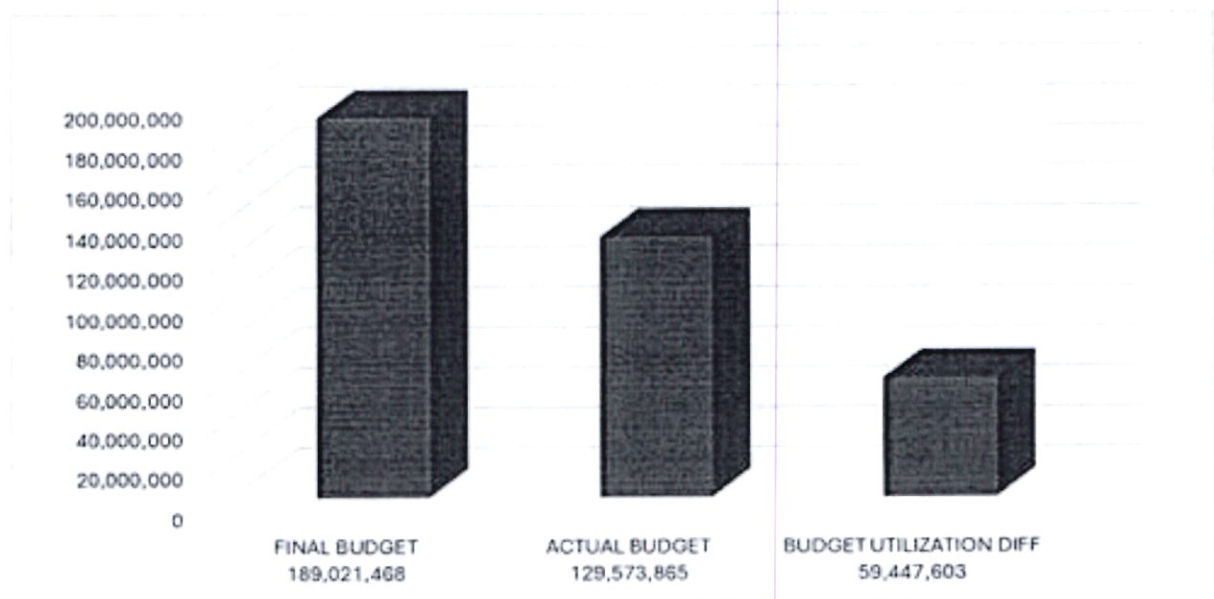
The constituency final budget was Kshs. 189,021,468 the financial year 2022/2023 and has efficiently absorbed Kshs.129,573,865 which translate into 69% rate inclusive of bank balance brought forward and there was budget utilization difference of ksh.59,447,603 as shown below.

The pie chart analysis of the above figures shows clearly the picture of the comparison of the above figures in the financial year 2022/2023. The decrease of the actual expenditure as compared in the previous is as a result of delay in funds disbursement from the board. Much of the funds from the first disbursement from the board went bursaries and administration

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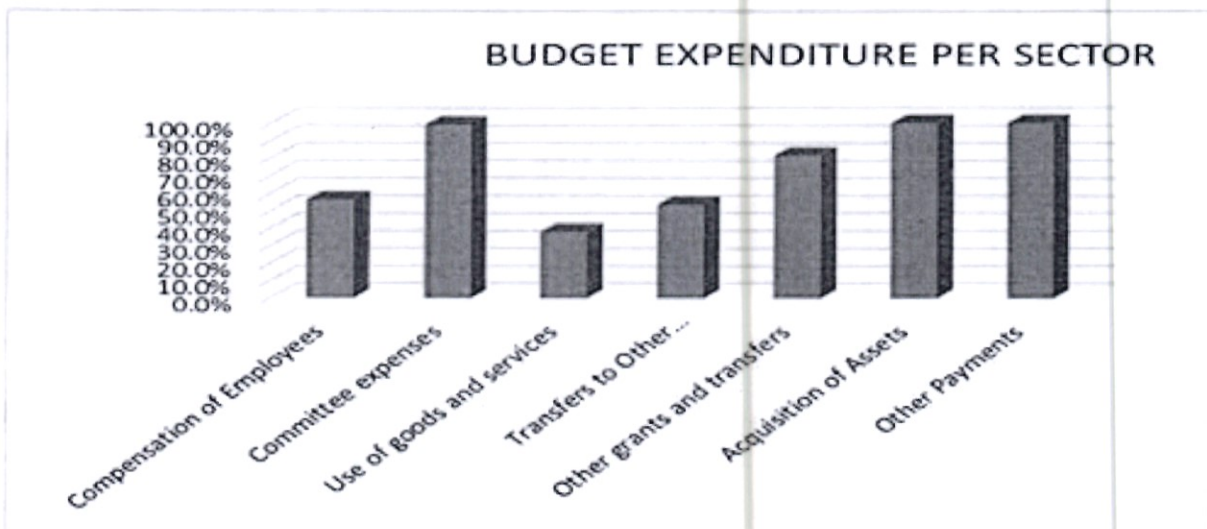


This is also the graphical analyses of the final budget, Actual budget and budget utilization difference. The graph pictures the relationship between the final, actual and budget utilization difference. The budget utilization difference was as result of failure by the NG-CDF board to remit funds timely to the committee and this portrays that very many projects from the previous financial year will be implemented in the the current.



3.BUDGET EXPENDITURE PER SECTOR.

The budget per sector varied from the priorities by the NG-CDFC and it also depended on the funds disbursed from the board. This is the display of the relationship in the percentage of utilization of funds per sector. The sectors with the highest percentage were the projects which were allocated funds first when the initial disbursements were received and prioritized based on the urgent need of the residents namely the bursaries, renovation of NG-CDF office, strategic plan preparation. The committee expenses, strategic plan and renovation of the office were prioritized by the committee.

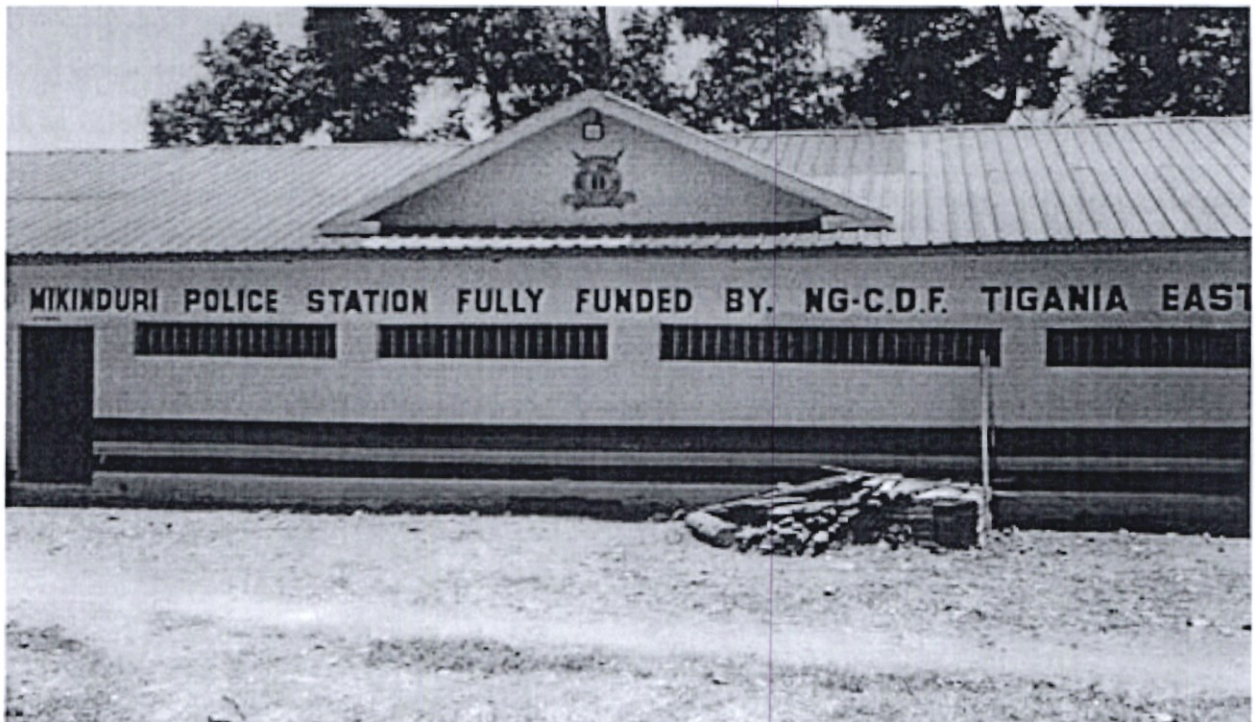


KEY ACHIEVEMENTS OF THE FUND

NGCDF has transformed many lives of Tigania east residents. The empirical data available coupled with actual observations reveal an enormous impact on the residents in improved standard of living which was never witnessed before the inception of NGCDF especially in the previous years. The current year also has seen the students' benefit 99% from the bursary kitty enabling students from poor families' access education.

Tigania east has implemented the projects professionally and one of them is hereby shown below:-

This project was a game changer due to rampant insecurity in Tigania central. The construction of this project brought down incidences of crimes and subsequently increasing more investments at Mikinduri town.



EMERGING ISSUES

NGCDF being a community fund has so far been identified with the needs of the constituents which changes now and then. With the establishment of the devolved functions, various sectors have been taken by the county governments which have stripped off residents the very pertinent projects central to their economic life. County governments have slowly taken off with residents agitating for various projects formally funded by NGCDF and this has brought great discontent on the side of the residents who think such functions should be handled by NGCDF.

IMPLEMENTATION CHALLENGES

There various challenges meted in the implementation of the kitty namely:

- a) Lack of management skills by the project implementation committees.
- b) Political interferences from the competing political groups.
- c) Funds delay from the NG-CDF board.
- d) Security threats especially in projects falling to cattle rustling areas.
- e) Roads impassability in the heart of the constituency.

WAY FORWARD

1. Again PMC are being trained frequently on good management practices.
2. NG-CDF and the MP have sphere headed a campaign of non-interference with development
3. The NG-CDF board has promised to hasten the process of Funds disbursement
4. NG-CDF has implemented various security projects i.e. police posts, AP lines and G.S.U camps.
5. KERRA which is under national government and also managed by NG-CDF committees has improved so many roads



.....

Name: George Kalera
CHAIRMAN NGCDF COMMITTEE

4. Statement of Performance against Predetermined Objectives for FY2022/23

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of *Tigania east Constituency 2022-2027* plan are to:

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

s	Objective	Outcome	Indicator	Performance
Education	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>Increased number of usable physical infrastructure build in 1.primary schools a)classrooms b)Administration blocks c) Toilets 2..secondarieschools a)Laboratories b) Administration blocks. d) Bursaries. 3. Tertiary institutions. a)bursaries</i>	<i>In FY 2022/23 -we increased number of classrooms from 30 to 35 :- a).In primary schools 20 classrooms were implemented. b) In secondary school 15 more classrooms were built. laboratories from 3 to 5 in the following schools/institutions - Bursary beneficiaries at all levels were approximately 7,000 students</i>
Security	To ensure security is upheld in every area of the constituency	Increased security projects to bridge the gap between recommended residents versus security	Increase in Number of usable security infrastructure: 1.Chiefs offices 2.police toilets 3. Assistant chief offices	In the FY 2022/23 the number of security projects increased from 5 to 1.Three Chiefs offices were built. 2. Two police toilets were built. 3. Assistant chief

		personnel		offices
Sports	To have sporting activities as an avenue to curb drug abuse amongst the youths	More youths abstaining from drug abuse.	Increased number of youths in meaningful activities of nation building	In the financial year 2022/23 youths clubs increased from 20 to 35
Emergency	To ensure unseen occurrences in the constituency are attended timely	Decrease in unseen occurrences in the constituency	Increase in Physical number of emergency cases solved by the constituency. 1.primary schools toilets 2.Primary schools classrooms	In the 2022/23 Emergency projects funded increased from 4 to 5 projects as compared to previous year. 1. Three primary school toilets sank by rain were built. 2. Two secondary schools toilets also sank by rain were also built.

5. Governance Statement

PROCESS OF APPOINTMENT OF NG-CDFC COMMITTEE

NG-CDFC is appointed pursuant to section 43(1),(2),(3) and (4) of the National constituencies development fund (NG-CDF) Act as follows:-

1. In case of the person living with disability, the fund account manager shall write to a registered group representing persons with disabilities in the constituency requesting of one person with disability to sit in the NG-CDF committee. The nominating organization shall be required to provide specific description of the kind of disability and provide necessary support to facilitate full participation of the nominee in the various activities of the fund.
2. Members of the public are invited to tender applications to be appointed as a NG-CDFC committee with requisite qualifications as per the NG-CDF Act.
3. The selection panel shall sit and analyse applications based on age, gender, special interest groups and regional balance.
4. Obtain from the constituency office manager via formal written communication names of two nominees to the NG-CDF committee one being of either gender.
5. Ensure that the original report of the selection panel duly signed by all members of the panel, original letter from the constituency office manager forwarding two nominees to the NG-CDF committee one being of either gender, original letter and copies of minutes of the meeting of the meeting of the body nominating person with disability to NG-CDF committee ,copies of national identity cards of all the nominees, the long list and short listing criteria ,and three colour passport size photographs of each of the respective nominees are attached to the list submitted to the board.
6. The final report shall be properly bound containing pertinent documents following the sequence of the checklist provided.
7. For avoidance of doubt the two persons to be nominated by the constituency office to sit in the selection panel and the two persons nominated by the same office to sit in the NG-CDF committee shall be drawn from community and not serving public offices.

Tigania east adhered to the letter all the steps enumerated above in recruitment of the current NG-CDFC. From advertising to the last step of committee inauguration.

To embark on the process of recruitment of the committee, Tigania east formed a selection panel headed by the sub-county commissioner of 4 persons with fund manager as the secretary. This selection panel invited for applications from the public and the interested persons applied for the positions advertised for.

An agreed criteria was used to shortlist the qualified persons and interviews were conducted and most qualified persons were picked in the various categories namely man representative, woman representative, youth representative, person with disability.

The constituency office was also mandated to forward two persons of either gender to in the committee and through formal request in writing by the fund manager two persons were forwarded by the constituency.

Tigania east NG-CDF office also forwarded to the board one person to be appointed by the NG-CDF Board as its representative in the committee.

Thus a total of 8 persons were selected through the above process and they formed the current NG-CDF committee of Tigania east.

REMOVAL NG-CDFC MEMBERS

NG-CDF Act section 43 (13) and (14) of the act specifies the process of the removal of members of NG-CDFC a complaint against a member.

A complaint against a member of a committee shall be deposited with the National government constituency office.

The complaint shall clearly set out the particulars of the issues complained of.

The secretary shall convene a special meeting in accordance with the regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting.

If at a meeting held pursuant to paragraph 4, members determine that sufficient grounds exist requiring the members against whom the complaint is raised to respond to the issues complained of. The secretary shall by notice, require the member to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complaint within fourteen days of the date of the notice.

That person is supposed to respond in writing and if he/she fails to do the same a decision will be reached by the committee and this is communicated to the board in fourteen days.

Tigania east has never had a case of the removal of the NG-CDFC members

FUNCTIONS OF COMMITTEE.

Under the Ng-cdf 2015 Act, NG-CDFC is mandated to do the following: -

1. Deliberate on all proposals from all wards in the constituency
2. Consult with relevant government departments to ensure that the cost estimate for the projects is as realistic as possible.
3. Rank project proposals in order of priority provided that ongoing projects shall take precedence

4. Ensure the projects proposed for funding comply with the Act.
5. Monitor the implementation of projects
6. Recommend to the board the removal of a member of the NG-CDFC in the line with section 24 sub sections 14-16 of the act.

INDUCTION/TRAINING

Upon appointment of the new members of the committee induction training shall be conducted by the relevant government departments for the committee to know and understand the NG-CDF act and also their roles in the fund.

There after a complete training of the NG-CDFC shall take place to enable the committee to an in-depth knowledge of the fund in order to discharge their responsibilities effectively.

We have carried out in-house NG-CDFC training and the NG-CDF board did the induction for the new committee.

During the training critical areas of the operation of the fund such as public finance, audit procedures, procurement, project management and complaint management were covered to equip members with requisite skills to manage the fund

NUMBER OF MEETINGS IN A YEAR

The Ng cdf Act 2015 stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less six including sub-committee meetings.

POLICY ON CONFLICT OF INTEREST

NG-CDF Act specifies clearly the any member with an interest in the fund shall not participate in a meeting deliberations on the fund is made and shall withdraw in such a meeting or resign from being a committee member.

MEMBERS REMUNERATION.

NG-CDF act specifies remuneration of the members of the committee as follows: -

1. Each member shall receive an allowance of ksh.5, 000 and the chair of the constituency fund will receive ksh.7, 000 per sitting.

MEMEBRS ETHICS AND CONDUCT

The Act stipulate that members shall be of good conduct and adhere to chapter six of the constitution and shall not have any trail of criminal record. Members shall not indulge in any act in contravention of the act and PFM act which can lead to the loss of funds.

RISK MANAGEMENT

It is the responsibility of the members of the committee to be extra vigilant to ensure that risks likely to cause loss of funds are mitigated and proper controls are put in place in the process of implementation of the NG-CDF projects.

6. Environmental and Sustainability Reporting

Tigania east NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

To ensure sustainability of Tigania east NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Tigania east NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

NG-CDFC Tigania East conducts one sensitization forum every year to the constituents to create awareness of the importance of planting trees to conserve the environment. The Sensitizations are done in various schools where the office donate seedlings to school and join hands with students to plant trees in schools.

Sensitization forums are also conducted once every year on crosscutting issues where the constituents particularly the youth are enlightened on the dangers of drug & Alcohol Abuse as well as engaging in other vices.

NG-CDF staff have at least one day in every financial year to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

Sports tournaments are organised at the ward level where the participants who are mostly the youths are sensitised on the importance of conserving the environment through tree planting, and embracing good farming practices.

3. Employee welfare

We invest in providing the best working environment for our employees. Tigania east constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Tigania east constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Tigania east NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

Tigania east NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

Tigania east NG-CDF have continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

.....


Name: Danson Njogu

Fund Account Manager.

7. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Tigania east Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Tigania east Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Tigania east Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Tigania east Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted

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for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Tigania east Constituency financial statements were approved and signed by the Accounting Officer on 29th September, 2023.

.....


Name: George Kalera
Chairman – NGCDF Committee

.....


Name: Danson Njogu
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - TIGANIA EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Tigania East Constituency set out on pages 1 to 74, which comprise of the statement of assets and liabilities as at 30 June, 2023, the

statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Tigania East Constituency as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Project Management Committee Account Balances

Note 19.4 and Annex 5 to the financial statement reflects a balance of Kshs.3,065,288 relating to unspent Project Management Committee (PMC) account balances. However, the cashbook and bank reconciliation statements supporting the balances were not provided for audit review.

In the circumstances, the accuracy and completeness of the PMC account balances of Kshs.3,065,288 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Tigania East Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis amount of Kshs.189,021,468. and Kshs.129,573,865 respectively resulting to underfunding of Kshs.59,447,603 or 31% of the budget. However, the Fund spent Kshs.117,900,593 against an actual receipts of Kshs.129,573,865 resulting to under- utilization of Kshs.11,673,272 or 9% of the receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

The audit report for the previous year, several issues were raised under respect of the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved some of the issues or explained failure to address them.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Incomplete Works

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.46,566,701 in respect of transfer to other Government units which includes Kshs.22,100,508 transfer to primary schools. The amount includes Kshs.2,000,000 spent on renovation of four (4) classrooms at Athwana primary school and Kshs.1,200,00 for construction of a classroom at Kamujine primary school. Physical inspection carried out in March, 2024 revealed that the floors had developed cracks and painting was not done as per the specifications. Further, 150mm diameter gutter and downpipe outlet was to be fixed to the fascia board at a cost of Kshs.20,500 in Kamujine primary school but the works had not been done.

In the circumstances, value for money for the expenditure amounting to Kshs.3,200,000 for renovation of classrooms could not be confirmed.

2. Delayed Project Implementation

The statement of receipts and payments and as disclosed in Note 7 and 8 to the financial statements reflects Kshs.46,566,701 and Kshs.54,902,660 in respect of transfer to other

government units and other grants and other transfers respectively both totalling Kshs.101,469,361. However, review of the Project Implementation Status report indicated that nine (9) projects worth Kshs.33,920,628 were ongoing and five (5) projects worth Kshs.20,000,000 were not started.

In the circumstances, the residents were denied benefits associated with projects worth Kshs.53,920,628 that were not implemented.

The audit was conducted in accordance with ISSAI 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Undisposed and Obsolete Assets

Annex 4 to the financial statements reflects summary of fixed assets register balance of Kshs.21,176,652. However, review of the asset register indicated that there were unserviceable, obsolete and idle assets worth Kshs.3,540,812 which had not been earmarked for disposal. This is contrary to Section 163(1) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall establish a disposal committee as and when prescribed for the purpose of disposal of unserviceable, obsolete, obsolescent, or surplus stores, equipment, or assets.

In the circumstances, existence of effective controls of the assets could not be confirmed.

2. Lack of Disaster Recovery Plan

The Fund did not assess the impact of outage or disruption to the information communication technology system and thereby develop a business continuity or information technology Disaster Recovery Plan. This is contrary to Section 68(2)(c) of the Public Finance Management Act, 2012 which states that Accounting Officer for National Government entities, Parliament and the Judiciary shall ensure that all financial

and accounting records the entity keeps in any form, including in electronic form are adequately protected and backed up.

In the circumstances, the effectiveness of risk management and recovery of data could not be confirmed.

3. Lack of Cheque Dispatch Register

The statement of assets and liabilities and as disclosed in Note 11A to the financial statements reflects cash and cash equivalents balance of Kshs.11,758,272. Review of bank reconciliation statement revealed payments in the cash book not in bank statement amounting to Kshs.37,081,454. However, the cheque dispatch register was not provided for audit review.

In the circumstances, the effectiveness of internal controls on maintenance of cheque registers could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

21 May, 2024


*Tigania East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

9. Statement of Receipts and Payments for the Year Ended 30th June 2023


	Note	2022/2023	2021/2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	102,488,879	160,188,879
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		102,488,879	160,188,879
Payments			
Compensation Of Employees	4	2,604,701	3,515,840
Committee expenses	5	5,646,170	0
Use Of Goods and Services	6	2,895,620	11,509,433
Transfers To Other Government Units	7	46,566,701	81,350,000
Other Grants and Transfers	8	54,902,660	91,274,227
Acquisition Of Assets	9	1,784,741	751,420
Other Payments	10	3,500,000	-
Total Payments		117,900,593	188,400,920
Surplus/(Deficit)		(15,411,714)	(28,212,041)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.


The Constituency financial statements were approved by the NGCDFC on 29th September, 2023 and signed by:


Fund Account Manager

Name: Danson Njogu


National Sub-County
Accountant

Name: Mercy Gitonga
ICPAK M/No:21293


Chairman NG-CDF
Committee

Name: George Kalera




*Tigania East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

10. Statement of Assets and Liabilities as at 30th June, 2023

	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	11A	11,758,272	27,084,986
Cash Balances (Cash at Hand)	11B	-	-
Total Cash and Cash Equivalents		11,758,272	27,084,986
Accounts Receivable			
Outstanding Imprests	12	-	50,000
Total Financial Assets		11,758,272	27,134,986
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	13	85,000	240,000
Gratuity	14	-	-
Total Financial Liabilities		85,000	240,000
Net Financial Assets		11,673,272	26,894,986
Represented By			
Fund Balance B/Fwd	15	26,894,986	55,107,027
Prior Year Adjustments	16	190,000	-
Surplus/Deficit for The Year		(15,411,714)	(28,212,041)
Net Financial Position		11,673,272	26,894,986

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 29th September, 2023 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Name:Danson Njogu	Name:Mercy Gitonga ICPAK M/No:21293	Name:George Kalera

*Tigania East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

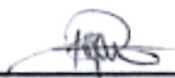


11. Statement of Cash Flows for the Year Ended 30th June 2023

	Notes	2022/2023	2021/2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	102,488,879	160,188,879
Other Receipts	3	-	-
Total Receipts		102,488,879	160,188,879
Payments			
Compensation Of Employees	4	2,604,701	3,515,840
Committee Expenses	5	5,646,170	-
Use Of Goods and Services	6	2,895,620	11,509,433
Transfers To Other Government Units	7	46,566,701	81,350,000
Other Grants and Transfers	8	54,902,660	91,274,227
Other Payments	10	3,500,000	-
Total Payments		116,115,852	(187,649,500)
Total Receipts Less Total Payments		(13,626,973)	
Adjusted For:			
Prior Year Adjustments	16	190,000	-
Decrease/(Increase) In Accounts Receivable	17	50,000	240,000
Increase/(Decrease) In Accounts Payable	18	(155,000)	-
Net Cash Flow from Operating Activities		(13,541,973)	(27,220,621)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	(1,784,741)	(751,420)
Net Cash Flows from Investing Activities		(1,784,741)	-
Net Increase In Cash And Cash Equivalent		(15,326,714)	(27,972,041)
Cash & Cash Equivalent At Start Of The Year	11	27,084,986	55,057,027
Cash & Cash Equivalent At End Of The Year	11	11,758,272	27,084,986

*Tigania East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 29th September, 2023 and signed by:

 _____ Fund Account Manager	 _____ National Sub-County Accountant	 _____ Chairman NG-CDF Committee
Name: Danson Njogu	Name: Mercy Gitonga ICPAK M/No:21293	Name: George Kalera

*Tigania East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

12. Summary Statement of Appropriation for The Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	B		c=a+b	d	e=c-d	f=d/c %
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022/2023FY	2022/2023 FY		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers From NGCDF Board	145,087,603	27,084,986	16,848,879	189,021,468	129,573,865	59,447,603	69%
Proceeds From Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	0.0%
Totals	145,087,603	27,084,986	16,848,879	189,021,468	129,573,865	59,447,603	69%
Payments							
Compensation Of Employees	4,639,516	-	-	4,639,516	2,604,701	2,034,815	56%
Committee Expenses	3,711,000	1,982,305	-	5,693,305	5,646,170	47,135	99%
Use Of Goods and Services	4,566,484	-	-	4,566,484	2,895,620	1,670,864	63%
Transfers To Other Government Units	63,521,137	24,102,681	-	87,623,818	46,566,701	41,057,117	53%
Other Grants and Transfers	51,913,849	1,000,000	15,248,879	68,162,728	54,902,660	13,260,068	81%
Acquisition Of Assets	1,784,741	-	-	1,784,741	1,784,741	-	100%
Oversight Committee Expenses	1,450,876	-	-	1,450,876	-	1,450,876	0%
Other Payments	3,500,000	-	-	3,500,000	3,500,000	-	100%
Funds Approved-conditionally**	10,000,000	-	1,600,000	11,600,000	-	11,600,000	0%
Totals	145,087,603	27,084,986	16,848,879	189,021,468	117,900,593	71,120,875	62%

Tigania East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023


Explanatory Notes

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

1. The difference of budgetary utilization of ksh.71, 120,875 was as a result of delay of disbursement of funds by the treasury to NG-CDF Board.
2. Funds amounting to ksh. 10, 000,000 were the amount approved conditionally by the NG-CDF Board awaiting clarification from the constituency.
3. Tigania east Constituency had no AIA during the financial year.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	71,120,875
Less undisbursed funds receivable from the Board as at 30 th June 2023	(59,447,603)
Increase/(decrease) Accounts payable	(155,000)
(Decrease)/Increase Accounts Receivable	50,000
Add/Less Prior Year Adjustments	190,000
Cash and Cash Equivalents at the end of the 30 th June 2023	11,758,272

The Constituency financial statements were approved by NG CDFC on 29th September, 2023 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Name: Danson Njogu	Name: Mercy Gitonga ICPAK M/No:21293	Name: George Kalera

*Tigania East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

13. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,639,516	-	-	4,639,516	2,604,701	2,034,815
1.2 Committee allowances	1,893,000	1,000,000	-	2,893,000	2,893,000	-
1.3 Use of goods and services	3,131,865	-	-	3,131,865	2,895,620	236,245
Total	9,664,381	1,000,000	-	10,664,381	8,393,321	2,271,060
2.0 Monitoring and evaluation						
2.1 Capacity building	-	-	-	-	-	-
2.2 Committee allowances	1,818,000	982,305	-	2,800,305	2,753,170	47,135
2.3 Use of goods and services	1,434,628	-	-	1,434,628	-	1,434,628
Total	3,252,628	982,305	-	4,234,933	2,753,170	1,481,763
3.0.Emergency						
3.1 Primary Schools	7,636,190	-	-	7,636,190	5,440,274	2,195,916
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-
Total	7,636,190	-	-	7,636,190	5,440,274	2,195,916
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	--

**Tigania East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.2 Secondary Schools	15,000,000	-	10,248,879	25,248,879	32,077,000	(6,828,121)
4.3 Tertiary Institutions	15,000,000	-	5,000,000	20,000,000	12,281,380	7,718,620
4.4 Universities	-	-	-	-	-	-
4.5 Social Security	6,271,901	-	-	6,271,901	-	6,271,901
Total	36,271,901	-	15,248,879	51,520,780	44,358,380	7,162,400
5.0 Sports						
5.1	2,901,752	-	-	2,901,752	-	2,901,752
5.2						
Total	2,901,752	-	-	2,901,752	-	2,901,752
6.0 Environment						
6.1.Akairu primary school	180,000	-	-	180,000	180,000	-
6.2.Antuathenge primary school	180,000	-	-	180,000	180,000	-
6.3.Bukwang secondary school	180,000	-	-	180,000	180,000	-
6.4.Kabuline primary school	180,000	-	-	180,000	180,000	-
6.5.Kamithaga day sec. school	180,000	-	-	180,000	180,000	-
6.6.KK Mwethe day sec. school	180,000	-	-	180,000	180,000	-
6.7.Mukono secondary school	180,000	-	-	180,000	180,000	-
6.8.Thathi primary school	180,000	-	-	180,000	180,000	-
6.9.Thuuri primary school	180,000	-	-	180,000	180,000	-
7.0.Kiguma primary school	300,000	-	-	300,000	300,000	-
7.1.Kinoo primary school	300,000	-	-	300,000	300,000	-

**Tigania East Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.2.Mukorone primary school	300,000	-	-	300,000	300,000	-
7.3.KK Mwehe primary school	381,752	-	-	381,752	381,752	-
Total	2,901,752	-	-	2,901,752	2,901,752	-
8.0 Primary Schools Projects (List all the Projects)						
8.1.Antuarimata primary school	1,200,000	-	-	1,200,000	1,200,000	-
8.2.Athwana primary school	2,000,000	-	-	2,000,000	2,000,000	-
8.3.Kaathi primary school	1,500,508	-	-	1,500,508	1,500,508	-
8.4.Kabuline primary school	2,400,000	-	-	2,400,000	2,400,000	-
8.5.Kamujine primary school	1,200,000	-	-	1,200,000	1,200,000	-
8.6.Kiamikuu primary school	1,200,000	-	-	1,200,000	-	1,200,000
8.7.Kinoo primary school	1,200,000	-	-	1,200,000	-	1,200,000
8.8.Micimukuru primary school	2,500,000	-	-	2,500,000	-	2,500,000
8.9.St.Benedict primary school	1,300,000	-	-	1,300,000	1,300,000	-
9.0.Mwerokieni primary school	1,300,000	-	-	1,300,000	1,300,000	-
9.1.Lii primary school	-	8,400,000	-	8,400,000	8,400,000	-
9.2.Amugaa primary school	-	2,800,000	-	2,800,000	2,800,000	-
9.3.Kiamikuu primary school	-	150,000	-	150,000	-	150,000
9.4.Kamhijine primary school	-	150,000	-	150,000	-	150,000
9.5.Ngaga primary school	-	411,681	-	411,681	-	411,681
Total	15,800,508	11,911,681	-	27,712,189	22,100,508	5,611,681

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
10.0 Secondary Schools Projects (List all the Projects)						
10.1.Akaiga boys sec. school	4,967,073	-	-	4,967,073	-	4,967,073
10.2.Amugaa mixed day sec. school	3,546,593	-	-	3,546,593	-	3,546,593
10.3.Ankamia secondary school	4,444,134	-	-	4,444,134	-	4,444,134
10.4.Kailutha day sec. school	2,744,042	-	-	2,744,042	-	2,744,042
10.5.Kaliene secondary school	6,798,735	-	-	6,798,735	3,798,735	3,000,000
10.6.Kiguchwa day sec. school	5,000,000	-	-	5,000,000	-	5,000,000
10.7.Kigumia secondary school	1,300,000	-	-	1,300,000	-	1,300,000
10.8.Kirima secondary school	1,200,000	-	-	1,200,000	1,200,000	-
10.9.Mbaranga day sec. school	1,300,000	-	-	1,300,000	-	1,300,000
11.0.Mutewa day sec. school	5,000,000	-	-	5,000,000	5,000,000	-
11.1.Ncuui secondary school	2,898,735	4,400,000	-	7,298,735	3,290,295	4,008,440
11.2.Ngage secondary school	3,344,154	-	-	3,344,154	-	3,344,154
11.3.Rware secondary school	2,500,000	-	-	2,500,000	2,500,000	-
11.4.Thubuku mixed day sec. school	2,677,163	-	-	2,677,163	2,677,163	-
11.5.Rurii secondary school	-	800,000	-	800,000	-	800,000
11.6.Kaathi Bukwang sec. school	-	800,000	-	800,000	-	800,000
11.8.Thubuku mixed day sec. school	-	6,000,000	-	6,000,000	6,000,000	0
11.9.Antuanduru day sec. school	-	191,000	-	191,000	-	191,000
Total	47,720,629	12,191,000	-	59,911,629	24,466,193	35,445,436
12.0 Tertiary institutions Projects (List all the Projects)						

**Tigania East Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
12.1						
13.0 Security Projects						
13.1.Ngongoaka general s.unit	1,602,253.92	-	-	1,602,254	1,602,254	-
13.2.Anjuki chief's office	600,000	-	-	600,000	600,000	-
13.3.Kiambeni police post	-	1,000,000	-	1,000,000	0	1,000,000
Total	2,202,254	1,000,000	-	3,202,254	2,202,254	1,000,000
14.0 Acquisition of assets						
14.1 CDF office-Refurbishment	1,784,741	-	-	1,784,741	1,784,741	-
Total	1,784,741	-	-	1,784,741	1,784,741	-
14.0.Oversight committee Expenses						
14.1.Accommodation Domestic travel	300,000	-	-	300,000	-	300,000
14.2. Advertisement, Awareness and pub.	145,876	-	-	145,876	-	145,876
14.3.Committee allowances	300,000	-	-	300,000	-	300,000
14.4.Daily subsistence allowance	165,000	-	-	165,000	-	165,000
14.5.Refined fuels and lub..for transport	300,000	-	-	300,000	-	300,000
14.6.Travel costs:Airline,bus,railway	240,000	-	-	240,000	-	240,000
Total	1,450,876	-	-	1,450,876	-	1,450,876
15.0 Others						
15.1 Strategic Plan	3,500,000	-	-	3,500,000	3,500,000	-
15.2						
16.0.Funds approved-conditionally**						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
16.1.Rurii secondary school	-		800,000	800,000	-	800,000
16.2.Kaathi Bukwang sec, school	-		800,000	800,000	-	800,000
16.1.Kang'ethia-Rurii pry sc. Ac.rd	3,000,000	-	-	3,000,000	-	3,000,000
16.2.Akaiga -Bukwang day sec. a.rd	5,000,000	-	-	5,000,000	-	5,000,000
16.3.Athwana polytechnic access .rd	2,000,000	-	-	2,000,000	-	2,000,000
Total	10,000,000	-	1,600,000	11,600,000	-	11,600,000
Grand Total	145,087,603	27,084,986	16,848,879	189,021,468	117,900,593	71,120,875

14. Significant Accounting Policies

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits (gratuity and retentions).

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-Tigania east Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the entity for all the years presented.

a) Recognition of Receipts

The entity recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Entity.

Significant Accounting Policies continued

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the entity.

Significant Accounting Policies continued

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

In-kind contributions are donations that are made to the constituency in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the constituency includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

Significant Accounting Policies continued

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the entity at the end of the financial year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2015

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 15 June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

Significant Accounting Policies Continued

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

14. Prior period Errors

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

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15. Notes To the Financial Statements

I. Transfers from NGCDF Board

Description	2022/2023	2021/2022
NGCDF Board	Kshs	Kshs
AIE NO.105,305	-	34,188,879
AIE NO.126310	-	6,000,000
AIE NO.105638	-	34,000,000
AIE NO.105985	-	10,000,000
AIE NO.105944	-	34,000,000
AIE NO.128717	-	16,000,000
AIE NO.163,879	-	26,000,000
AIE NO.A 888924	11,088,879	-
AIE NO.B 185368	4,400,000	-
AIE NO.B 185273	7,000,000	-
AIE NO.B 185797	21,000,000	-
AIE NO.B 205912	12,000,000	-
AIE NO.B 205617	12,000,000	-
AIE NO.B 206198	5,000,000	-
AIE NO.B 207693	15,000,000	-
AIE NO.B 207931	15,000,000	-
TOTAL	102,488,879	160,188,879

2. Proceeds From Sale of Assets

	2022/2023	2021/2022
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

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Notes To the Financial Statements (Continued)

3. Other Receipts

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

4. Compensation Of Employees

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,604,701	2,820,000
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	56,000
Gratuity to contractual employees	-	523,200
Employer Contributions Compulsory national social security schemes	-	116,640
Total	2,604,701	3,515,840

5. Committee Expenses

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Sitting allowance	5,646,170	-
Other committee expenses	-	-
Total	5,646,170	-

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Notes To the Financial Statements (Continued)

6. Use of Goods and services

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Utilities, supplies and services	-	8,406
Communication, supplies and services	-	-
Domestic travel and subsistence	333,000	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	287,100	407,000
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	1,006,104	-
Fuel, oil & lubricants	1,155,580	971,312
Other operating expenses	60,836.07	646,600
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	53,000	1,069,800
Other Committee expenses		1,876,575
Committee allowance		6,529,800
Total	2,895,620.07	11,509,433

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Notes To The Financial Statements (Continued)

7. Transfer To Other Government Units

Description	2022/2023	2021/2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	22,100,508	52,250,000
Transfers To Secondary Schools (See Attached List)	24,466,193	29,100,000
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	46,566,701	81,350,000

8. Other Grants and Other transfers

	2022/2023	2021/2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	32,077,000	24,633,600
Bursary – tertiary institutions (see attached list)	12,281,380	33,487,069
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	2,202,254	20,125,872
Sports projects (see attached list)	-	4,247,691
Environment projects (see attached list)	2,901,752	2,579,995
Emergency projects (see attached list)	5,440,274	6,200,000
Roads projects (see attached list)	-	-
Total	54,902,660	91,274,227

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Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	1,784,741	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	413,500
Purchase of ICT Equipment, Software and Other ICT Assets	-	337,920
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	1,784,741	751,420

10. Other Payments

	<i>2022-2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Strategic plan	3,500,000	-
ICT Hub	-	-
	3,500,000	-

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*Notes To the Financial Statements (Continued)
11. Cash Book Bank Balance*

Name Of Bank, Account No. & Currency	2022/2023	2021/2022
	Kshs	Kshs
11A: Bank Accounts (Cash Book Bank Balance)		
<i>Co-operative Bank, Account No. (01120378126000)</i>	11,758,272	27,084,986
-	-	-
Total	11,758,272	27,084,986
11 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

12. Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
Total		-	-	-

13. Deposits and Retention

	2022/2023	2021/2022
	KShs	KShs
Retention as at 1 st July (A)	240,000	-
Retention held during the year (B)	-	240,000
Retention paid during the Year (C)	155,000	-
Closing Retention as at 30 th June D= A+B-C	85,000	240,000

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Deposits and Retentions aging analysis.

	2022/2023	% of the total	2022/2023	% of the total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

14. Gratuity

	2022/2023	2021/2022
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

15. Fund Balance B/F

	(1 st July 2022)	(1 st July 2021)
	Kshs	Kshs
Bank accounts	26,894,986	55,107,027
Cash in hand	-	-
Imprest	-	-
Total	26,894,986	55,107,027
Less		
Payables - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	-	-

NB: The Fund Balance Brought Forward was reinstated to correct the audited certificate balance.

Notes to the Financial Statement Continued

16. Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	26,894,986	190,000	27,084,986
Cash in hand	-	-	-
Accounts Payables	(-)	-	(-)
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	26,894,986	190,000	27,084,986

17. Changes In Accounts Receivable – Outstanding Imprests

	2022/2023	2021/2022
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	50,000	50,000
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	(50,000)	-
closing accounts in account receivables D= A+B-C	-	50,000
Net changes in accounts Receivables D - A	(50,000)	-

18. Changes In Accounts Payable – Deposits and Retentions

	2022/2023	2021/2022
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	240,000	-
Deposit and Retentions held during the year (B)	-	240,000
Deposit and Retentions paid during the Year (C)	155,000	-
closing account payables D= A+B-C	85,000	240,000
Net changes in accounts payables D-A	(155,000)	240,000

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	2022/2023	2021/2022
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

Aging Analysis for Pending Accounts Payables

	2022/2023	% of the total	2022/2023	% of the total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

19.2: Pending Staff Payables (See Annex 2)

	2022/2023	2021/2022
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
Total	-	-

Aging Analysis for staff Payables

	2022/2023	% of the total	2022/2023	% of the total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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19.3: Unutilized Fund (See Annex 3)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Compensation of employees	2,034,815	2,313,277
Committee expense	47,135	-
Use of goods and services	1,670,864	2,680,204
Amounts due to other Government entities (see attached list)	41,057,117	23,702,681
Amounts due to other grants and other transfers (see attached list)	13,260,068	15,237,703
Acquisition of assets	-	-
Oversight Committee Expenses	1,450,876	-
Other Payments (specify)	-	-
Funds approved-conditionally	11,600,000	-
Total	71,120,875	43,933,865

19.4: PMC account balances (See Annex 5)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	3,065,288	10,266,443
Total	3,065,288	10,266,443

19.5 Related Party Transactions

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	5,646,170	-
Transaction with the NGCDF Board		
Receipts from the NGCDF Board during the year	102,488,879	-
Total	108,135,049	-

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16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To- Date c	Outstanding Balance d=a-c	Comments
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2023	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Compensation of employees	Payment of staff salaries and gratuity	2,034,815	2,313,277	The balance was as a result of the funds received lately from the board
Committee Expenses	Payment for committee expenses	47,135	-	The funds were the funds received lately from the board
Use of goods & services	Payment of goods and services	1,670,864	2,680,204	The funds were the funds received lately from the board
Sub-Total		3,752,814	4,993,481	
Amounts due to other Government entities				
PRIMARY SCHOOLS				
1.Kiamikuu primary school	Construction of a classroom	1,200,000	-	The balance was the funds not received from the board.
2.Kinoe primary school	Construction of a classroom	1,200,000	-	The balance was the funds not received from the board
3.Micimukuru primary school	Completion of an administration block	2,500,000	-	The balance was
4.Kiamikuu primary school	Renovation of classroom	150,000	150,000	This balance was from the previous year
5.Kamujine primary school	Renovation of a classroom	150,000	150,000	This balance was from the previous year
6.Ngage primary school	Renovation of a classroom	411,681	411,681	This balance was from the previous year
7.Lii primary school	Construction of six classrooms		8,400,000	This was the balance from previous year

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
8.Amugaa primary school	Completion of an administration block		2,800,000	This balance was from the previous year
Sub-Total		5,611,681	11,911,681	
SECONDARY SCHOOLS				
1.Akaiga boys sec. school	Completion of a mult-purpose hall	4,967,073	-	This was a balance not yet received in the financial year
2.Amugaa mixed day sec. school	Completion of an administration block	3,546,593	-	This was a balance not yet received in the financial year
3.Ankamia secondary school	Completion of an administration block	4,444,134	-	This was the balance not yet received in the financial year
4.Kailutha day sec. school	Completion of a laboratory	2,744,042	-	This was the balance not yet received in the financial year.
5.Kaliene secondary school	Completion of a multipurpose hall	3,000,000	-	This was the balance not received in the financial year.
6.Kiguchwa day secondary school	Construction of an administration block	5,000,000	-	This was the balance not received in the financial year
7.Kiguma secondary school	Construction of toilets	1,300,000	-	This was the balance not received in the financial year
8.Mbaranga day secondary school	Construction of toilets	1,300,000	-	This was a balance not yet received in the financial year
9.Ncuui secondary school	Completion of a multipurpose hall	4,008,440	-	This was the received in the financial year not yet disbursed by the end of the year
10.Ngage day sec. school	Completion of a laboratory	3,344,154	-	Amount not yet received from the board as at 30 th June 2023

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
11.Rurii secondary school	Construction of a classroom	800,000	800,000	Amount not received from the board for previous years carried forward in the financial year 2022/23
12.Kaathi Bukwang secondary school	Construction of a classroom	800,000	800,000	Amount not yet received from the board for previous years
13.Antuanduru day secondary school	Renovation of a classroom	191,000	191,000	Amount not yet received from the board from previous year
14.Ncuui secondary school	Completion of a multipurpose hall	-	5,500,000	Amount not yet received from the board in 2021/2023 financial year
15.Thubuku secondary school	Completion of an administration block	-	6,000,000	Amount not yet received from the board in 2021/2022 financial year
Sub-Total		35,445,436	13,291,000	
Amounts due to other grants and other transfers				
1.Emergency	Funds to cater for un-foreseen occurrences	2,195,916	1,031,648	Amount of emergency not fully utilized in the 2022/2023
2.Bursary secondary schools	Bursary for needy secondary students	6,162,400	3,430,297	Secondary Bursary not yet disbursed by the end of the year
3.Bursary tertiary schools	Bursary for needy tertiary students	1,000,000	8,084,641	Tertiary bursary not yet disbursed by the end of the financial year
4.sports	Funds to cater for sports	2,901,752	71,112	Funds for sport remaining at the end of the financial year
5.Kiambeni police post	Construction of security project	1,000,000	1,000,000	Amount not yet disbursed due to boundary dispute

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
6.Environment	Funds for environment	-	120,005	Funds remaining for environment from the year 2021/2022
Sub-Total		13,260,068	13,737,703	
Acquisition of assets		-	-	
Oversight committee Expenses		300,000		
1.Accommodation Domestic	Funds for accommodation	145,876		Funds not yet received in the financial year
2.Advertisement, Awareness	Funds for advertisement	300,000		Funds not yet received
3.Committee allowances	Funds for committee allowances	165,000		Funds not yet received.
4.Daily subsistence	Funds for daily subsistence	300,000		Funds not yet received
5.Refined fuels	Funds for fuels	240,000		Funds not yet received
6.Travel costs	Travel costs			Funds not yet received
Total		1,450,876		
Others (<i>specify</i>)		-	-	
Sub-Total		-	-	
Funds pending approval				
1.Kang'ethia-Rurii pry school Access road	Funds grading and murraming of a primary school road	3,000,000	-	Funds approved conditionally by the board

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
2.Akaiga –Bukwang day sec. school road	Funds for grading and murraming of a secondary school road	5,000,000	-	Funds approved conditionally by the board
3.Athwana polytechnic Acces road	Funds for grading and murraming of a primary school road	2,000,000	-	Funds approved conditionally by the board
4.Rurii secondary school	Funds to complete administration block	800,000		Amount not yet received from the board for previous years
5.Kaathi Bukwang secondary school	Funds to complete administration block	800,000		Amount not yet received from the board for previous years
Sub-total		11,600,000	-	
Grand Total		71,120,875	43,933,865	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	6,000,000	-	-	6,000,000
Buildings and structures	10,450,000	1,784,741	-	12,234,741
Transport equipment	1,541,000	-	-	1,541,000
Office equipment, furniture and fittings	912,991	-	-	912,991
ICT Equipment, Software and Other ICT Assets	487,920	-	-	487,920
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	19,991,911	1,784,741	-	21,176,652

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Annex 5 –PMC Bank Balances As At 30th June 2023*

PMC	Bank	Account number	Bank Balance 2022/2023. FY	Bank Balance 2021/2022 FY
Ntirutu Primary School	Dhabiti	515-15925	-	148,828
Thathi Primary School	Dhabiti	511-00485	-	318
Kirimanchuma Primary School	Dhabiti	502-05873	-	1,355
Nduluma Priomary School	Dhabiti	515-01695	-	538
Athwana Primary School	Dhabiti	502-02870	-	1,274
Charuru primary school	Dhabiti	502-08161	-	500
mula primary school	Dhabiti	502-07705	-	718
luuma primary school	Dhabiti	511-00485	-	500
mathiritime primary school	Dhabiti	502-09415	-	500
kiguru primary school	Dhabiti	515-15925	-	33,168
mukorone primary school	Dhabiti	502-02870	-	846,950
murichia primary school	Dhabiti	502-08221	-	804
amugaa adventist primary school	Dhabiti	502-07705	-	416
nguthuru primary school	Dhabiti	502-09415	-	508
mutunduru primary school	Dhabiti	502-05873	-	1,685.54
ngombenchiru primary school	Dhabiti	515-15925	-	3,975
ngutu primary school	Dhabiti	515-01695	-	1,656
Lubuathirua day sec cschool	Co-op bank	1141881822300	-	2,625

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PMC	Bank	Account number	Bank Balance 2022/2023. FY	Bank Balance 2021/2022 FY
Antuanuu primary school	Co-op bank	1141881799900	-	38,965
Giithu umoja primary school	Co-op bank	1141881791700	-	3,830
Mek thuri primary school	Co-op bank	1141881783900	-	15,466
Lanyiru assistant chief office	Co-op bank	1141881783200	-	2,088
Antuanduru assistant chief office	Co-op bank	1141881777500	-	8,959
Amugaa day secondary school	Co-op bank	1139881776800	-	1,035,377
Deb mukono primary school	Co-op bank	1141881822500	-	9,691
Irone assistant chief camp	Co-op bank	1141881822400	-	42,343
Mukono mixed day sec school	Co-op bank	1141881795100	-	126,746
Ngutu primary school	Co-op bank	1141881800100	-	33,821
Ntulili primary school	Co-op bank	1141438536600	-	116,602
Kathanene primary school	Co-op bank	1141881796000	3,759	3,759
Eape rumanthi girls sec sch	Co-op bank	1141881783300	-	39,254
Athing'a assistant chiefs office	Co-op bank	1141881756200	71	71
Giithu ap line	Co-op bank	1141881797400	-	3,978
Kiarao primary school	Co-op bank	1141024662400	-	1,270
Ngage secondary schoo	Co-op bank	1141881825200	-	99,379
Nchuii primary school	Co-op bank	1141881833400	-	64,356
Akaiga assistant chief office	Co-op bank	1141881755900	-	14,414
Mutewa primary scool	Co-op bank	1141881832800	-	503,787

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PMC	Bank	Account number	Bank Balance 2022/2023. FY	Bank Balance 2021/2022 FY
Kk mwethe assistant chief office	Co-op bank	1141881778900	-	1,977
Ikana mixed day sec school	Co-op bank	1141881821900	90,218	90,218
Thuuti assistant chief office	Co-op bank	1141881777200	-	83,589
Kalothera assistant chief office	Co-op bank	1141881839900	-	27,859
Athanja assistant chief office	Co-op bank	1141881756400	25,482	25,482
Mek kailune primary school	Co-op bank	1139881756800	-	9,259
Ametho mixed day secondary school	Co-op bank	1141881779100	-	500,000
Micimikuru primary school	Co-op bank	1139881757000	-	39,073
Mukuani primary school	Co-op bank	1141881839600	-	498,975
Mek ametho primary school	Co-op bank	1139881779000	-	1,640
Antuarimata primary school	Co-op bank	1139881778000	1,790	1,790
Mula primary school	Co-op bank	1141881833100	-	97,873
Kiguchwa mixed day secondary sch	Co-op bank	1141881784900	-	998,975
Mutunduru primary school	Co-op bank	1139881772700	-	61,538
Kiguchwa ap line	Co-op bank	1141881838600	-	20,500
Mwokaila ap line	Co-op bank	1141881833900	-	500,000
Kamithaga mixed day sec sch	Co-op bank	1141881790200	647	647
Uriro vision primary school	Co-op bank	1141881796200	-	1,198,973
Abondii assistant chief office	Co-op bank	1141881778700	1,975	1,975
Kirima primary school	Co-op bank	1139881772300	1,020	1,020

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PMC	Bank	Account number	Bank Balance 2022/2023. FY	Bank Balance 2021/2022. FY
Kk mwethe mixed day sec school	Co-op bank	1141881785000	-	388
Kiguma primary school	Co-op bank	1141881821600	-	24
Ntirutu day secondary school	Co-op bank	1139881777900	91,772	91,772
Kailutha day secondary school	Co-op bank	1141881822600	-	9,347
Mutewa mixed day secondary school	Co-op bank	1141881841000	-	898,975
Angili primary school	Co-op bank	1139881778300	5,276	5,276
Kaongo primary school	Co-op bank	1141881756000	-	1,975
Gikurune assistant chiefs office	Co-op bank	1141997894700	-	23,504
Ngongoaka primary school	Co-op bank	1141881822200	-	128
Akaiga secondary school	Co-op bank	1139881779400	-	1,341,059
Thuuria primary school	Co-op bank	1141881805300	-	65,585
Irotia assistant chief office	Co-op bank	1141881783100	-	108,046
Ankamia secondary school	Co-op bank	1141881789700	-	217,032
Mek kalantina primary school	Co-op bank	1139881771500	-	45,096
Mikinduri primary school	Co-op bank	1141881822700	-	20,738
Nchuui secondary school	Co-op bank	1141881789800	-	31,335
Ngaene police post	Co-op bank	1141612755600	-	1,256
Thaathi primary school	Co-op bank	1141881800200	33,069	33,069
Muthara ocdp office	National bank	1020237394300	32,283	-
Mek irindiro special	National bank	102223630800	40,064	-

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PMC	Bank	Account number	Bank Balance 2022/2023. FY	Bank Balance 2021/2022 FY
Tigania east technical training institute	National bank	1022237045800	412	-
Tigania east dec comp.	National bank	10202386174400	90,677	-
Charuru mixed day	National bank	1022237064000	51,135	-
Thuuria day secondary	National bank	1022237691800	126,188	-
Mathiritime primary school	National bank	1022240269000	95	-
Pmc mula police	National bank	1021237939600	16,343	-
Ankamia secondary school	Co-op bank	1141881789700	217,032	-
Mek ametho primary school	Co-op bank	1339881779000	1,640	-
Mikinduri primary school	Co-op bank	1441881822700	20,498	-
Ngaene police post	Co-op bank	11141612755600	1,257	-
Mukono mixed day sec. School	Co-op bank	1141881795100	4,589	-
Nchui secondary school	Co-op bank	1141881789800	31,095	-
Kaongo primary school	Co-op bank	1141881756000	1,975	-
Irotia assistant chief office	Co-op bank	1141881783100	108,047	-
Ngutu primary school	Co-op bank	1141881800100	33,821	-
Kiguchwa mixed day sec.	Co-op bank	1141881784900	39,738	-
Ntulili primary school	Co-op bank	1141438536600	1,602	-
Lanyiru assistant chief's office	Co-op bank	1141881783200	2,088	-
Irone assistant chief office	Co-op bank	1141881822400	22,343	-
Atuanduru assistant chief office	Co-op bank	1141881777500	8,959	-

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PMC	Bank	Account number	Bank Balance 2022/2023. FY	Bank Balance 2021/2022 FY
Ametho mixed day sec. School	Co-op bank	1141881779100	1,563	-
Kk mwethe assistant chief office	Co-op bank	1141881778900	1,977	-
Mutewa mixed sec. School	Co-op bank	1141881841000	976	-
Akaiga secondary school	Co-op bank	1139881779400	1,002,048	-
Nchui primary school	Co-op bank	1141881833400	2,173	-
Mutewa mixed sec. School	Co-op bank	1141881832800	503,787	-
Amugaa day secondary school	Co-op bank	1139881776800	126,268	-
Akaiga assistant chief office	Co-op bank	1141881755900	28,828	-
Mek kalantina primary school	Co-op bank	1139881771500	45,096	-
Kiguma primary school	Co-op bank	1141881821600	24	-
Kk mwethe day sec. School	Co-op bank	1141881785000	776	-
Mwokala ap line	Co-op bank	1141881833900	28,975	-
Uriri vision primary school	Co-op bank	1141881796200	1,151	-
Thuuria primary school	Co-op bank	1141881805300	3,585	-
Thuuti assistant chief office	Co-op bank	1141881777200	6,951	-
Kiarao primary school	Co-op bank	1141024662400	1,270	-
Giithu ap line	Co-op bank	1141881797400	3,978	-
Deb mukono primary school	Co-op bank	1141881822500	9,691	-
Kiguchwa ap line	Co-op bank	1141881838600	975	-
Miciimikuru primary school	Co-op bank	1139881757000	39,073	-

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PMC	Bank	Account number	Bank Balance 2022/2023. FY	Bank Balance 2021/2022 FY
Athinga assistant chief's office	Co-op bank	1141881756200	71	-
Lubuaithirua day sec school	Co-op bank	1141881822300	2,625	-
Mck thuuri primary school	Co-op bank	1141881783900	15,466	-
Eapc rumanthi girls sec. S.	Co-op bank	1141881783300	39,254	-
Mck kailune primary school	Co-op bank	1139881756800	9,259	-
Mck bidii primary school	Co-op bank	114188183300	28,353	-
Thubuku sec. School	Co-op bank	1141881800000	13,507	-
Kailutha day sec.	Co-op bank	1141881822600	9,347	-
Mutunduru primary school	Co-op bank	1339881772700	1,538	-
Githu umoja pry school	Co-op bank	1141881791700	3,880	-
Mukuani primary school	Co-op bank	1141881839600	24,025	-
Antuanuu primary school	Co-op bank	1141881799900	1,838	-
	TOTAL		3,065,288	10,266,443

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Annex 6: Progress On Follow Up of Auditor Recommendations*

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Variances in Transfers from the Board</p> <p>The statement of receipts and payments and as disclosed in Note 1 to the financial statements reflects transfers from the NG CDF Board of Kshs.160,188,879 while disbursement schedule from the National Government Constituency Development Fund Board reflects transfers from the Board of Kshs.165,277,758 resulting in a variance of Kshs.5,088,879.</p>	<p>Management Response</p> <p>The actual amounts transferred from the board is a total of Kshs.160, 188,879 as indicated in the AIEs received and not as stated. The NG CDF Board reports on accrual basis where Tigania East is constituency reports on cash basis of Accounting. The funds were not received in FY 2021/2022 but were received in FY 2022/2023.</p>	Resolved by the NG-CDF Board funds are availed timely	By 30 th June, 2023 all funds were already disbursed except projects which needed further clarification

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2	<p>Bank Balances - Stale Cheques</p> <p>The statement of assets and liabilities and as disclosed in Note 10A reflects bank account balance of Kshs.27,084,986. Review of the bank reconciliation statement revealed stale cheques amounting to Kshs.131,409 that had not been reversed in the cash book. This is contrary to Section 90 (3) of Public Finance Management (National Government) Regulations, 2015 which states that Accounting Officers shall ensure any discrepancies noted during bank reconciliation exercise, are investigated immediately and appropriate action taken including updating the relevant cash books.</p>	<p>The management has taken note of these stale cheques and have been reversed and allocated to needy students</p>	Resolved	By 30 th June, 2023 all stale cheques had already been reversed.
3	<p>Unsupported Retention</p> <p>The statement of assets and liabilities and as disclosed in Note 12A to the financial statements reflects retention balance of Kshs.240,000 which was not supported with a schedule detailing breakdown of amounts relating to each project.</p> <p>In the circumstance, the accuracy and completeness</p>	<p>The management has taken note of the amount of retention of ksh.240,000 and this amount has since been reviewed and analysed and amendments done</p>	Resolved	By 31 st March 2024 it has been sloved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	of retention balance of Kshs.240,000 could not be confirmed.			
4.	Gratuity Payable			
4.1	<p>Undisclosed Gratuity Payable Note 12B to the financial statements reflects a Nil balance on gratuity. Review of employee records revealed the Fund had nine (9) staff who were on contract. Although Management indicates all the gratuity had been paid, records reviewed revealed gratuity paid of Kshs.523,200 as reflected in Note 4 to the financial statements related to the period ended 31 December, 2021 but gratuity for the six (6) months from January, 2022 to June, 2022 was not disclosed as it had not been paid. The Fund therefore contravened the requirement of the Public Sector Accounting Standards Board reporting template which requires disclosure of gratuity as at 1 July, gratuity held during the year, gratuity paid during the year and closing gratuity as at 30 June, 2022.</p> <p>Further, review of June, 2022 payroll revealed provision for gratuity was not made on a monthly basis contrary to Paragraph 11(b) of NG-CDFB/CEO/BOARD CIRCULARS Vol II (030) dated 26 August, 2021 which states that NG-CDF</p>	The management has confirmed of the anomaly for not allocating the gratuity on yearly basis and it has been corrected by allocating gratuity in the code list every time the proposal is being prepared	Resolved	By 31 st June,2023 it was already done.

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Committees are required to make a budgetary provision for monthly staff gratuity for employees employed on contract terms. This should be provided for separately from the provision for monthly salaries and other remunerative allowances.</p> <p>In the circumstance, the accuracy, reliability and completeness of Nil gratuity balance could not be confirmed.</p>			
4.2.	<p>Unsupported Expenditure on Gratuity Paid to Contractual Employees</p> <p>The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects compensation of employees amount of Kshs.3,515,840 which include Kshs.523,200 expenditures on gratuity to contractual employees. The amount was paid through payment voucher number 186 dated 25 February, 2022 which includes gratuity and PAYE paid to eight (8) employees. However, the schedule provided on payment of gratuity does not indicate basic salary contrary to the Kenya Gazette Vol. CXIX—No. 89 dated 7 July, 2017 Gazette Notice No.6516 which states that officers serving or appointed to a fixed term of office shall be paid a service gratuity at the rate of 31% of the basic remuneration package for the term served.</p>	<p>The management take note of the anomaly and since been corrected</p>	Not Resolved	By 31 st April 2024

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	In the circumstance, the accuracy, completeness and reliability of gratuity paid of Kshs.523,200 could not be confirmed.			
5.	<p>Unsupported Project Management Committee (PMC) Bank Balances</p> <p>Note 17.4 and Annex 5 to the financial statements reflects PMC bank account balances of Kshs.10,266,443 held in seventy-six (76) Project Management Committees bank accounts. However, the relevant cash books, bank confirmation certificates and bank reconciliation statements supporting the balances were not provided for audit verification contrary to Section 100 of Public Finance Management (National Government) Regulations, 2015.</p> <p>In the circumstance, the accuracy and completeness of the PMC bank account balances of Kshs.10,266,443 could not be confirmed.</p>	The management take note of the above problem and will be addressed immediately	Not resolved	To be done by 30 th April,2024
6.	<p>Unsupported Expenditure on Bursaries</p> <p>The statement of receipt and payments and as disclosed in Note 7 to the financial statements reflects other grants and other transfers amount of Kshs.91,274,227 which include bursaries totalling Kshs.58,120,669 comprising of Kshs.24,633,600 and</p>	All bursaries issued are supposed to be acknowledged to ensure accountability. Unfortunately most beneficiaries have not adhered to this	Not Resolved	By 30 th April,2024 we will have followed up and recovered all acknowledgements receipts

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	<p>Kshs.33,487,069 disbursed to secondary schools and tertiary institutions respectively.</p> <p>However, the expenditure was not supported with Bursary Committee minutes, vetting and categorizing students awarded contrary to requirements of CDF Board Circulars Ref: CDF BOARD CIRCULAR /VOL1/III dated 13 September, 2010 on guidelines for disbursement of Constituency Development Fund which states terms of reference for Bursary Committee includes issue of bursary applications, vetting, identifying and categorizing needy students using established criteria, decide on awards in accordance with guidelines, verify bursary cheques, compile reports, keep proper records and list beneficiaries in identified notice boards. No report was provided identifying, vetting and categorizing needy students.</p> <p>Further, out of the Kshs.58,120,669 bursaries disbursed during the year, only Kshs.55,540,156 or 96% were acknowledged by the beneficiary schools and institutions leaving a balance of Kshs.2,580,513 or 4% unacknowledged.</p> <p>In the circumstances, the accuracy and validity of expenditure of Kshs.58,120,669 on bursaries could not be confirmed</p>	<p>regulation. We are doing everything possible to ensure that all bursaries issued are acknowledged.</p>		

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	<p>The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Tigania East Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.</p>			
Other Matters				
1.	<p>Budgetary Control and Performance The summary statement of appropriation reflects final receipts budget and actual receipts of Kshs.232,334,785 and Kshs.215,245,906 respectively resulting to revenue shortfall of Kshs.17,088,879 or 7% of the budget.</p> <p>Similarly, the statement reflects final expenditure budget and actual expenditure of Kshs.232,334,785 and Kshs.188,400,920 respectively resulting to an under expenditure of Kshs.43,933,865 or 19% of the budget.</p>	<p>The management take note of the amount not yet spent during the financial year. These were funds not yet received at the end of the financial year. This is an issue of NG-CDF board and have confirmed that they are working on the anomaly in</p>	Not resolved	By 30 th June ,2024 we expect this problem to have been solved

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	<p>Further, the statement and budget execution by sectors and projects reflects acquisition of assets actual expenditure of Kshs.751,420 and Nil final budget resulting to unauthorized expenditure of Kshs.751,420.</p> <p>In the circumstances, the underfunding and under expenditure affected planned activities and may have impacted negatively on service delivery to the public. In addition, the Fund incurred expenditure of Kshs.751,420 without authorization.</p>	<p>collaboration with that national treasury. The management is doing everything possible to ensure that in future that all assets procured are authorised</p>		
2.	<p>Unresolved Prior Year Matter</p> <p>In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance which have not been resolved contrary to Section 68 (2) (l) of Public Finance Management Act, 2012 which require Accounting Officers designated for national government entities to take appropriate measures to resolve any issues arising from audit which may remain outstanding.</p> <p>In the circumstances, the prior year audit issues remained unresolved.</p>	<p>The management take note of the unresolved issues and duly commit to work on all pending problems</p>	Not resolved	By 30 th June, 2024 all issues will be solved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES				
1.1.	<p>Project Implementation</p> <p>Project Under-Funding</p> <p>During the year, the Fund was allocated Kshs.137,088,879. However, review of the Constituency project proposal for the financial year 2021/2022 and Constituency Development Fund Committee minutes dated 15 September, 2021 revealed nine (9) projects were under funded and therefore project completion might take more than three years. This is contrary to Section 11(1) (j) of the National Government Constituencies Development Fund Regulations, 2016 which states the Constituency Development Fund Committee shall ensure that all projects receive adequate funding and are completed within three years.</p> <p>Further, the approved code list for 2022/2023 financial year was not provided to confirm whether funding was allocated in 2022/2023 financial year to fund the underfunded projects.</p> <p>In the circumstances, under funding of projects delays the benefits that would have accrued from</p>	<p>The management has taken note of this issue of underfunding and all on-going projects have since been allocated enough funds and completed</p>	Resolved	By 31 st December,2023 it was resolved

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	their completion. In addition, the Fund was in breach of the law.			
1.2	<p>Delay in Project Implementation and Stalled Project</p> <p>Review of the project implementation status report provided revealed a total of one hundred (100) approved projects allocated a total of Kshs.101,611,681 have not been completed out of which forty-three (43) are on-going worth Kshs.40,100,000, fifty-six (56) have not been started worth Kshs.60,661,681 and one (1) project allocated Kshs.850,000 which has stalled.</p> <p>Further, it was noted that ten (10) projects approved in 2017/2018 financial year and allocated Kshs.9,100,000 have been ongoing for more than three years contrary to Section 11(1) (j) of the National Government Constituencies Development Fund Regulations, 2016.</p> <p>In addition, one (1) project which was started in 2018/2019 financial year for Gatithine Assistant Chiefs office allocated Kshs.850,000 stalled due to boundary dispute which results in wastage of public funds.</p> <p>In the circumstances, the value for money for the delayed and stalled project could not confirmed</p>	<p>The management has taken note of this anomaly of projects implementation exceeding three years and it has been resolved by allocating all projects enough funds which by 30th june 2024 all on-going projects will be completed .</p> <p>Also fuels consumed will be supported with adequate documentation.</p>	Not resolved	By 30 TH June,2024 all projects will be have been completed.

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	<p>Unsupported Fuel, Oil and Lubricants</p> <p>The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects use of goods and services amount of Kshs.11,509,433 which include fuel, oil and lubricants of Kshs.971,312. However, the fuel register provided does not show the balance brought forward and balances carried down. It was not therefore possible to confirm whether all fuel paid was consumed contrary to Section 104(1) of the Public Finance Management (National Government) Regulations, 2015 which states that all receipts and payments vouchers of public moneys shall be properly supported by pre-numbered receipts, payment vouchers, appropriate authority and documentation.</p> <p>In the circumstances, the Management was in breach of the law.</p>			
3.	<p>Irregular Payment for Maintenance of Motor Vehicle</p> <p>The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an amount of Kshs.11,509,433 in respect to use of goods and services which include</p>	<p>The management take note of the anomaly and all documentary evidence shall be provided in full.</p>	Not resolved	<p>By 30th April, 2024 all documents shall be provided.</p>

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	<p>Kshs.1,069,800 on routine maintenance vehicles and other transport equipment which further includes Kshs.888,400 paid to various suppliers for repairs and maintenance of vehicle. However, quotations, professional opinion, job cards and the post service/repair inspection reports were not provided for audit contrary to Section 104(1) of the Public Finance Management (National Government) Regulation, 2015 and Section 35(3) of Public Procurement and Asset Disposal Regulations, 2020.</p> <p>In the circumstances, the Management was in breach of the law.</p>			
4.1.1.	<p>Transfers to Other Government Entities</p> <p>The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to other Government units amount of Kshs.81,350,000 comprising of transfers to primary schools of Kshs.52,250,000 and transfers to secondary schools of Kshs.29,100,000. However, the following was noted:</p> <p>Transfers to Secondary Schools</p> <p>Stalled Project and Poor Workmanship in Akaiga Day Secondary School - Construction of Dining Hall</p> <p>Included in the transfers to secondary schools of</p>	<p>Management agree that this project has been stalled and it was given adequate funds in 2022/2023 financial year and completed. Also a file for ksh.1,000,000 is there and is ready for verification.</p>	Resolved	By 31 st December, it was already complete.

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.29,100,000 is an amount of Kshs.1,000,000 paid through payment voucher number 168 dated 27 January, 2022 for the construction of the dining hall in Akaiga Day Secondary School. However, physical verification carried out in March, 2023 revealed that the dining hall had been constructed to the lintel level but had stalled and the contractor was not on site. Further, no documents were provided including approved code list to confirm allocation of additional funding to the project contrary to Section 11(1) (j) of the National Government Constituencies Development Fund Regulations, 2016 which states that the Constituency Committee shall ensure that all projects receive adequate funding and are completed within three years.</p> <p>Further, Project Management Committee minutes, Inspection and Acceptance Committee minutes, certificate of payments and drawings were not provided for audit verification.</p> <p>In the circumstance, the value for money for the expenditure of Kshs.1,000,000 could not be confirmed. In addition, the Fund was in breach of the law.</p>			
4.1.2.	Stalled Project in Amugaa Mixed Day Secondary School - Construction of Four Rooms	The project has been allocated enough in	Resolved	By 31 st December,2023 it

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Administration Block</p> <p>Included in the Kshs.29,100,000 an amount of Kshs.1,000,000 transferred to Amugaa Mixed Day Secondary School through payment voucher 166 dated 27 January, 2022 for the construction of four rooms administration block. Physical verification carried out in March, 2023 revealed that the roofing works to be done at a cost of Kshs.523,750 were partially done but full payments done contrary to Section 139 (1) of Public Procurement and Asset Disposal Regulations, 2020 which states that a contractor shall satisfactorily perform its contractual obligations prior to any payment by a procuring entity and Section 25(1) of the National Government Constituencies Development Fund Act, 2015 which states that any funding under this Act shall be for a complete project or a defined phase of a project and may include the acquisition of land and buildings.</p> <p>Further, approved code list has not been provided to confirm whether additional funding was allocated yet the project had stalled.</p> <p>In the circumstances, the value for money could not be confirmed. In addition, the Fund was in breach of the law.</p>	<p>2022/2023 funds for completion and is now complete</p>		<p>was complete.</p>
4.1.3.	Stalled Project in Kailutha Day Secondary School	The project has since	Resolved	By 31 st

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>- Construction of Laboratory</p> <p>Included in the Kshs.29,100,000 in the transfers to secondary schools is an amount of Kshs.1,000,000 for the completion of science laboratory at Kailutha Secondary School. Physical verification carried out in March, 2023 revealed that the laboratory had stalled and the contractor was not on site. The flooring, plastering, construction of lab benches, installation of water and gas system, construction of fume chamber and fixing of window panes had not been done. Further, approved code list was not provided to confirm additional funding has been allocated yet the project is stalled contrary to Section 11(1) (j) of the National Government Constituencies Development Fund Regulations, 2016.</p>	<p>been allocated enough funds 10 2022/2023 financial year and is complete</p>		<p>December,2023 it was complete.</p>
	<p>In the circumstances, the value for money could not be confirmed. In addition, the Fund was in breach of the law.</p>			
4.1.4.	<p>Poor Workmanship in Construction of Three Classrooms in Githu Day Secondary School</p> <p>Included in the Kshs.29,100,000 on transfers to secondary schools is an amount of Kshs.1,000,000 transferred to Githu Day Secondary for the construction of one storey building with three (3) classrooms.</p>	<p>The management take note of the problem and pursuing the contractor to rectify the anomalies with retention funds</p>	<p>Not Resolved</p>	<p>By 31st May 2024 it will have been solved</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>However, physical verification carried out in March, 2023 revealed the project had developed major cracks on the walls and floors which reflects poor workmanship contrary to Section 36(1) of the National Government Constituencies Development Fund Act, 2015 which states that projects under this Act shall be implemented by the Project Management Committee appointed in accordance with the Regulations made under Section 57, with the assistance of the relevant department of Government and all payments through cheques or otherwise shall be processed and effected in accordance with government regulations for the time being in force.</p> <p>Further, majority of window panes had fallen, only under coat was applied, wiring was open and windows were substandard. In addition, the railing was to be done at a cost of Kshs.109,470. However, the rails were shaky which is a clear indication that they were not properly grouted to the concrete floor. Further, the rain water works at a cost of Kshs.119,300 were not done.</p> <p>In the circumstances, the value for money could not be confirmed. In addition, the Fund was in breach of the law.</p>			

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4.1.5.	<p>Poor Workmanship in Mukono Secondary School - Completion of Science Laboratory</p> <p>Included in the Kshs.29,100,000 on transfers to secondary schools is an amount of Kshs.1,000,000 for completion of science laboratory at Mukono Secondary School. Physical verification carried out in March, 2023 revealed the laboratory was completed and in use but the floor had developed major cracks which is an indication of poor workmanship. Further, the contractor was to apply three coats of plastic emulsion paint at a cost of Kshs.89,100 but applied the undercoat.</p> <p>In addition, the contractor was to erect and complete a 150mm thick masonry wall fume cupboard of exterior dimensions of 1200mm width, 1000mm depth and 2400mm high at a cost of Kshs.70,000 but this work had not been done. It was further noted that the laboratory was not standard size to accommodate 45 students and was poorly ventilated.</p> <p>Management explained that some works were not done due to piece meal allocation resulting to substandard works which contravenes Section 11(1) (j) of the National Government Constituencies Development Fund Regulations, 2016.</p> <p>Further, no explanation was provided on how defects</p>	<p>The management take note of the problem at Mukono secondary school and is doing everything possible to ensure the problem is corrected.</p>	<p>Not resolved</p>	<p>By 31st may 2024 it will have been resolved.</p>

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	<p>noted will be rectified since the contractor has been fully paid based on certificate of completion issued</p> <p>In the circumstances, the value for money could not be confirmed. In addition, the Fund was in breach of the law.</p>			
4.1.6	<p>Procurement Procedures for Works</p> <p>Included in the Kshs.29,100,000 on transfers to secondary schools is Kshs.8,900,000 incurred on four (4) projects procured through restricted tendering without justification contrary to Section 102 (1) and (2) of Public Procurement and Asset Disposal Act, 2015.</p> <p>It was also observed that in each contract, tenders were issued to six (6) suppliers contrary to Section 89(5) of the Public Procurement and Asset Disposal Regulations, 2020 which states that where restricted tendering is used pursuant to Section 102(1)(b) of the Act, the procuring entity shall invite tenders from at least ten persons selected from the list maintained as provided under sections 57 and 71 of the Act or otherwise as permitted under section 56 of the Act.</p> <p>In the circumstances, the Management was in breach of the law.</p>	<p>The management agree on the issue of procurement used and is doing everything possible to ensure that such problem will not occur again and will follow strict procurement procedures .</p>	Resolved	<p>By 31st December,2023 all projects were already procured adhering to the procuring procedures.</p>

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4.2.1	<p>Transfers to Primary Schools</p> <p>Poor Workmanship One Classroom at Mikinduri Primary School</p> <p>Included in the transfers to primary schools of Kshs.52,250,000 is an amount of Kshs.1,000,000 transferred to Mukono Primary for construction of one classroom.</p> <p>However, physical verification carried out in March 2023 revealed window panes falling off due to poor fixing since no silicon was used and substandard putty was applied, sub-standard window grills were fitted, poor wall polishing since only scrubbing was done, the floor was cracking and one class is flooding due to non-levelling during flooring.</p> <p>It was further noted that payments were not supported by Inspection and Acceptance Committee minutes and there was no evidence of appointment of such a Committee contrary to Section 48(3)(b) of the Public Procurement and Asset Disposal Act, 2015 which states that the Inspection and Acceptance Committee shall immediately after the delivery of the goods, works and services inspect and review the goods, works and services in order to ensure compliance with the terms and specifications of the contract.</p> <p>In the circumstances, the value for money could not</p>	<p>The management take note of the problems highlighted and is doing everything possible to ensure that all they are corrected by retention funds deducted</p>	Not resolved	By 31 st may,2024 it will have been resolved

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	be confirmed. In addition, the Fund was in breach of the law.			
4.2.2.	<p>Poor Workmanship on Levelling of Playing Field at Ngutu Primary School</p> <p>Included in the transfers to primary schools of Kshs.52,250,000 is an amount of Kshs.2,000,000 incurred on levelling of playing field 100 meters by 100 meters and grass planting in Ngutu Primary School. Physical verification carried in March, 2023 revealed the field was poorly levelled and area levelled is less than the 100M by 100M measurement specified in the approved code list. Further inspection report and completion certificate from the Ministry of Roads and Public Works were not provided for audit verification contrary to Section 104(1) of the Public Finance Management (National Government) Regulations, 2015. In the circumstances, the value for money could not be confirmed. In addition, the Fund was in breach of the law.</p>	The management take note of the problems encountered and is making sure that the contractor involved is compelled the correct the anomalies and the works officer to issue a completion certificate	Not resolved	By 31 st May IT will be resolved.
4.2.3.	<p>Two Abandoned Classrooms at Mukono Primary School</p> <p>Included in the transfers to primary schools of Kshs.52,250,000 is an amount of Kshs.1,200,000 to Mukono Primary School for construction of one</p>	The management take note of these classrooms and will ensure that they are going to allocated	Not Resolved	By 31 st July,2024 they will have been allocated funds to completion.

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	<p>classroom which was completed. However, physical verification carried out in March, 2023 revealed that in the same school there were two abandoned classrooms funded by the National Government Constituencies Development Fund which were approved and allocated funding totalling Kshs.1,350,000 in 2013/2014 and 2014/2015 financial years as detailed below:</p> <table border="1" data-bbox="546 756 1249 967"> <thead> <tr> <th data-bbox="546 756 808 826">Year Funded</th> <th data-bbox="808 756 1249 826">Project Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="546 826 808 871">2013/2014</td> <td data-bbox="808 826 1249 871">Construction of 1 classroom</td> </tr> <tr> <td data-bbox="546 871 808 916">2014/2015</td> <td data-bbox="808 871 1249 916">Construction of 1 classroom</td> </tr> <tr> <td data-bbox="546 916 808 967"></td> <td data-bbox="808 916 1249 967">Total</td> </tr> </tbody> </table>	Year Funded	Project Description	2013/2014	Construction of 1 classroom	2014/2015	Construction of 1 classroom		Total	funds in 2024/2025 financial year to completion.		
Year Funded	Project Description											
2013/2014	Construction of 1 classroom											
2014/2015	Construction of 1 classroom											
	Total											
	<p>The classrooms were constructed up to roofing level without doors and windows and are not complete as indicated in the project implementation status report. The classrooms are therefore deteriorating because of non-completion. Further, no documentation was provided for audit on the two classrooms including project file, contract agreements and bills of quantities.</p> <p>In the circumstances, the value for money spent could not be confirmed.</p>											

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5.1.1.	<p>Other Grants and Transfers</p> <p>Security Projects</p> <p>Completed but Un-utilized Lucielubuai Police Post and Vandalism of the Project</p> <p>The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amount of Kshs.91,274,227 which includes security projects of Kshs.20,125,872 which further includes Kshs.1,700,000 transferred to Lucielubuai Police Post vide payment voucher number 160 dated 27 January, 2022 for construction of staff offices to facilitate deployment of police officers in that area with a view to enhancing security lapses that had been occasioned by frequent banditry attacks. However, physical verification carried out in March, 2023 revealed that although the project was completed, it has not been put to use to serve the purpose for which it was intended.</p> <p>In addition, there was vandalism and destruction of all the glassed windows since the area remains unguarded to date. Further, the remaining other facility structures such as doors, iron sheets and facial board are potential targets of theft thus undermining the provisions of Section 43(d) of Public Finance Management (National Government)</p>	<p>The management take note of the this completed project which has never been used. We have contacted the sub-county commissioner who is co-ordinating to ensure that it is put into use.</p>	Not resolved	By 30 th April this anomaly will have been solved

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	Regulations, 2015 which states that an Accounting Officer shall manage, control and ensure that policies are carried out efficiently and wastage of public funds is eliminated. In the circumstances, value for money could not be confirmed. In addition, the Fund was in breach of the law.			
5.1.2.	<p>Poor Workmanship in Mikunduri Police Station</p> <p>The statement of receipts and payment and as disclosed in Note 7 to the financial statements reflects other grant and transfers amount of Kshs.91,274,227 which includes security projects of Kshs.20,125,872 out of which Kshs.8,425,872 was transferred to Mikunduri Police Station vide payment voucher number 162 and 36 dated 27 January, 2022 and 7 May, 2022 respectively for construction of offices.</p> <p>However, although the project was completed and indeed in use, physical verification carried out in March, 2023 revealed several construction defects like visible wall cracks, peeling off of the floor leaving remarkable pot holes, leaking of roof, non-fixing of gutters, poor toilet drainage and ungrilled reception counter which is an indication of poor workmanship. This is contrary to Section 139 (1) of Public Procurement and Asset Disposal Regulations, 2020</p>	The management agree on the matter and is pursuing the contractor to ensure that the anomalies are corrected.	Not resolved	By 31 st may,2024 all the anomalies will be corrected

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	<p>which states that a contractor shall satisfactorily perform its contractual obligations prior to any payment by a procuring entity.</p> <p>In the circumstances, the value for money could not be confirmed. In addition, the Fund was in breach of the law.</p>			
5.2.	<p>Unsupported Sports Expenditure</p> <p>The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and other transfers of Kshs.91,274,227 which includes sports projects expenditure of Kshs.4,247,691 which includes an amount of Kshs.3,850,560 paid to two (2) suppliers for the supply of sports equipment. However, the following observations were noted:</p> <p>i) Procurement records such as quotations, inspection and acceptance report and stores records supporting expenditure amounting to Kshs.3,021,000 incurred on the purchase of sports items which include T-shirts, shorts, socks, leather size footballs and training bibs were not provided for audit verification. Further, details of venue and dates when tournament took place were not provided casting doubt on whether the events really took place.</p>	<p>The management take note of the problems and will provide all the documents required</p>	Not Resolved	<p>By 31st may,2024 the problem will have been corrected</p>

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	<p>ii) Documents supporting tournament organizing expenditure of Kshs.555,000 such as the list containing names of the Organizing Committee Members, names of officials who officiated the tournament, appointment letters, signed attendance registers, rates, number of days they officiated, criteria for identifying officials, the teams or officials who were awarded and the kind of awards given were not provided for audit review contrary to Section 15(1) (b) and (d) of National Government Constituencies Development Fund Regulations, 2016.</p> <p>In the circumstances, the Fund's Management was in breach of law.</p>			
5.3.	<p>Unsupported Expenditure on Environment Projects</p> <p>The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and other transfers amount of Kshs.91,274,227 which include Kshs.2,579,995 paid for construction of water tank bases, supply of 10,000 litres PVC water tanks, installation of gutters, plumbing works and planting of 1,500 trees. However, the following anomalies were observed:</p>	<p>The management agree on the problems and will forward all these documents for verification</p>	<p>Not Resolved</p>	<p>By 31st may,2024 they will have been solved</p>
	<p>i) Restricted tendering was used to procure water</p>			

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	<p>tanks, tree seedlings and construction of gutters costing Kshs.2,579,998 contrary to Sections 102(1) and (2) of Public Procurement and Asset Disposal Act, 2015 and 89(5) of Public Procurement and Asset Disposal Regulations, 2020.</p> <p>ii) The criteria used to identify the beneficiaries, the distribution list of the tanks and the acknowledgment from the beneficiaries supporting expenditure of Kshs.1,241,995 on supply of plastic water tanks were not provided. In addition, physical verification carried out in March, 2023 revealed that the tank at East Rapid Deployment Unit Camp had developed cracks and the water was leaking. Further, the Masonary raised base at Matabithi Primary School and Tigania East Rapid Deployment Unit Camp had developed major cracks.</p> <p>iii) Suitability report from the relevant department, the criteria used to identify the beneficiaries, the distribution list of the seedlings, the acknowledgment from the beneficiaries and report or minutes supporting sustainability measures put in place to support, expenditure of Kshs.1,188,000 on the purchase and planting of tree seedlings were not provided contrary to Section 104(1) of the Public Finance</p>			

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	<p>Management (National Government) Regulations, 2015.</p> <p>In the circumstances, the value for money could not be confirmed. In addition, the Fund was in breach of the law.</p>			
	<p>Non-Compliance with Emergency Funding Requirements</p> <p>The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amount of Kshs.91,274,227 which includes emergency projects of Kshs.6,200,000. The projects undertaken were largely toilets located in both primary and secondary schools.</p>			
5.4.	<p>However, photo evidences of the collapsed toilets were not provided for audit review to credibly justify the projects undertaken as emergency situations contrary to Section 8(3) of the National Government Constituencies Development Fund Act, 2015 which stipulates that expenditure on emergency should be for an urgent, unforeseen need for expenditure which in the opinion of the constituency committee cannot be delayed until the next financial year without harming the public interest of the constituents.</p>	<p>The management take note of the problems and will provide all the documents required</p>	Not resolved	By 31 st may,2024 the issue will have been resolved.

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	<p>Further, some applications were not dated such as applications from MCK Kiremu Primary School, Kiguru Primary School and Mutewa Primary School thus doubting their authenticity. In addition most schools put in normal requests that could have been allocated funds when submitting annual project proposals for approval and no report on utilization of emergency funds was submitted to the Board contrary to requirements of Section 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which states that utilization of the emergency reserves shall be reported to the Board within thirty (30) days of the occurrence of the Emergency as prescribed by the Board. In the circumstances, Management was in breach of the law.</p>			
6	<p>Undisposed and Obsolete Assets</p> <p>Annex 4 to the financial statements reflects fixed assets balance of Kshs.19,391,911. However, review of the Constituency asset register revealed some unserviceable, obsolete and idle assets worth Kshs.3,504,812 which includes motor vehicle of Kshs.3,264,012 which was not earmarked for disposal contrary to Section 163 (1) of Public Procurement and Asset and Disposal Act, 2015 which states that an accounting officer shall establish a Disposal Committee as and when</p>	<p>The management has contacted the mechanical engineer who is supposed to lead the process and has confirmed that he will come when he is free since he is engaged on ministry matters</p>	Not Resolved	By 31 st May the issue will have been resolved


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	<p>prescribed for the purpose of disposal of unserviceable, obsolete, obsolescent, or surplus stores, equipment or assets.</p> <p>In the circumstances, Management was in breach of the law.</p>			
7	<p>Lack of Cheque Dispatch Register</p> <p>The statement of assets and liabilities and as disclosed in Note 10A to the financial statements reflects bank balance of Kshs.27,084,986. Review of the bank reconciliation statement revealed payments in cash book not in bank statement comprising of unpresented cheques amounting to Kshs.9,218,860. However, the cheque dispatch register was not provided to support payments in the cash book not in bank statement contrary to Section 100 of Public Finance Management (National Government) Regulations, 2015 which states that Accounting Officers shall keep in all offices concerned with receiving cash or making payments a cash book showing the receipts and payments and shall maintain such other books and registers as may be necessary for the proper maintenance and production of the accounts of the Vote for which he or she is responsible.</p> <p>In the circumstances, Management was in breach of</p>	<p>The management take note of the problem and we agree that the problem is already rectified.</p>	resolved	By 30 th june,2023 it was resolved

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	<p>the law</p> <p>The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.</p>			
REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE				
1.	<p>Lack of Disaster Recovery Plan</p> <p>The Fund has not assessed the impact of outage or disruption to the information communication technology system and thereby develop a business continuity or information technology disaster recovery plan. In case of disaster, the Fund may not restore critical infrastructure services and system for continued operations. This is contrary to Section 68 (2) (c) of the Public Finance Management Act, 2012 which states that accounting officer for National Government entities, Parliament and the Judiciary shall ensure that all financial and accounting records the entity keeps in any form, including in electronic</p>	<p>The management take note of the importance of this issue and is doing everything possible to liaise with ministry concerned to correct the matter</p>	Not resolved	By 30 th April, 2024 it will have been resolved

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	<p>form are adequately protected and backed up. The Fund needs to collaborate with the Ministry of Information to develop, approve and implement disaster recovery plan for all key business systems.</p> <p>In the circumstances, Management is not adequately prepared for any disaster that may adversely affect the activities of the Fund.</p>			


 Name: Darison Njogu
 Fund Account Manager.

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