


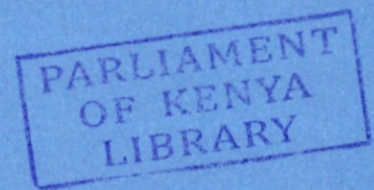
REPUBLIC OF KENYA



Enhancing Accountability

REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	14 AUG 2024
	DAY: WEDNESDAY
TABLED BY:	Hon. Anne Wanjau DEPUTY CHIEF OF THE MAJORITY PARTY
CLERK-AT THE TABLE:	ESTHER NG'ENDO



OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KIMILILI CONSTITUENCY**

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



KIMILILI 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)

Kimilili 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 Committee

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 Kimilili 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	Paul Ngasike Adome
2.	Sub-County Accountant	Enos Kondo
3.	Chairman NGCDFC	Hillary Wafula
4.	Member NGCDFC	Celestine Waliaula

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kimilili 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) Kimilili Constituency NGCDF Headquarters

P.O. Box 60-50204
NG-CDF Building
Kimilili-Chwele Highway
Kimilili, Kenya

(e) Kimilili Constituency NGCDF Contacts

Telephone: (254)722574566
E-mail: kimililingcdf@ngcdf.go.ke
Website: www.ngcdf.go.ke/kimilili

(f) Kimilili Constituency NGCDF Bankers

Co-operative Bank
P.O Box 552
Kimilili

A/C no.1146215614

(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



Hillary Wafula
Chairman

I am privileged to present our annual financial report for the FY 2022/2023. This year we have witnessed an improved performance in the overall management of the fund; we have equally launched some of the projects that had been earlier initiated. We continue to boast of a committed and qualified team that has adapted to the challenges facing the fund thus demonstrating our ability to deliver substantial, sustained value for money to our constituents.

BUDGET PERFORMANCE

We are proud to share with you that we had an 97% utilization of funds received from the NG-CDF Board. Utilization of funds helps us enhance our core focus and objectives of serving the constituents of Kimilili.

KEY ACHIEVEMENTS DURING THE YEAR

Strong management and governance have been key components of our operational model. This has resulted into the following key achievements during the year:

1. Completion of key Flagship Projects

During our first year in office, we initiated a number of key flagship projects for implementation. I am proud to report that the following Projects have been successfully finished and handed over to the users; Matili FYM (8 Classrooms Storey) Daraja Mungu Primary school (6 Classrooms), Kamusinde Primary School (8 Classrooms storey), Kamukuywa FYM primary (8 Classrooms storey) and ICT Centre housing a library and an ICT. The photos below indicate the schools mentioned above.

2. Bursary Disbursement

Our bursary award scheme for 2022/23 was able to benefit way more than 3000 beneficiaries. Besides, we set aside money that benefitted special groups including Persons with Disability (PWD) and Orphans (OVCs).

As a committee, we reckon that trees play an important role in enhancing quality of our environment as envisaged under the sustainable development goals. We actively participated in our Constituency based tree planting activity where we planted more than 100,000 seedlings in institutions cutting across the constituency

	FINAL	ACTUAL	BUDGET UTILIZATION	
Compensation of Employees	2,700,000	2,694,973	5,027	99.81%
Committee expenses	1,987,000	822,650	1,164,350	41.40%
Use of goods and services	5,641,442	4,861,363	780,079	86.17%
Transfers to Other Government Units	123,585,000	44,385,720	79,199,280	35.92%
Other grants and transfers	29,086,190	16,930,131	12,156,059	58.21%
Acquisition of Assets	-	-	-	-
Oversight Committee Expenses	-	-	-	-
Other Payments	900,000	900,000	-	100.00%
TOTAL	163,899,632	70,594,837	93,304,795	43.07%

KEY IMPLIMENTATION CHALLENGES.

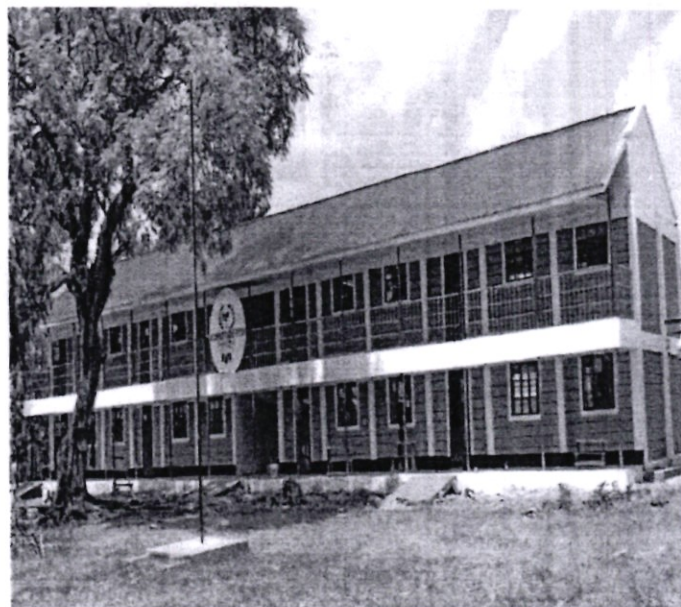
We experienced operational challenges in the course of the year. These included but were not limited to the following:

1. Most of the PMC members were not well acquainted to the operational nature of the fund. To this regard, the committee embarked on capacity building activities scheduled throughout the FY to empower the PMCs, NG-CDF staff as well as committee members on issues of importance in the operation of the fund.
2. Piece meal funding from the NG-CDF Board curtailed efficient implementation of projects by the committee. The committee therefore agreed to hasten the utilization of funds as received from the board as well as prevailing upon the board to fast track release of funds.

In summary, 2022/23 was a year of great performance. We have demonstrated we have the right strategy, the right culture and the right geographical footprint to deliver consistent and sustained value for our constituents. We enter 2023/2024 in excellent shape and a positive note. We have recently signed a performance contract with the NG-CDF Board which I am convicted will improve on our performance



Nasianda Primary School (8 Classrooms storey)



Kamusinde FYM (8 Classrooms Storey)



**Matili Primary Schools (8 Classrooms Storey)
Classrooms)**



Makhonge Primary School (8



Constituency Youth ICT Centre

H. Wafula

.....
**Hillary Wafula
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 **Kimilili 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:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Reduced distance covered by school children, Increases opportunities for school leavers, Education for the disabled, Improved learning facilities	Number of Classrooms/laboratories Constructed. No.of school going children	16 classrooms were constructed in primary schools and 1 in secondary. 3000 students in secondary schools while 500 in tertiary institutions.
Environment	Improve hygiene standards in schools.	Construction of Modern toilets in schools	Number of toilets built in primary and secondary.	The constituency constructed 6 Modern toilets in Primary schools.
Sports	Promote peace building activities and enhance community cohesion.	Sports activities for the youth and other vulnerable groups.	Number of Sports Tournaments organized.	The Constituency organized tournaments where youths were awarded with trophies.
Information Communication and Technology (ICT)	Enhance access to information and technology and use ICT to enhance service delivery.	Construct an ICT Centre and equip with computers and internet Connectivity.	Number of ICT Centers built and equipped.	The Constituency built 1 youth ICT Centre in kimilili.

5. Governance Statement

Appointment of NGCDF Members

The process of appointing members to the National Government Constituencies Development Fund Committee (NG-CDFC) in Kenya involves several steps and is governed by the National Government Constituencies Development Fund Act, 2015. This committee plays a crucial role in overseeing the allocation and utilisation of funds for constituency development projects. Here's a general outline of the process:

1) Nomination by Constituency Development Fund Committees (CDFCs):

The members of the constituency committee are selected by a selection panel established in accordance with the law upon an occurrence of a vacancy in the constituency committee.

2) Advertisement of Vacancies:

The Officer of the Board within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to the constituency committee.

3) Application Submission:

Interested candidates from various constituencies submit their applications to the NG-CDF Office within the specified deadline. Applicants are typically required to provide their qualifications, experience, and other relevant information.

4) Shortlisting of Candidates:

The selection panel within fourteen days of receiving the applications selects five applicants taking into account age, gender, special interest groups and regional balance. Within seven days of the selection process, the officer of the Board submits to the Board the names of the selected candidates together with the report of the selection panel.

5) Selection and Appointment:

The Board then submits the names of the seven persons selected from each constituency to the National Assembly for approval. Within fourteen days after receipt of the names approved by the National Assembly, the Board appoints the members of the constituency committee by a Gazette notice. The Board, within fourteen days of the gazette of members of the constituency committee, informs the members of their appointment in writing

Paragraph 24(1) of the NG-CDF Regulations 2016 states that the officer of the board seconded to the constituency shall preside over the handover from one Constituency committee to another and shall submit a report on the hand over within fourteen days from the date of the hand over.

Removal of members is as in the act 2015 section 13

‘ A member of the Constituency Committee may be removed from office on any one or more of the following grounds-

(a) Lack of integrity;

- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practises;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity.

Roles and function of the committee

- Build the capacity of PMCs and sensitise the community on operations of the fund
- Consider project proposals from all wards in the constituency
- Ensure that all proposed projects that are approved for funding meet the sec 24 of the Act
- Consult with relevant line ministries in the implementing the projects
- Ensure adequate funding of the proposed projects
- Ensure project reports are prepared and forwarded to the board
- Submit financial reports to the board within stipulated time

Induction and Training

The committee on being inaugurated are taken for induction by the Board and subsequent training are done the constituency as per there training plan. In Kimilili they were trained in May 2023.

Meetings

The committee is to have a maximum of 24 meetings and a minimum of 12 in a financial year as per the 2015 Act

The committee members declare conflict of interest in any matter as the procurement and disposal Act by a standard form at the time of the matter

The committee members are remunerated from the fund at Kshs 5,000 for members and 7000 for the chairman.

Ethics and Conduct

The Anticorruption sub committee was formed on the first meeting and members have been trained on the same, the conduct of members is also the act as some of the reasons for removing a member from the committee

Risk Management

Risk management is a tool by the board to gauge on the risks that the constituency goes through which is attested on monthly basis by the staff. The report is discussed at the meeting by the committee

6. Environmental and Sustainability Reporting

Kimilili 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 Kimilili NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Kimilili 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

Environmental policy is the commitment of an organization or government to the laws, regulations and other policy mechanisms concerning environmental issues. Kimilili NG-CDF has drafted an environmental policy on:-

- a) Increasing of the number of trees in the constituency by ensuring that in every year funds on planting of trees are allocated to schools within the constituency.
Ensuring that water reserves are installed every year on NG-CDF projects to promote harvesting of water

3. Employee welfare

We invest in providing the best working environment for our employees. Kimilili 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. Kimilili 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-

Kimilili 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-

Kimilili 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.

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



.....
/ Paul N. Adome
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-Kimilili 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-Kimilili 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- Kimilili 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 Kimilili 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 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.

Kimilili Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

Approval of the financial statements

The NGCDF- Kimilili Constituency financial statements were approved and signed by the Accounting Officer on 21st September, 2023.

..... *H.Wafula*

Name: Hillary Wafula
Chairman – NGCDF Committee

..... *P.N. Adome*

Name: Paul N. Adome
Fund Account Manager

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KIMILILI 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 - Kimilili Constituency set out on pages 1 to 44, which comprise of the statement of assets and liabilities as at 30 June, 2023, and 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 effect of the matters 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 - Kimilili 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Unsupported Expenditure on Other Grants and Transfers

The statement of receipts and payments reflects other grants and transfers expenditure amount of Kshs.16,930,131 as disclosed in Note 8 to the financial statements. Included in this amount is Kshs.500,000 and Kshs.450,000 relating to sports and environment projects respectively, totalling Kshs.950,000. However, supporting payment vouchers and procurement documents were not provided for audit.

In the circumstances, the accuracy and regularity of other grants and transfers amounting to Kshs.950,000 could not be confirmed.

2. Unsupported Acquisition of Land for Punda Primary School

The statement of receipts and payments reflects an amount of Kshs.44,385,720 in respect of transfers to other Government units as disclosed in Note 7 to the financial statements. The amount includes of Kshs.42,385,720 being transfers to primary schools, out of which, an amount of Kshs.1,250,000 was disbursed to Punda Primary School for purchase of a one and a quarter acres piece of land. However, valuation report, search report and title deed for the land were not provided for audit.

In the circumstances, accuracy, ownership and regularity of the expenditure of Kshs.1,250,000 on acquisition of land for Punda Primary School could not be confirmed.

3. Unsupported Project Management Committee Balances

Note 19.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balance totalling Kshs.178,348. However, cash books bank reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balances of Kshs.178,348 could not be confirmed.

4. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.16,930,131 and as disclosed in Note 8 to the financial statements includes bursary payments amounting to Kshs.4,106,050 and Kshs.4,470,000 disbursed to secondary schools and tertiary institutions respectively. However, no acknowledgement receipts or letters from the beneficiary institutions were provided for audit.

In the circumstances, the accuracy and completeness of bursary disbursements totalling Kshs.8,576,050 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 - Kimilili 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 amounts of Kshs.163,899,632 and Kshs.70,550,000 respectively, resulting to under-funding of Kshs.93,349,632 or 57% of the budget. However, the Fund spent amount of Kshs.70,594,837 against actual receipts of Kshs.70,550,000 resulting to over-utilization of Kshs.44,837.

The under-funding 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 Audit Matters

In the audit report for the previous year, several issues were raised under the Report on 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 had not resolved all the matters or provided any explanation on the failure to implement the recommendations.

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. Irregular Re-Allocation of Project Funds

The statement of receipts and payments as disclosed in Note 7 to the financial statements reflects an amount of Kshs.44,385,720 in respect of transfers to other Government units. The amount includes Kshs.42,385,720 transferred to primary schools to implement sixteen (16) projects by respective Project Management Committees (PMC). However, the funded projects were not among those approved in the projects code list. This was contrary to Section 6(2) of the National Government Constituencies Development Fund Act, 2015 which states that once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board.

In the circumstances, Management was in breach of the law

2. Failure to Provide an Updated Project Implementation Status Report

During the audit, Management did not provide an updated Project Implementation Status report indicating the projects approved for implementation during the year and the budget allocated for the projects. The report provided during the audit did not include projects planned for implementation during the year under review. This was contrary to Section 27(3) of the National Government Constituencies Development Fund Act, 2015 which requires a Constituency Committee to submit a list of proposed Constituency-based projects to the Board for approval.

In the circumstances, Management was in breach of the law.

3. Unsatisfactory Projects Implementation

The statements of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.44,385,720 in respect of transfers to other Government units. The amount includes Kshs.42,385,720 transferred to primary schools for various projects. However, project inspection carried in March, 2024 revealed that the construction of 4 classrooms at Nasianda Primary school at a contract sum of Kshs.3,800,000 was not supported by project file and tender evaluation reports.

Further, the project for construction of eight (8) classrooms at Kamasielo Primary School for a contract sum of Kshs.2,000,000 revealed that the project had stalled and the

contractor had abandoned site. The project completion dates were not indicated in the contract agreement.

In addition, the project for construction of 8 classrooms at Bituyu Primary School at a contract sum of Kshs.5,000,000 had stalled and the contractor had abandoned site. The contract period expired in 2022.

In the circumstances, value for money incurred on the construction of classrooms amounting to Kshs.10,800,000 could not be confirmed.

4. Irregular Project Implementation by the Constituency Committee

Project records provided for audit revealed that sixteen (16) projects were being implemented directly by the Constituency Committee instead of the respective individual Project Management Committees. Further, the Fund maintained sixteen (16) bank accounts for the projects carried out by the Constituency Committee instead of the respective Project Management Committees. This was contrary to Regulation 15(6) of the National Government Constituencies Development Fund Regulations, 2016 which provides that a Constituency Committee shall not convert itself into a Project Management Committee.

In the circumstances, Management was in breach of the law.

5. Failure to Remit Statutory Deductions to National Social Security Fund

The statement of receipts and payments as disclosed in Note 4 to the financial statements reflects an amount of Kshs.2,694,973 in respect of compensation of employees. The amount includes Kshs.122,088 relating to National Social Security Fund (NSSF) deductions from salaries of staff during the year under review. However, the deductions were not remitted to NSSF. This was contrary to Regulation 6 of the National Social Security Fund (Member Contributions) Regulations, 2014 which states that an employer shall pay contributions to the Pension Fund in respect of each employee in his or her employment.

In the circumstances, Management was in breach of the law.

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

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 control, risk management and 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 control 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 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 its 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 control 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 control would not necessarily disclose all matters in the internal control 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 time period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control 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 the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgment 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 control.
- 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 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 control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to 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

06 June, 2024


Kimilili 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

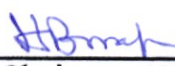
	Note	2022-2023	2021-2022
			Kshs
Receipts			
Transfers from NGCDF Board	1	70,500,000	157,088,879
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	45,720	50,000
Total Receipts		70,545,720	157,138,879
Payments			
Compensation of employees	4	2,694,973	3,480,000
Committee expenses	5	822,650	2,230,000
Use of goods and services	6	4,861,363	5,601,672
Transfers to Other Government Units	7	44,385,720	117,585,000
Other grants and transfers	8	16,930,131	35,868,179
Acquisition of Assets	9	-	-
Other Payments	10	900,000	-
Total Payments		70,594,837	164,764,851
Surplus/Deficit		(49,117)	(7,625,972)

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 21st September, 2023 and signed by:


 Fund Account Manager


 National Sub-County
 Accountant


 Chairman NG-CDF
 Committee

Name: Paul N. Adome

Name: Enos Kondoa

Name: Hillary Wafula

ICPAK M/No: 31998

Kimilili 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	883	50,000
Cash Balances (cash at hand)	11B	-	-
Total Cash and Cash Equivalents		883	50,000
Accounts Receivable			
Outstanding Imprests	12	-	-
Total Financial Assets		883	50,000
Financial Liabilities			
Accounts Payable (Deposits)			
Retentions	13A	-	-
Gratuity	14	-	-
Net Financial Assets		883	50,000
Represented By			
Fund balance b/fwd 1st July...	15	50,000	7,675,972
Prior year adjustments	16	-	-
Surplus/Deficit for the year		(49,117)	(7,625,972)
Net Financial Position		883	50,000

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 21st September, 2023 and signed by:


 Fund Account Manager


 National Sub-County
 Accountant


 Chairman NG-CDF
 Committee

Name: Paul n. Adome

Name: Enos Kondoa

Name: Hillary Wafula

ICPAK M/No: 31998

Kimilili 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

		2022-2023	2021-2022
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	70,500,000	157,088,879
Other Receipts	3	45,720	50,000
Total Receipts		70,545,720	157,138,879
Payments for operating activities			
Compensation of Employees	4	2,694,973	3,480,000
Committee expenses	5	822,650	2,230,000
Use of goods and services	6	4,861,363	5,601,672
Transfers to Other Government Units	7	44,385,720	117,585,000
Other grants and transfers	8	16,930,131	35,868,179
Other Payments	10	900,000	-
Total Payments		70,594,837	164,764,851
Total Receipts Less Total Payments		(49,117)	(7,625,972)
Adjusted for:			
Prior year Adjustments	16	-	-
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(49,117)	(7,625,972)
Cashflow From Investing Activities			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		(49,117)	(7,625,972)
Cash and cash equivalent at Start of the year	11	50,000	7,675,972
Cash and cash equivalent at End of the year	11	883	50,000

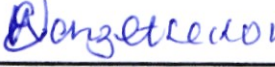
Kimilili Constituency
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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.


The Constituency financial statements were approved by NG CDFC on 21st September, 2023 and signed by:



Fund Account Manager



National Sub-County
Accountant



Chairman NG-CDF
Committee

Name: Paul N. Adome

Name: Enos Kondoa

Name: Hillary Wafula

ICPAK M/No: 31998

*Kimilili Constituency
National Government Constituencies Development Fund (NGCDF)
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12. Summary Statement of Appropriation for the Year Ended 30th June 2023

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
Receipts	2022/2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022/2023			
Transfers from NG-CDF Board	138,215,033	50,000	25,588,879	163,853,912	70,550,000	93,303,912	
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts		45,720		45,720	-	45,720	0.0%
Total Receipts	138,215,033	95,720	25,588,879	163,899,632	70,550,000	93,349,632	43.0%
Payments							
Compensation of Employees	2,700,000			2,700,000.00	2,694,973	5,027	99.8%
Committee expenses	1,987,000			1,987,000.00	822,650	1,164,350	41.4%
Use of goods and services	5,456,843	95,720	88,879	5,641,442.00	4,861,363	780,079	86.2%
Transfers to Other Government Units	98,585,000		25,000,000	123,585,000.00	44,385,720	79,199,280	35.9%
Other grants and transfers	28,586,190		500,000	29,086,190.00	16,930,131	12,156,059	58.2%
Acquisition of Assets				-	-	-	-

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

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
Receipts	2022/2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022/2023			
Other Payments	900000			900,000.00	900,000	-	100.0%
Total	138,215,033	95,720	25,588,879	163,899,632	70,594,837	93,304,795	43.1%

***Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*

Explanatory Notes.

(a) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

Transfers to Other Government Units under utilization were due to late disbursement of funds.


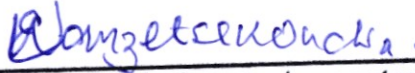
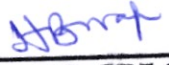
Other grants and transfers under utilization was due to late disbursement of funds.

Committee expenses due to late appointment

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	93,304,795
Less undisbursed funds receivable from the Board as at 30 th June 2023	93,303,912
	883
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 th June 2023	883

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

The Constituency financial statements were approved by NG CDFC on 21st September, 2023 and signed by:

 _____ Fund Account Manager Name: Paul N. Adome	 _____ National Sub-County Accountant Name: Enos Kondo ICPAK M/No: 31998	 _____ Chairman NG-CDF Committee Name: Hillary Wafula
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*Kimilili 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(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2022-2023			2022-2023	2022-2023	
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,700,000			2,700,000	2,694,973	5,027
1.2 Committee allowances	485,000			485,000	332,650	152,350
1.3 Use of goods and services	4,000,000			4,000,000	3,376,363	623,637
Total	7,185,000			7,185,000	6,403,986	781,014
2.0 Monitoring and evaluation						-
2.1 Capacity building	1,000,000			1,000,000		1,000,000
2.2 Committee allowances	502,000			502,000	490,000	12,000
2.3 Use of goods and services	1,456,843	95,720	88,879	1,641,442	1,485,000	156,442
Total	2,958,843	95,720	88,879	3,143,442	1,975,000	1,168,442
3.0 Emergency						

*Kimilili Constituency
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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	2022-2023	
	Kshs		Kshs	Kshs	Kshs	Kshs
3.1 Primary Schools	7,636,190			7,636,190	7,404,081	232,109
3.2 Secondary schools				-		-
3.3 Tertiary institutions				-		-
3.4 Security projects				-		-
3.5 Unutilised				-		-
Total	7,636,190	-	-	7,636,190	7,404,081	232,109
4.0 Bursary and Social Security				-		
4.1 Secondary Schools	12,000,000		500,000	12,500,000	4,106,050	8,393,950
4.2 Tertiary Institutions	8,000,000			8,000,000	4,470,000	3,530,000
4.3 Social Security				-		-
4.4 Special Needs				-	-	
Total						

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

Programme/Sub-programme	Original Budget(a) 2022-2023	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparable basis(d) 2022-2023	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	Kshs		Kshs	Kshs	Kshs	Kshs
	20,000,000	-	500,000	20,500,000	8,576,050	11,923,950
5.0 Sports				-		-
Kimilili Sports	500,000			500,000	500,000	-
Total	500,000	-	-	500,000	500,000	-
6.0 Environment						
Kimilili Environment	450,000			450,000	450,000	-
Total	450,000	-	-	450,000	450,000	-
7.0 Primary Schools Projects						
Daraja Mungu Primary School	7,000,000			7,000,000	5,000,000	2,000,000
Bituyu Primary School	7,000,000			7,000,000	5,000,000	2,000,000
Nakalira Primary School	7,000,000			7,000,000		7,000,000
Kamasielo FYM Primary	7,250,000			7,250,000	4,000,000	3,250,000

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	2022-2023	
	Kshs		Kshs	Kshs	Kshs	Kshs
Kamkuywa AC Primary	13,000,000			13,000,000	2,000,000	11,000,000
Kamusinde RC Primary	7,200,000			7,200,000	4,000,000	3,200,000
Kamusinga AC Primary	7,000,000			7,000,000		7,000,000
Kibunde FYM Primary	7,000,000			7,000,000	2,000,000	5,000,000
Kimilili RC Primary	8,150,300			8,150,300	4,000,000	4,150,300
Musembe Primary	7,000,000			7,000,000	2,600,000	4,400,000
Namawanga DEB Primary	7,784,700		1,800,000	9,584,700	3,000,000	6,584,700
Sikhendu Primary	6,200,000			6,200,000	2,000,000	4,200,000
Suleiman Murunga Primary	7,000,000			7,000,000		7,000,000
Kitayi Primary Sch			2,200,000	2,200,000	2,035,720	164,280
Khwiroro Primary School			2,000,000	2,000,000	1,000,000	1,000,000
Punda Primary School						

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2022-2023			2022-2023	2022-2023	
	Kshs		Kshs	Kshs	Kshs	Kshs
			5,000,000	5,000,000	1,250,000	3,750,000
Kimilili Deb Primary			4,000,000	4,000,000	3,000,000	1,000,000
Sango Baptist Primary School			8,000,000	8,000,000	1,500,000	6,500,000
Total	98,585,000	-	23,000,000	121,585,000	42,385,720	79,199,280
8.0 Secondary Schools Projects						-
Kamkuywa Township			2,000,000	2,000,000	2,000,000	-
Total	-	-	2,000,000	2,000,000	2,000,000	-
9.0 Tertiary institutions Projects						-
Total	-		-	-	-	-
10.0 Security Projects						-
Total	-	-	-	-	-	-
11.0 Acquisition of assets						-

*Kimilili Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	2022-2023	
	Kshs		Kshs	Kshs	Kshs	Kshs
Total	-		-	-		-
13.0 Other payments				-		-
Strategic plan	900,000			900,000	900,000	-
Total	900,000	-	-	900,000	900,000	-
14.0 unallocated fund						
Unapproved projects						-
AIA						-
PMC savings						-
Total			-	-	-	-
	138,215,033	95,720	25,588,879	163,899,632	70,594,837	93,304,795

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

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-Kimilili 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 30th June 2023 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 202x.

14. 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

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
	Kshs	Kshs
AIE NO. A888549	13,000,000	
AIE NO. B 185111	7,000,000	
AIE NO. B 185523	6,000,000	
AIE NO. B 185646	15,000,000	
AIE NO. B 206145	5,000,000	
AIE NO. B 206411	12,000,000	
AIE NO. B 205656	500,000	
AIE NO. B 205783	12,000,000	
AIE NO. B 041290	-	33,000,000
AIE NO. B 047710	-	44,000,000
AIE NO. B 049297	-	22,000,000
AIE NO. B 104322	-	6,000,000
AIE NO. B 096578	-	12,000,000
		18,000,000
		10,088,879
		12,000,000
TOTAL	70,500,000	157,088,879

2. Proceeds From Sale of Assets

Description	2022-2023	2021-2022
	Kshs	Kshs
Receipts from the Sale of Buildings		-
Receipts from the Sale of Vehicles and Transport Equipment		-
Receipts from the Sale Plant Machinery and Equipment		-
Receipts from the Sale of Office and General Equipment		-
TOTAL	-	-

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3. Other Receipts

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	45,000	50,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere	720	-
TOTAL	45,720	50,000

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Notes To the Financial Statements (Continued)

4. Compensation of Employees

Description	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,694,973	2,621,152
Personal allowances paid as part of salary		
House allowance	-	252,031
Transport allowance	-	262,224
Leave allowance	-	224,286
Gratuity-contractual employees	-	-
Employer Contributions Compulsory national social security schemes	-	120,307
TOTAL	2,694,973	3,480,000

5. Committee Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	332,650	810,000
Other committee expenses	490,000	1,420,000
TOTAL	822,650	2,230,000

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6. Use of Goods and services

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	31,916	360,000
Communication, supplies and services	-	60,000
Domestic travel and subsistence	887,000	70,000
Printing, advertising and information supplies & services	540,600	2,255,793
Rentals of produced assets	-	
Training expenses	-	
Hospitality supplies and services	598,000	
Insurance costs	-	1,891,661
Specialised materials and services	-	
Office and general supplies and services	1,302,700	
Fuel , oil & lubricants	240,000	711,000
Other operating expenses	1,164,000	
Bank Charges	25,147	63,218
Security operations	-	
Routine maintenance - vehicles and other transport equipment	72,000	190,000
Routine maintenance- other assets	-	
TOTAL	4,861,363	5,601,672

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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	42,385,720	84,585,000
Transfers to Secondary Schools	2,000,000	33,000,000
Transfers to Tertiary Institutions	-	-
TOTAL	44,385,720	117,585,000

8. Other Grants and Other transfers

Description	2022-2023	2021-2022
	Kshs	Kshs
Bursary - Secondary (see attached list)	4,106,050	19,175,972
Bursary -Tertiary (see attached list)	4,470,000	8,000,000
Bursary- Special Schools	-	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects (see attached list)	-	-
Sports Projects (see attached list)	500,000	500,000
Environment Projects (see attached list)	450,000	500,000
Emergency Projects (see attached list)	7,404,081	7,692,207
Roads Projects	-	-
TOTAL	16,930,131	35,868,179

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Notes to the Financial Statements (Continued)

9. Acquisition of Assets

Non Financial Assets	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of office furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		
TOTAL	-	-

10. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	900,000	-
ICT Hub	-	-
Total	900,000	-

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11. Cash Book Bank Balance

Name of Bank, Account No. & currency	2022-2023	2021-2022
	Kshs (30/6/2023)	Kshs (30/6/2022)
Co-operative Bank,A/C no.1146215614, Kimilili Branch . Kimilili NG-CDF (main account)	883	50,000
Kenya Commercial Bank,A/C no. Branch . (deposit account)	-	-
TOTAL	883	50,000
11B: CASH IN HAND)		
	2022-2023	2021-2022
	Kshs (30/6/2023)	Kshs (30/6/2022)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
TOTAL	-	-

12. Outstanding Imprests

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

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Notes to the Financial Statement Continued

13. Deposits and Retention

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

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

	(1st July 2022)	(1st July 2021)
	Kshs	Kshs
Bank accounts	50,000	7,675,972
Cash in hand		
Imprest		
Total	50,000	7,675,972
Less		
Payables: - Retention	-	-
Payables -Deposit	-	-
Fund Balance Brought Forward	50,000	7,675,972

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	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

17. Changes in Accounts Receivable – Outstanding Imprests

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

18. Changes in Accounts Payable – Deposits and Retentions

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

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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	-	-

19.2: Pending Staff Payables (See Annex 2)

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

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	5,027	
Use of goods and services	1,164,350	
Amounts due to other Government entities (see attached list)	780,079	18,053,879.00
Amounts due to other grants and other transfers (see attached list)	79,199,280	100,000
Acquisition of assets	12,156,059	
Oversight Committee Expenses	-	
Others (<i>specify</i>)	-	
Funds pending approval	-	
Total	93,304,795	18,153,879

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19.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	178,347.80	283,043
Total	178,347.80	283,043

16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Comments
	A	B	c	d=a-c	
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 30th 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	Outstanding Balance	
		2022-2023	2021-2022	
Compensation of employees	Staff Salary	5,027	-	
Use of goods & services		1,944,429	-	
Amounts due to other Government entities				
Primary				
Daraja Mungu Primary School	Construction of 8 Classroom Storey building	2,000,000	-	Ongoing
Bituyu Primary School	Construction of 8 Classroom Storey building	2,000,000	-	Works completed and in use. Awaiting fund release from the board to be paid.
Nakalira Primary School	Construction of 12 No Classrooms (Not Storey) and Administration block(Storey)	7,000,000	-	Works completed and in use. Awaiting fund release from the board to be paid.
Kamasielo FYM Primary	Construction of 8 Classroom Storey buildings.	3,250,000	-	Works completed and in use. Awaiting fund release from the board to be paid.
Kamkuywa AC Primary	Construction of 18 Classrooms (Storey)	11,000,000	-	Works completed and in use. Awaiting fund release from the board to be paid.

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	
		2022-2023	2021-2022	
Kamusinde RC Primary	Construction of 8 Classroom Storey buildings	3,200,000	-	Works completed and in use. Awaiting fund release from the board to be paid.
Kamusinga AC Primary	Construction of 8 Classroom Storey buildings	7,000,000	-	Works completed and in use. Awaiting fund release from the board to be paid.
Kibunde FYM Primary	Construction of 8 No Classrooms (not Storey)	5,000,000	-	Works completed and in use. Awaiting fund release from the board to be paid.
Kimilili RC Primary	Construction of 8 Classroom Storey buildings.	4,150,300	3,000,000	Works completed and in use. Awaiting fund release from the board to be paid.
Musembe Primary	Renovation of 8 classrooms	4,400,000	-	Works completed and in use. Awaiting fund release from the board to be paid.
Namawanga DEB Primary	Construction of 8 Classroom Storey building	6,584,700	-	Works completed and in use. Awaiting fund release from the board to be paid.

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	
		2022-2023	2021-2022	
Sikhendu Primary	Construction of 8 Classroom Storey building	4,200,000	-	Works completed and in use. Awaiting fund release from the board to be paid.
Suleiman Murunga Primary	Construction of 8 Classroom Storey building	7,000,000	-	Works completed and in use. Awaiting fund release from the board to be paid.
Kitayi Primary Sch	Renovation of 8 classrooms	164,280	-	Works completed and in use. Awaiting fund release from the board to be paid.
Khwiroro Primary School	Renovation of 8 classrooms	1,000,000	1,709,000	Works completed and in use. Awaiting fund release from the board to be paid.
Punda Primary School	Construction of 8 Classroom	3,750,000	5,844,879	Works completed and in use. Awaiting fund release from the board to be paid.
Kimilili Deb Primary	Construction of 8 Classroom Storey building	1,000,000	7,500,000	Works completed and in use. Awaiting fund release from the board to be paid.

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	
		2022-2023	2021-2022	
Sango Baptist Primary School	Construction of 8 Classroom Storey building	6,500,000	-	Works completed and in use. Awaiting fund release from the board to be paid.
Sub-Total		79,199,280	18,053,879	
Amounts due to other grants and other transfers				
Secondary Schools		8,393,950	100,000	
Tertiary Institutions		3,530,000	-	
Emergency		232,109	-	
Sub-Total		12,156,059	100,000	
Acquisition of assets				
Oversight Committee Expenses(itemize)				
Others (<i>specify</i>)				
Sub-Total				
Funds pending approval				
Grand Total		93,304,795	18,153,879	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022/2023
Land	2,000,000	-	-	2,000,000
Buildings and structures	15,092,057	-	-	15,092,057
Transport equipment	7,835,145	-	-	7,835,145
Office equipment, furniture and fittings	2,760,398	-	-	2,760,398
ICT Equipment, Software and Other ICT Assets	110,000	-	-	110,000
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	27,797,600			27,797,600

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

S/No	Name of Bank	Branch Name	Date of Opening Bank Account	Account Number	Account Name	Balance as at 29th February, 2024
1.	Co-Operative	Kimilili	25-Oct-16	01141470733000	Allan Bradle Kamusinga Primary School	1,467.00
2.	Co-Operative	Kimilili	13-Jul-21	01141687446001	Bituyu Primary School	785.00
3.	Co-Operative	Kimilili	21-Dec-16	01141096859500	Chesamisi Boys High School	17,325.00
4.	Co-Operative	Kimilili	07-Sep-16	01141687775100	Chesamisi FYM Primary	1,231.00
5.	Co-Operative	Kimilili	31-Oct-12	01141469517300	Daraja Mungu Dispensary	428.00
6.	Co-Operative	Kimilili	5-Jul-15	01141687216700	Daraja Mungu AP Camp	1,043
7.	Co-Operative	Kimilili	13-Oct-16	01141687810500	Daraja Mungu Primary School	1,248.30
8.	Co-Operative	Kimilili	19-Dec-15	01141470692600	Kamukuywa FYM Primary	1,232.50
9.	Co-Operative	Kimilili	04-Jul-14	01141050172100	Kamusinga FYM Primary School	47,565.10
10.	Co-Operative	Kimilili	09-Feb-16	01141687504900	Kamusinga AC Primary	3,104.50
11.	Co-Operative	Kimilili	24-Jun-14	01141470689400	Khwiroro Primary School	1,290
12.	Co-Operative	Kimilili	18-Sep-14	01141470840500	Kibingei Friends Sec. School	723.00
13.	Co-Operative	Kimilili	08-Apr-14	01141470535300	Kibunde Primary School	2,642.50
14.	Co-Operative	Kimilili	24-Nov-16	01141687371200	Kikwechi Primary School	861.00
15.	Co-Operative	Kimilili	01-Apr-14	01141470522900	Kimilili Township Chief's Off	705.00
16.	Co-Operative	Kimilili	27-May-15	01141049767600	Kimilili Friends Girls Secondary	39,189.00

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					School	
17.	Co-Operative	Kimilili	22-Jan-15	01141050113900	Kimingichi Primary School	1,030.50
18.	Co-Operative	Kimilili	20-Dec-14	01141050116500	Kitayi Primary School	2,216.00
19.	Co-Operative	Kimilili	25-Nov-16	01141687850000	Lwanda Primary School	1,687.00
20.	Co-Operative	Kimilili	22-Nov-16	01141469093400	Maeni Primary School	1,473.00
21.	Co-Operative	Kimilili	18-Sep-14	01141470403300	Makhonge Primary School	400.45
22.	Co-Operative	Kimilili	07-Feb-17	01141687917800	Matisi Primary School	1,747
23.	Co-Operative	Kimilili	23-Sep-14	01141049488700	Lurare Baptist Primary	1,006.50
24.	Co-Operative	Kimilili	18-Jun-12	01139469235200	Musembe Primary School	885.60
25.	Co-Operative	Kimilili	10-Aug-16	01141687356700	Namakhele ACK Primary School	551.30
26.	Co-Operative	Kimilili	01-Apr-21	01141687728800	Namboani SEC School	2,515.00
27.	Co-Operative	Kimilili	01-Apr-21	01141644051500	Nasianda SA Mixed Sec School	1,296.00
28.	Co-Operative	Kimilili	22-Nov-16	01141470098500	Ngoli Primary School	7,394.00
29.	Co-Operative	Kimilili	11-Mar-21	01141644046100	Punda Primary School	120.00
30.	Co-Operative	Kimilili	21-Oct-14	01141470101700	Sango Baptist Primary School	135.50
31.	Co-Operative	Kimilili	02-Dec-14	01141470947900	Siuna Primary School	19,300.00
32.	Co-Operative	Kimilili	16-Mar-15	01141469183000	Sikhendu Fym Mixed Day And Boarding Pry Sch	10,118.05
33.	Co-Operative	Kimilili	21-Feb-14	01141470089700	Suleiman Murunga Primary School	1,382.50
34.	Co-Operative	Kimilili	09-Oct-12	01141470654600	St. Brigid's Girls.Sec Kitayi	39.50

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35.	Co-Operative	Kimilili	30-Jun-17	01141688025100	St .Elizabeth SibakaLa Sec. School	332.00
36.	Co-Operative	Kimilili	09-Apr-15	01141469503300	St. Luke's Boys High School	2,987.50
37.	Co-Operative	Kimilili	31-Mar-15	01141469793100	St. Joseph Buko Sec. School	192.50
38.	Co-Operative	Kimilili	21-Mar-14	011411470111800	St. Josephs Kamusinde Sec. School	737.50
					TOTALS	178,347.80

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)
2021-2022-4.10	<p>Unsupported Bursary Payments</p> <p>Regulation 104(1) of the public Finance Management (National Government) Regulations 2015 states that all receipts and payments vouchers of public moneys shall be properly supported by pre-numbered receipts and payment vouchers and shall be supported by the appropriate authority and documentation.</p> <p>The statement of receipts and payments reflects Kshs 35,868,179 as other grants and payments as indicated in note 7 which includes kshs.19, 175,972 and Kshs 8,000,000 being payments of bursary to students in secondary schools and tertiary institutions respectively. Audit of the bursaries revealed the following unsatisfactory matters.</p> <ol style="list-style-type: none"> 1. Listing of all applicants, successful applicants and unsuccessful applicants were not provided for audit review. 2. The actual bursary to secondary schools of Kshs. 19,175,972/= exceeded the budgeted amount of Kshs. 12,000,000/=. 3. Kimilili NG-CDF bursary payment lacked property detailed bursary acknowledgement by the respective learning institutions, individual student fees receipts and updated student fees. Therefore the authenticity of students could not be informed during audit. 4. Included in the bursary – tertiary institutions is Kshs. 2,050,000/= paid to MS <ol style="list-style-type: none"> i. DAS certification and Training was not clarified during the audit ii. Reports indicating the need for skills or course and evidence of the 	<ol style="list-style-type: none"> 1. We have a listing of all applicants, successful applicants and unsuccessful applicants is ready. 2. The Kshs. 19,175,972 for secondary schools include an opening balance of Kshs. 7,175,975/= 3. Bursaries were acknowledged by institutions 4. i. The courses were tailoring and hair dressing ii. The need for courses were picked out during ward clinics iii. The procurement was competitive 	Resolved	

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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>input of the constituents in identifying the need for the skills were not provided</p> <p>iii. Procurement documents indicating how the DAS Certification was identified and rectified for training were not provided for audit</p>			
2021-2022-4.6	<p>Ownership and Valuation of Assets</p> <p>The summary of fixed assets register as at 30 June 2022 and Annex 3 of the financial statements reflects total fixed assets of Kshs. 27,797,600. However, the assets register presented for audit did not include costs of one computer, a scanner and a printer.</p> <p>In the circumstances, the accuracy and completeness of the total fixed assets of Kshs. 27,797,600 could not be confirmed.</p>	<p>The said Assets were donated and sent directly from the NGCDF board and accompanying documentation on asset value for the items could not be verified.</p> <p>There is no asset value for the items in our possession. We have since written to them enquiring the same information on costings.</p>	Not resolved	
2021-2022-4.5	<p>Failure to Pay Gratuity on Expired Contracts</p> <p>As previously reported, review of compensation of employees records revealed that the Fund did not pay gratuity amounting to Kshs. 1,244,605/- on contractual employees whose contracts expired during the year. This is contrary to provisions of Section 35(5) of the Employment Act, 2007, which stipulates that an employee whose contract of service expires shall be entitled to service pay for every year of service worked, the terms of which shall be fixed.</p>	<p>The NGCDFC through a management response have since written to the board for the release of the Funds for the financial year 2021/22 so as to clear the areas for the expired contracts</p>	Resolved	

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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)
	<i>In the circumstances, Management was in breach of the law.</i>	gratuity. The affected staff have been communicated to and in agreement with the management. The Gratuity due has since been settled for the pending arrears for the FR 2018 up to 2022.		
2021-2022-4.12	<p>Construction of 8-door Pit Latrine at Bituyu Primary School</p> <p>In the financial year under review, Kshs. 500,000/- was spent on environment project to construct 8-door pit latrine at Bituyu Primary School. However, physical inspection revealed the project was incomplete despite the contractor having been paid fully; as Interior and exterior plastering of the walls and screeding of the floors had not been done. In addition, the latrines were not in use. In the circumstances, value for money was not obtained.</p>	<p>The project is due for payment and the bill of quantities at a cost of Kshs. 800,000/- but Kshs. 500,000/- has been paid hence a balance of 300,000/- was due for payment before the contractor could hand over the site, though the works have since been completed. We are planning to allocate the balance in the FY 2022/23 environment vote head.</p>	Not Resolved	
2021-2022-4.7	<p>Lack of Information Technology (IT) Internal Controls</p> <p>The fund does not have an approved policy on information and Communication Technology (ICT) including policies on IT continuity plan. Therefore, critical data or information may not be recovered in case of a disaster. Further, the Fund does not have an IT strategic or steering committee which could guide in implementation of IT</p>	<p>The NGCDFC are now well advised and would glad to constitute IT strategic/steering committee to look up into the matter and</p>	Resolved	

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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>governance as part of enterprise governance. In the circumstances, the absence of strong IT internal controls puts the Fund at risk of losing essential data and information.</p> <p><i>The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330.</i></p>	<p>advise accordingly. For physical files we have fire-proof cabinets within the offices.</p>		



 Paul N. Adome
 Fund Account Manager.