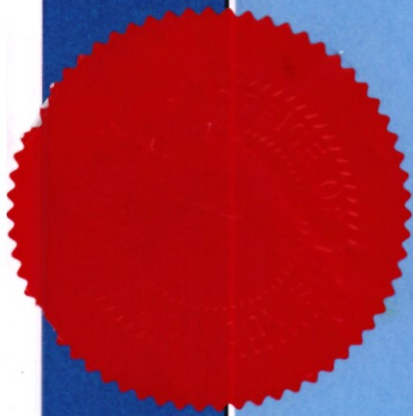



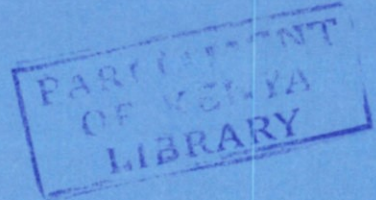
REPUBLIC OF KENYA



Enhancing Accountability



 REPORT THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	14 AUG 2024
	DAY: <u>Wednesday</u>
TABLED BY:	HON. OWEN BAYA MP DEPUTY LEADER OF THE MAJORITY PARTY
CLERK-AT THE-TABLE:	ESTHER NJENYO



OF THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
 DEVELOPMENT FUND – MAKUENI
 CONSTITUENCY**

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

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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MAKUENI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS 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)

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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

PWD-People living with disabilities

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 Makueni 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	Eric Muange
2.	Sub-County Accountant	Gregory Mwaniki
3.	Chairman NGCDFC	Daniel Kavoi

(c) Fiduciary Oversight Arrangements

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

Located opposite governor's office

Behind Huduma Centre

P.O. Box 409-90300

Wote- Makueni

(e) Makueni constituency NGCDF Contacts

E-mail: cdfMakueni@cdf.go.ke

Website: www.ngcdf.go.ke

(f) Makueni constituency NGCDF Bankers

Makueni National Government Constituency Fund

A/C No. 01120539316700

Wote Branch

P.O. Box 537- 90300

Tel: 020259465

Telephone: 0721 -792 592,0797-540561

Wote, Makueni

Email: wotebr@co-opbank.co.ke

(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



**MR. DANIEL KAVOI
CHAIRPERSON, MAKUENI NGCDF**

Brief constituency profile

Makueni constituency is one of six constituencies in Makueni County (County Number 17) which is located in the lower eastern part of Kenya. It lies in the northern-eastern part of the County and borders Kaiti constituency to the west and Kibwezi West to the south, Mbooni constituency to the southeast, Kitui County to the east and Machakos County to the north. It is made up of 3 administrative sub counties (Wote, Kathonzweni and Nzau), 29 locations, 59 sub-locations and 949 villages. It has 7 political wards.

Makueni Constituency Wards population and area covered

	ward	Locations	Sub Locations	Area in Km²	Population
1.	Wote	2	Nziu, Unoa and Kamunyolo (57 Villages)	118.60	35,282
2.	Muvau/Kikumini	3	Kikumini, Kambimawe, Mumbuni, Muvau, Itaa and Kitonyoni (97 Villages)	245.80	26,736
3.	Mavindini	3	Yekanga, Kanthuni, Ivinganzia, Mavindini, Muusini, kiunoni and Katithi (172 Villages)	258.60	25,391
4.	Kitise/Kithuki	4	Mwania, Kitise, Kimundi, kithuki and	323.30	24,026

Makueni Constituency

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			Yinthungu (112 Villages)		
5.	Kathonzweni	4	Kiangini, Kituluni, Kwa Kavisi, Thavu, Ituka Kavingoni & Kiteei (157 Villages)	301.10	34,341
6.	Mbitini	7	Mutyambua, Kyumbuni, Mutiswa, Mwambwani, Masue, Yumbani, Mbeletu, Kyemundu, Kaliini, Vulueni, Kavuthu, Manooni, Mungyani, Katani & Kithumani (132 Villages)	116.0	33,255
7.	Nzau/Kalamba/Kilili	6	Matiliku, Kwakukui, Nzeeni, Nduumoni, Kithumba, Wee, Muulenyu, Kilili, Kathatu, Ndovea, Mavia meu, Kawala, Kwakalui, Kalamba, Kalembwani & Ikangavya (222 Villages)	198.0	40,788
	Total	29	59 (949 Villages)	1561.4	219,819

Makueni NG-CDF has had a significant improvement in utilization of funds received from the board some drawbacks like politics for the August general elections. We have improved overall absorption of funds from 74% last year to about 88% this year. There is also an improvement in the funds absorption in all the various project sectors as shown below.

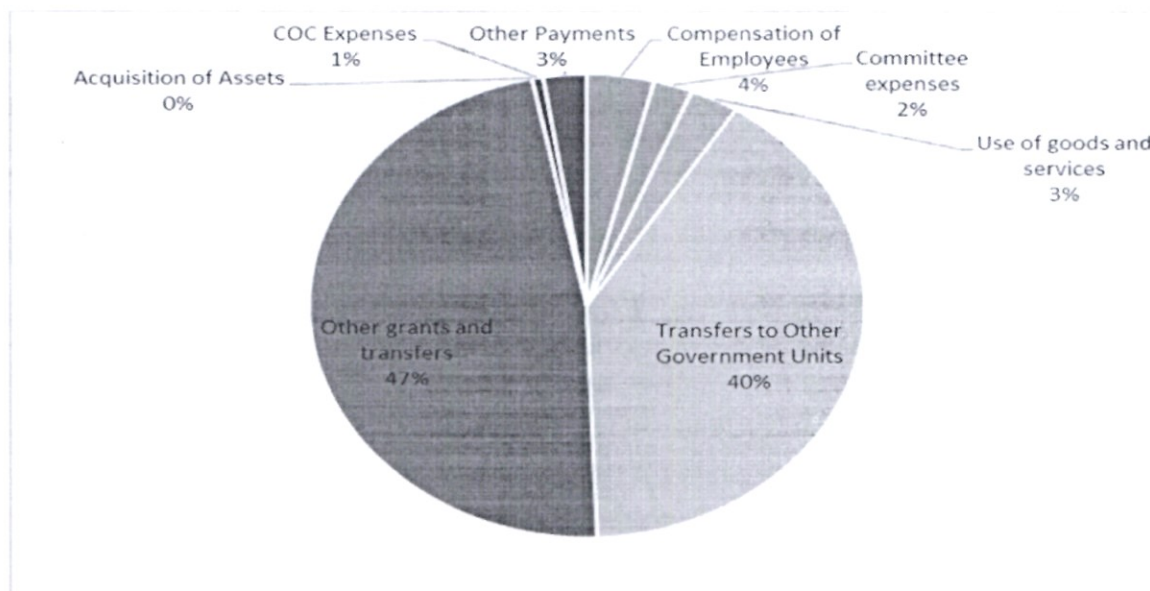
I am Glad to present Makueni NG-CDF Annual Financial statements for the FY 2022/2023.

We had an allocation of Ksh. 159,407,745 and by the end of June 2023 we had only received Ksh. 88,000,000 representing 63% of the total allocation. Out of this funding, we disbursed the total amount allocated for bursary ksh 52,861,053. On this respect, our demand schedule/applicants surpassed our anticipated outlay thereby compelling us to seek for reallocation from emergency sector balances from previous years. (ksh. 5,000,000). It is therefore evident that in the coming years our budget for bursary shall not fall short of maximum limit permissible by the NG CDF ACT.

As we all know the funds disbursement to constituencies delayed considerably up to almost the last quarter of the FY 2022/23. This situation made it impossible for us to implement projects during the just concluded financial year but rather to focus on available funds that had been disbursed to us during the other financial years.

Below is a summary of the division of the allocation (Ksh. 159,407,745).

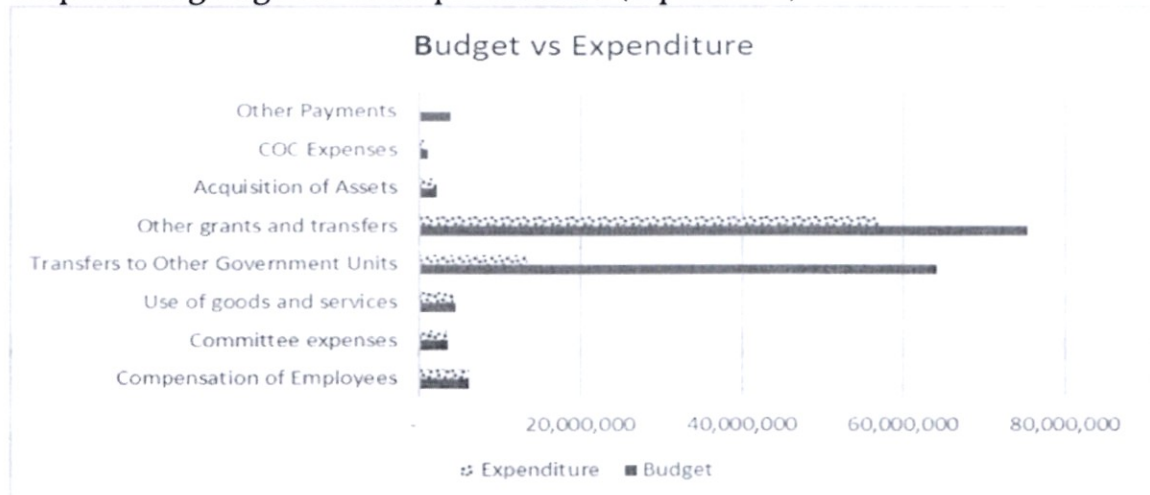
Pie chart 1: Allocation of each sector in percentage



Below is a summary of the constituency performance in the year.

Expense item	Final Budget	Actual Expenditure
Compensation of Employees	6,164,293	5,384,507
Committee expenses	3,485,988	
Use of goods and services	4,278,354	11,765,616
Transfers to Other Government Units	13,350,000	78,563,887
Other grants and transfers	56,865,354	94,290,761
Acquisition of Assets	2,215,938	720,000
Oversight committee expense	500,000	944,720

Graph 1: Budget against actual performance (expenditure)



Graph 1: Budget Against Actual Performance

Key achievements

During the financial year 2022/2023, Makueni NG-CDF has been able to hit tremendous achievements in different sectors, as highlighted;

- a. The Entity prioritised awarding of bursaries to needy students in the constituency and thus posting a higher performance in this sector.
- b. Projects were implemented on time hence posting a recommendable performance too in the Education sector.
- c. Other programmes i.e. sports and Environment were also implemented as planned and were very beneficial to the constituents.

I have sampled a photo of the projects that was implemented during the financial year as shown below;

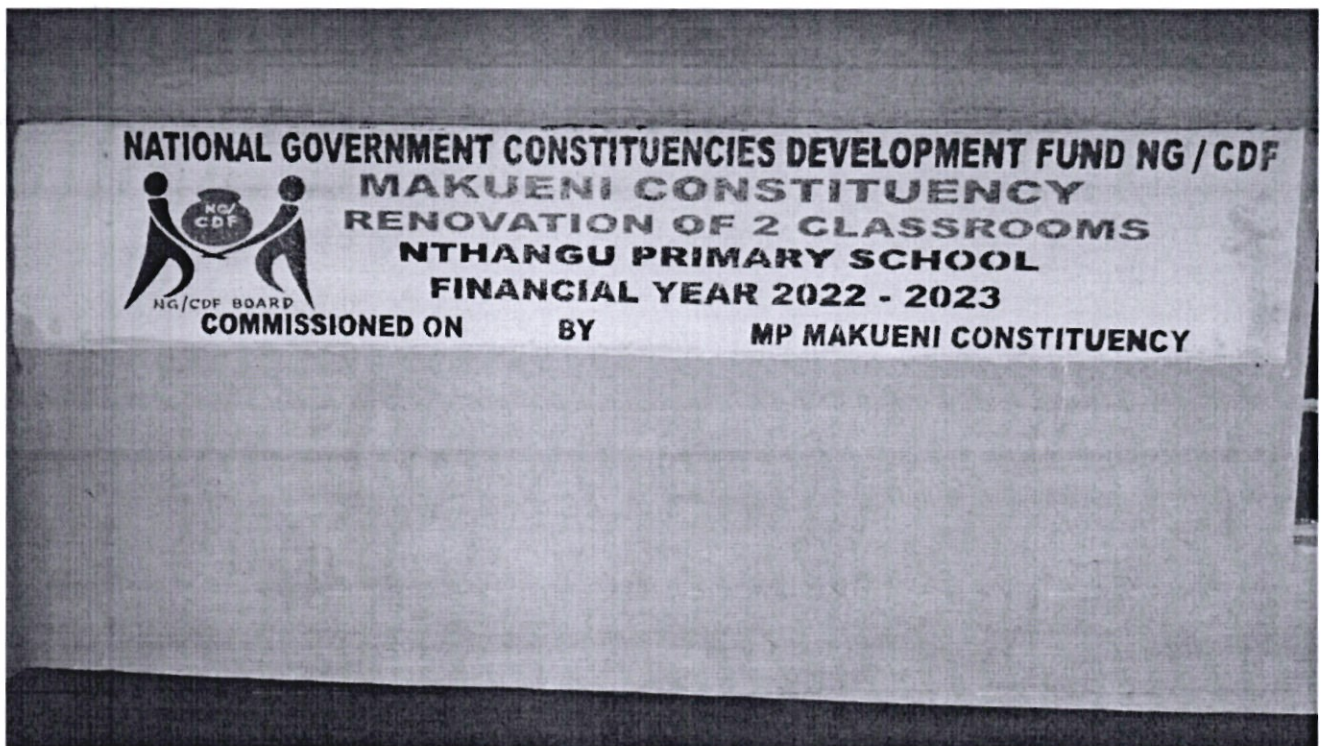


Fig 3: Nthangu Primary School

Nthangu primary school is located in wote ward. The renovation of 3 classrooms is complete and in use. This project is the pride of the Makueni constituency because it serves upto 400 students within the

school. The project is a clear indication of the milestones Makueni NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda.



FIG 4: Mbuvo Secondary School-Dormitory

Mbuvo secondary school is located in Kitise ward. The construction of dormitory is complete and in use. This project is the pride of the Makueni constituency because it serves upto 800 students within the school. The project is a clear indication of the milestones Makueni NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda.



FIG5: Kasayani Primary School-Renovation

Kasayani primary school is located in Mbitini ward. The construction of renovation of 2 classrooms is complete and in use. This project is the pride of the Makueni constituency because it serves upto 400

students within the school. The project is a clear indication of the milestones Makueni NGCDF is willing to take to achieve modern education facilities, reduce illiteracy, and promote the big 4 agenda

Emerging issues

1. The rapidly increasing population in the constituency demanding for more expenditure on projects e.g more classrooms
2. Declining sources of income for constituents leading to more needy students for bursary
3. Increasing emergency cases due to heavy rainfall and frequent wind storms
4. The rapid rate of inflation. This leads to more expenditure on projects than previously projected

Implementation challenges

I. Lack of knowledge on the part of PMCs on procurement procedures and guidelines. Makueni NG-CDF is conducting frequent PMC training in all the wards to enhance skills for the PMCs.

II. Inadequate funds for emergency projects. Most emergency cases are left unfunded because the available funds are not sufficient to meet the increasing emergency cases due to heavy rainfall and frequent wind storms.

The constituency usually seeks support from other government and non-governmental entities to fund all or some of the emergency cases not factored by Makueni NG-CDF.

III. Delay in disbursement of funds from the board leading to delayed project implementation. The board should ensure that funds reach the constituency in time.



.....

Name: Daniel Kavoi
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 **Makueni Constituency 2023-2028** Strategic plan are to:

- i. To act as an overarching Constituency development framework for guiding socio-economic transformation between 2023 and 2028.
- ii. To provide a local framework for actualizing the achievement of the Big 4 agenda and the Kenya vision 2030.
- iii. To reduce inequality through equitable distribution of resources across the wards within the constituency.
- iv. To create a firm foundation for socio-economic transformation through education and security infrastructural development.
- v. To enhance local resource mobilization from other development partners and actors within and outside the constituency.
- vi. To Facilitate annual planning and budgeting for the identified projects that will spur development in the constituency, and facilitate annual review of plans and budgets to track progressing implementation and draw lessons for incorporation I n subsequent planning and budgeting.
- vii. To provide a framework for continuous monitoring and systematic evaluation of development projects.

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 Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	<p>In FY 22/23 we increased number of classrooms from 60 to 66 in primary schools and 30 to 34 in secondary schools.</p> <p>- Bursary beneficiaries at all levels were 6500 in secondary schools and 3500 in tertiary institutions. as per the attached schedules.</p>
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	<p>Number of renovated chiefs' offices increased From 24 to 25</p> <p>Number of assistant chiefs' offices increased from 16 to 18</p> <p>Number of police lines increased from 8 to 9</p>
Environment	Conserved environment through natural resources conservation initiatives	Environment conservation Equip schools and public facilities with sanitation	<p>Number of drifts</p> <p>Number of sanitation facilities built in primary and secondary</p> <p>Number of trees</p>	Construction of modern toilets in kikumini police station
Sports	Empower and develop	Reduced dependence and spur economic	Number of youth groups benefitting from the sports	There were sports tournaments where 20 teams benefited

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	youth and special groups	growth through Sports	programme	from sports kits and balls.
Emergency	To cater for unforeseen occurrences in the constituency during the financial year	Enhanced smooth running of operations.	Number of primary School of pit latrines sunk due to heavy rainfalls have been constructed by the emergency programme	Constructed a modern toilet in kikumini police station

6 Governance statement

Introduction

The NGCDF Act 2016 on appointment of NGCDFC members states; The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

In Makueni, NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board co-opts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettelement.

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43 and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the

Appointment of NGCDFC Members

The selection Panel

The selection panel was appointed in the month of October. This constituted four members as follows;

no	Name	Designation
1	KELVIN TIAMPATI	chairman
2	FRANC MUSYOKA	member
3	SUSAN MULWA	member
4	DANIEL M. MALUKI	secretary

The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency in the month of **11th October 2022**.

The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Makueni Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	Nathan Mwololo	Male (Adult)	Kikumini /Muvau
2.	Wilson Kaviti	Male (Youth)	Nzaui /Kilili/Kalamba
3.	Faith Mulwa	Female (Adult)	Kitise
4.	Esther Musuke	Female (Youth)	Mbitini

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1	Alponce wambua	Physical.	Mavindini

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Daniel Mulelu	Male	Wote
2	Purity Muthama	Female	Kathonzweni

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Salome Murai	Female	Kikumini /Muvau

The members went through the process of electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position – Daniel mulelu
2. Secretary position – Purity Muthama

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

The appointed committee members were gazetted through gazetted volume number vol cxxiv No 254 on 29th November 2022

The new committee held its first meeting on 2nd December 2022

Sno.	Name	Position
1	Daniel mulelu	Chair person
2	Purity Muthama	secretary
3	Eric Muange	member
4	Jane Thiga	member
5	Alphonse wambua	member
6	Esther Musuke	member
7	Faith Mulwa	member
8	Nathan mwololo	member
9	Salome Murai	member
10	Wilson kaviti	member

Removal of NGCDFC Members

Section 43(13) of the Act provides that 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.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before

the resolution is made. In Makueni the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

Training of NG-CDFC Members

In the financial year 2022/2023 the NGCDF Board organized training of NGCDFC members. The constituency also held a capacity building activity in Mombasa on 2nd -7th April 2023. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Makueni.

Number of meetings held

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings.

During the financial year 2022/2023 the NGCDFC Makueni held 12 meetings through the year, 4 being for the previous committee while 8 for the current committee as illustrated as follows;

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SCHEDULE OF MEETINGS HELD DURING THE FY 2022/2023

Sno	NG-CDFC COMMITTEE MEMBERS	02/12/22	28/12/22	12/1/23	4/2/23	10/3/23	2/4/23	18/5/23	28/6/23
1	Daniel Mulelu	√	√	√	√	√	√	√	√
2	Purity Muthama	√	√	√	√	√	√	√	√
3	Eric Muange	√	√	√	√	√	√	√	√
4	Jane Thiga	√	√	√	√	√	√	√	√
5	Alponce Wambua	√	√	√	√	√	√	√	√
6	Esther Musuke	√	√	√	√	√	√	√	√
7	Faith Mulwa	√	√	√	√	√	√	√	√
8	Nathan Mwololo	√	√	√	√	√	√	√	√
9	Salome Murai	√	√	√	√	√	√	√	√
10	Wilson Kaviti	√	√	√	√	√	√	√	√

Ethics & conduct

Members of NGCDFC are required to observe the following ethical issues;

- i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2022/2023 members of NGCDFC Makueni adhered to the above ethical issues.

Members remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance of ksh.7000 per meeting and all other members an allowance of ksh.5000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC Makueni contravened conflict of interest policy.

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Makueni has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF Act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and

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overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

7 Environmental and Sustainability Reporting

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

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

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FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

The NG-CDFC Makueni has collaborated with various institutions majorly the county government to carry out environmental conservation activities during the rain seasons.

3. Employee welfare

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

Makueni 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-

Makueni 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.

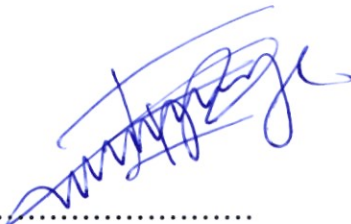
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



.....

Name Eric Muange
Fund Account Manager.

8 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-Makueni 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-Makueni 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 in charge of the NGCDF- Makueni 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 Makueni 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

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prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Makueni constituency financial statements were approved and signed by the Accounting Officer on 30TH JUNE 2023.



Daniel Kavoi

Name:

Chairman – NGCDF Committee



Eric Muange

Name:

Fund Account Manager

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MAKUENI 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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, risk management environment and 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 - Makueni Constituency set out on pages 1 to 45, 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 the National Government Constituencies Development Fund - Makueni 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 Use of Goods and Services

The statement of receipts and payments as disclosed in Note 6 to the financial statements reflects use of goods and services amounting to Kshs.4,278,354. However, review of expenditure records including payment vouchers revealed an amount of Kshs.1,574,000 which was omitted from the financial statements. Further, oil and lubricants amounting to Kshs.1,270,126 was not supported with fuel register, fuel statements and work tickets while the hospitality supplies and services amount of Kshs.368,534 lacked participants attendance register.

Further, the general ledger reflects Kshs.848,048 and Kshs.1,694,880 on training and other operating expenses respectively which was not disclosed in Note 6 to the financial statements.

In the circumstances, the accuracy and completeness of the use of goods and services amounting to Kshs.4,278,354 could not be confirmed.

2. Misclassification of Expenditure

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects compensation of employees amount of Kshs.6,164,293 which includes staff basic salaries of Kshs.4,893,912 out of which Kshs.620,000 relates to travel expenses. Further, acquisition of assets expenditure amounting to Kshs.2,215,938 includes Kshs.2,187,588 relating to other expenditures.

In addition, office and general supplies amount of Kshs.1,694,880 includes misclassified amount of Kshs.594,880 which relates to gratuity.

In the circumstances, the accuracy and completeness of the above expenditures could not be confirmed.

3. Unsupported Committee Expenses

The statement of receipts and payments as disclosed in Note 5 reflects committee expenses amount of Kshs.3,485,988. However, an amount of Kshs.1,808,000 was not supported by payment vouchers, committee minutes and attendance registers.

In the circumstances, the accuracy and completeness of committee expenses amounting to Kshs.3,485,988 could not be confirmed.

4. Inaccuracies in Fixed Assets

Annex 4 to the financial statements reflects fixed assets balance of Kshs.11,602,833 while fixed assets register reflects Kshs.9,298,641 resulting to unexplained variance of Kshs.2,304,192. Further, ownership documents were not provided for audit while the value of land was not disclosed.

In the circumstance, the accuracy, completeness and ownership of fixed assets balance of Kshs.11,602,833 could not be confirmed.

5. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.56,865,354 and as disclosed in Note 8 to the financial statements which includes bursary payments amounting to Kshs.29,997,600, Kshs.9,413,000 and Kshs.215,000 disbursed to secondary schools, tertiary institutions and special schools respectively. However, no acknowledgement letters from beneficiary institutions were provided for audit.

In the circumstances, the accuracy and completeness of bursary disbursements totalling Kshs.39,625,600 could not be confirmed.

6. Unsupported Project Management Committee Balances

Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balance totalling Kshs.654,526. However, the balance omitted PMC account balances amounting to Kshs.4,403,265 while projects amounting to Kshs.27,666 were not supported by bank statements, cash books and certificates of bank balances.

In the circumstances, the accuracy and completeness of PMC account balance of Kshs.654,526 could not be confirmed.

7. Inaccuracies in the Unutilized Funds

Note 19.3 to the financial statements reflects unutilized fund balance of Kshs.74,774,780 which includes amounts due to other Government entities of Kshs.51,578,588. However, casting of Annex 3 revealed an amount of Kshs.51,375,000 resulting to an unexplained variance of Kshs.203,588.

In the circumstances, the accuracy and completeness of unutilized funds balance of Kshs.74,774,780 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund-Makueni Constituency Management in accordance with ISSAI 130 on the 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 budget receipts and actual receipts on comparable basis of Kshs.161,634,707 and Kshs.90,226,962 respectively, resulting to under-funding of Kshs.71,407,745 or 44% of the budget. However, the Fund spent Kshs.86,859,927 against actual receipts of Kshs.90,226,962 resulting to under-expenditure of Kshs.3,367,035 of actual receipts.

The under-funding affected the planned activities and programmes and negatively impacted on effective service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit reports of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues.

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. Delay in Implementation of Projects

Review of the approved code list and Project Implementation Status report revealed that the Fund had budgeted to implement sixty eight (68) projects allocated Kshs.80,425,000. However, review of the report revealed that funds for five (5) projects allocated Kshs.2,600,000 were not approved and sixty-three (63) projects with allocation of Kshs.77,825,000 had not started.

In the circumstances, value for money on these projects could not be confirmed.

2. Poor Project Implementation

The statement of receipts and payments as disclosed in Note 7 to the financial statements reflects Kshs.13,350,000 under transfers to other Government units out of which Kshs.12,950,000 was transferred to primary schools. Physical inspections conducted on 8 and 9 March, 2024 in three (3) primary schools where classrooms were renovated at Kshs.2,250,000 and an administration block construction at Kshs.2,400,000 revealed that the works were incomplete, the walls and floors for the three classrooms had cracks, wall painting was poorly done, ventilators had not been done and roof timber in verandah was not treated.

In the circumstances, value for money spent on the projects could not be confirmed.

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 comply, 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 controls, risk management and overall governance

were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

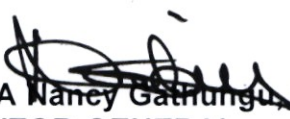
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of 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 continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

05 June, 2024

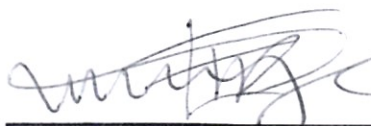
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10 Statement of Receipts and Payments for the Year Ended 30th June 2023


	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers from NGCDF Board	1	88,000,000	178,277,758
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	10,000	-
Total Receipts		88,010,000	178,277,758
Payments			
Compensation of Employees	4	6,164,293	5,384,507
Committee expenses	5	3,485,988	-
Use Of Goods and Services	6	4,278,354	11,765,616
Transfers To Other Government Units	7	13,350,000	78,563,887
Other Grants and Transfers	8	56,865,354	94,290,761
Acquisition Of Assets	9	2,215,938	720,000
Oversight Committee Expenses	10	500,000	-
Other Payments	11	-	944,720
Total Payments		86,859,927	191,669,491
Surplus/ (Deficit)		1,150,073	(13,391,733)

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

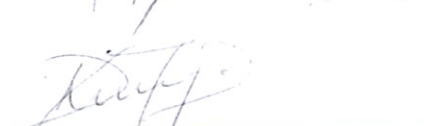
The Constituency financial statements were approved by the NGCDFC on 11/04 2024 and signed by:



Fund Account Manager



National Sub-County Accountant



Chairman NG-CDF Committee

Name: Eric Muange

Name:
ICPAK M/No:12536

Name: Daniel Kavoi


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11 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)	12A	3,367,035	2,216,962
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		3,367,035	2,216,962
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		3,367,035	2,216,962
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		3,367,035	2,216,962
Represented By			
Fund Balance B/Fwd.	15	2,216,962	15,608,695
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		1,150,073	(13,391,733)
Net Financial Position		3,367,035	2,216,962

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 11/06/2024 and signed by:




Fund Account Manager

Name: Eric Muange



National Sub-County
Accountant

Name: Gregory Mwaniki
ICPAK M/No: 12536



Chairman NG-CDF
Committee

Name: Daniel Kavoi

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

12 Statement Of Cash Flows for The Year Ended 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts from Operating Activities			
Transfers from NGCDF Board	1	88,000,000	178,277,758
Other Receipts	3	10,000	-
Total Receipts		88,010,000	178,277,758
Payments			
Compensation of Employees	4	6,164,293	5,384,507
Committee Expenses	5	3,485,988	11,765,616
Use of Goods and Services	6	4,278,354	78,563,887
Transfers to Other Government Units	7	13,350,000	94,290,761
Other Grants and Transfers	8	56,865,354	944,720
Acquisition of Assets	9	2,215,938	-
Oversight Committee Expenses	10	500,000	-
Other Payments	11	-	944,720
Total Payments		86,849,625	190,004,771
Total Receipts Less Total Payments		1,150,073	(11,727,013)
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		-	-
Cashflow From Investing Activities			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	1,664,720
Net Cash Flows from Investing Activities		-	(1,664,720)
Net Increase in Cash and Cash Equivalent		1,150,073	(13,391,733)
Cash & Cash Equivalent at Start of The Year	12	2,216,962	15,608,695
Cash & Cash Equivalent at End of The Year	12	3,367,035	2,216,962

Makueni Constituency
National Government Constituencies Development Fund (NGCDF)
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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 11/4/ 2024 and signed by:



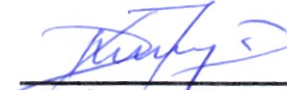
Fund Account Manager

Name: Eric Muange



National Sub-County
Accountant

Name: Gregory Mwaniki
ICPAK M/No:12536



Chairman NG-CDF
Committee

Name: Daniel Kavoi

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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022/2023	2022/2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers From NGCDF Board	159,407,745	2,216,962	-	161,624,707	90,216,962	71,407,745	55.8%
Proceeds From Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	10,000	-	10,000	10,000	-	100.0%
Totals	159,407,745	2,226,962	-	161,634,707	90,226,962	71,407,745	55.8%
Payments							
Compensation Of Employees	6,223,081	-	-	6,223,081	6,164,293	58,788	99.1%
Committee Expenses	3,563,000	-	-	3,563,000	3,485,988	77,012	97.8%
Use Of Goods and Services	4,508,766	-	-	4,508,766	4,278,354	230,412	94.9%
Transfers To Other Government Units	64,150,000	-	-	64,150,000	13,350,000	50,800,000	20.8%
Other Grants and Transfers	75,385,398	-	-	75,385,398	56,865,354	18,520,044	75.4%
Acquisition of Assets	-	2,216,962	-	2,216,962	2,215,938	1,024	100.0%
Oversight Committee Expenses	1,002,500	-	-	1,002,500	500,000	502,500	49.9%
Other Payments	4,000,000	-	-	4,000,000	-	4,000,000	0.0%
Funds Pending Approval**	575,000	10,000	-	585,000	-	585,000	0.0%
Totals	159,407,745	2,226,962	-	161,634,707	86,859,927	74,774,780	53.7%

Makueni Constituency
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Explanatory Notes.

- Committee expenses had a utilization of 83% because of late funding from the board transfer to other government entities had a utilization of 21% because of late funds disbursement from the board
- Other Grants and Transfers had utilization of 72% because of late funding from the board

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	74,774,780
Less undisbursed funds receivable from the Board as at 30 th June 2023	71,407,745
	3,367,035
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2023	3,367,035

The Constituency financial statements were approved by NG CDFC on 11/4/2024 and signed by:



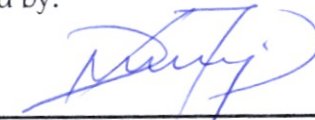
Fund Account Manager

Name: Eric Muange



National Sub-County Accountant

Name: Gregory Mwaniki
 ICPAK M/No: 12536



Chairman NG-CDF Committee

Name: Daniel Kavoi

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	6,223,081	-	-	6,223,081	6,164,293	58,788
1.2 Committee allowances	1,263,000	-	-	1,263,000	1,885,988	(622,988)
1.3 Use of goods and services	2,043,784	-	-	2,043,784	1,948,583	95,201
Total	9,529,865	-	-	9,529,865	9,998,864	(468,999)
2.0 Monitoring and evaluation						
2.1 Capacity building	1,600,000	-	-	1,600,000	1,560,000	40,000
2.2 Committee allowances	2,300,000	-	-	2,300,000	1,600,000	700,000
2.3 Use of goods and services	864,982	-	-	864,982	864,982	95211
Total	4,764,982	-	-	4,764,982	3,929,771	835,211
3.0 Emergency						
3.1 Primary Schools	2,100,000	-	-	2,100,000	2,000,190	99,810
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	600,095	-	-	600,095	600,095	-
3.5 Unutilized	4,936,095	-	-	4,936,095	-	4,936,095
Total	7,636,190	-	-	7,636,190	2,600,285	5,035,905

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.0 Bursary and Social Security				-		
4.1 Secondary Schools	30,000,000	-		30,000,000	29,997,600	2,400
4.2 Tertiary Institutions	9,415,053	-		9,415,053	9,413,000	2,053
4.3 Social Security	13,146,000	-		13,146,000	13,139,469	6,531
4.4 Special Needs	300,000	-		300,000	215,000	85,000
Total	52,861,053	-		52,861,053	52,765,069	95,984
5.0 Sports	2,688,155	-		2,688,155	-	2,688,155
5.1	500,000	-		500,000	-	500,000
Total	3,188,155	-		3,188,155	-	3,188,155
6.0 Environment						
Kwa Muema Nthangu sand dam	550,000	-		550,000	-	550,000
Kwa Mathuli sand dam	450,000	-		450,000	-	450,000
Kwa kithae sand dam	550,000	-		550,000	-	550,000
Kwangondu sand dam	550,000	-		550,000	-	550,000
Kwa kavendela sand dam	500,000	-		500,000	-	500,000
Total	2,600,000			2,600,000	-	2,600,000
7.0 Primary Schools Projects		-				

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Iiani Primary School-Kathonzweni	2,400,000	-	-	2,400,000	-	2,400,000
Iiani Primary School-Mbitini	900,000	-	-	900,000	900,000	-
Ikangavya Primary School	900,000	-	-	900,000	-	900,000
Kaiani Primary School	900,000	-	-	900,000	-	900,000
Kalembwani Primary School	900,000	-	-	900,000	-	900,000
Kasaayani Primary School	900,000	-	-	900,000	900,000	-
Kawala Primary School	900,000	-	-	900,000	-	900,000
Kiatine Primary School	900,000	-	-	900,000	-	900,000
Kilisa Primary School	900,000	-	-	900,000	-	900,000
Kitheini Primary School	900,000	-	-	900,000	900,000	-
Kithiiani Primary School	2,400,000	-	-	2,400,000	2,400,000	-
Kitikyumu Primary School	900,000	-	-	900,000	-	900,000
Kitonyoni Primary School	900,000	-	-	900,000	-	900,000
Kivandini Primary School	900,000	-	-	900,000	-	900,000
Kwambata Primary School	450,000	-	-	450,000	450,000	-
Kwambiti Primary School	1,350,000	-	-	1,350,000	-	1,350,000
Kyase Primary School	600,000	-	-	600,000	600,000	-
Manzani Primary School	750,000	-	-	750,000	-	750,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Masue Primary School	1,800,000	-	-	1,800,000	-	1,800,000
Mathangathini primary school	900,000	-	-	900,000	-	900,000
Mbeletu Primary School	1,350,000	-	-	1,350,000	-	1,350,000
Mbuveni Primary School	1,800,000	-	-	1,800,000	-	1,800,000
Mikisi primary school	900,000	-	-	900,000	900,000	-
Muangueni Primary School	600,000	-	-	600,000	-	600,000
Mukameni Primary School	900,000	-	-	900,000	-	900,000
Mumbeeni primary school	900,000	-	-	900,000	-	900,000
Muthwani Primary School	900,000	-	-	900,000	900,000	-
Ngaa Primary School	900,000	-	-	900,000	900,000	-
Ngomano Primary School	900,000	-	-	900,000	-	900,000
		-	-	-	-	-
Ngosini Primary School	500,000	-	-	500,000	500,000	-
Ngunguuni Primary School	900,000	-	-	900,000	-	900,000
Nthangu Primary School	900,000	-	-	900,000	900,000	-
St Johns Malivani primary school	575,000	-	-	575,000	-	575,000
Syandoo primary school	900,000	-	-	900,000	900,000	-
Thavu Primary School	1,800,000	-	-	1,800,000 -	1,800,000	-

Makueni Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Ungatani primary school	500,000	-	-	500,000	-	500,000
Wee Primary School	2,400,000	-	-	2,400,000	-	2,400,000
Yembondo primary school	900,000	-	-	900,000	-	900,000
Yuuni Primary School	1,800,000	-	-	1,800,000	-	1,800,000
				-		-
Total	41,775,000			41,775,000	12,950,000	28,825,000
8.0 Secondary Schools Projects						-
Aic Muthyoi Secondary School	1,100,000	-	-	1,100,000	-	1,100,000
Athiani Secondary School	2,500,000	-	-	2,500,000	-	2,500,000
Iiani secondary school	2,000,000	-	-	2,000,000	-	2,000,000
Kambi Mawe Secondary School	800,000	-	-	800,000	-	800,000
Kavingoni Secondary School	400,000	-	-	400,000	400,000	-
Kitonyoni Secondary School	2,500,000	-	-	2,500,000	-	2,500,000
Kyunyu Secondary School	400,000	-	-	400,000	-	400,000
Mandoi Secondary School	900,000	-	-	900,000	-	900,000
Mbuthani Secondary School	2,250,000	-	-	2,250,000	-	2,250,000
Mbuvo Secondary School	2,700,000	-	-	2,700,000	-	2,700,000
Muambani Secondary School	1,500,000	-	-	1,500,000	-	1,500,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Muusini secondary school	1,500,000	-	-	1,500,000	-	1,500,000
Serena Williams Wee Secondary School	500,000	-	-	500,000	-	500,000
St Johns Malivani Secondary School	2,400,000	-	-	2,400,000	-	2,400,000
Yeemulwa secondary school	1,500,000	-	-	1,500,000	-	1,500,000
Total	22,950,000	-	-	22,950,000	400,000	22,550,000
9.0 Tertiary institutions Projects		-		-		-
						-
Total	-			-	-	-
10.0 Security Projects				-		-
Katangini Assistant Chiefs Office	1,100,000	-	-	1,100,000	-	1,100,000
Kathonzweni County Commissioners Office	800,000	-	-	800,000	-	800,000
Kiangini Chiefs Office	300,000	-	-	300,000	300,000	-
Kikumini Assistant Chiefs Office	2,000,000	-	-	2,000,000	-	2,000,000
Kithuki Chiefs Office	1,500,000	-	-	1,500,000	-	1,500,000
Kithumba Chiefs Office	1,100,000	-	-	1,100,000	-	1,100,000
Makueni County Directorate of Criminal Investigation Office	1,200,000	-	-	1,200,000	1200000	-
Munathi Assistant Chiefs Office	1,100,000	-	-	1,100,000	-	1,100,000
Total	9,100,000	-	-	9,100,000	1,500,000	7,600,000

Makueni Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
11.0 Acquisition of assets				-		-
ICT HUB	-	-		2,216,962	2,215,938	1,024
	-	2,216,962		-	-	-
Total	-	-		2,216,962	-	1,024
12.0 Other payments				-		-
Makueni NG-CDF Strategic Plan	4,000,000	-	-	4,000,000	-	4,000,000
Total	4,000,000			4,000,000		4,000,000
				-		-
Oversight Committee Expenses	1,002,500			1,002,500	500,000	502,500
				-		-
				-		-
Total	1,002,500	-	-	1,002,500	500,000	8,502,500
13.0 unallocated fund						
Unapproved projects	575,000			575,000		575,000
AIA		10,000		10,000		10,000
PMC savings						
Total	575,000	10,000	-	585,000	-	585,000
Total	159,407,745	2,226,962	-	161,634,707	86,859,625	74,775,082

(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

15 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-Makueni 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.

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.

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.

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 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.

13. Subsequent Events

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

14. 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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16 Notes To the Financial Statements

1. Transfers from NGCDF Board

Normal allocation	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
B140992		39,081,981
B105631		34,000,000
B105713		28,000,000
B128603		10,000,000
B128915		14,000,000
B154113		15,000,000
B164447		36,088,879
B155991		2,106,898
B185077	7,000,000	
B185446	6,000,000	
B185698	15,000,000	
B206013	5,000,000	
B206460	12,000,000	
B205805	12,000,000	
B207456	16,000,000	
B210324	15,000,000	
TOTAL	88,000,000	178,277,758

2. Proceeds From Sale of Assets

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

Makueni Constituency
National Government Constituencies Development Fund (NGCDF)
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3. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	-	-
Rents	10,000	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	10,000	-

4. Compensation Of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	4,893,912	4,519,854
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,250,781	843,453
Employer Contributions Compulsory national social security schemes	19,600	21,200
Total	6,164,293	5,384,507

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	2,367,988	1,445,730
Other committee expenses	1,118,000	111,500
Total	3,485,988	1,557,230

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Notes To the Financial Statements (Continued)

6. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	395,540	-
Communication, supplies and services	-	-
Domestic travel and subsistence	40,120	46,800
Printing, advertising and information supplies & services	-	-
Rentals of produced assets		-
Training expenses		3,744,000
Hospitality supplies and services	848,048	-
Insurance costs		-
Specialised materials and services	-	-
Office and general supplies and services	1,694,880	2,613,900
Fuel , oil & lubricants	1,270,125	2,500,000
Other operating expenses	-	1,160,966
Bank Charges	29,640	22,720
Security operations	-	120,000
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
Total	4,278,354	10,208,386

7. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	12,950,000	40,966,989
Transfers To Secondary Schools (See Attached List)	400,000	37,196,898
Transfers To Tertiary Institutions (See Attached List)	-	400,000
Total	13,350,000	78,563,887

Notes To The Financial Statements (Continued)

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	29,997,600	41,222,531
Bursary – tertiary institutions (see attached list)	9,413,000	19,038,550
Bursary – special schools (see attached list)	215,000	219,500
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	13,139,469	15,386,726
Security projects (see attached list)	1,500,000	9,400,000
Sports projects (see attached list)	-	3,502,400
Environment projects (see attached list)	-	3,421,054
Emergency projects (see attached list)	2,600,285	2,100,000
Roads projects (see attached list)	-	-
Total	56,865,354	94,290,761

9. Acquisition of 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	2,215,938	720,000
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	2,215,938	720,000

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Notes To the Financial Statements (Continued)

10. Oversight Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	500,000	-
ICT Hub	-	-
	500,000	-

11. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
Cooperative Bank of Kenya, Wote Branch. Makueni NG-CDF A/C no. 01120539316700 ksh	3,367,035	2,216,962
<i>Name of Bank, account No.</i>	-	-
Total	3,367,035	2,216,962
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total		

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Notes To the Financial Statements (Continued)

13. Outstanding Imprests

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

14. Retention and Gratuity

14 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 B. 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

	2022-2023	2021-2022
	Kshs	Kshs
Bank accounts	2,216,962	15,608,695
Cash in hand		
Imprest		
Total	2,216,962	15,608,695
Less		
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	-	-

Notes to the Financial Statement Continued

16. Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
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	58,788	-
Committee expense	77,012	-
Use of goods and services	230,412	-
Amounts due to other Government entities (see attached list)	50,800,000	-
Amounts due to other grants and other transfers (see attached list)	18,520,044	-
Acquisition of assets	1,024	2,216,962
Oversight Committee Expenses	502,500	-
Other Payments (<i>specify</i>)	4,000,000	-
Funds pending approval	585,000	-
Total	74,774,780	2,216,962

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19.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	654,526	37,450
Total	654,526	37,450

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17 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 30 th June 2023	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Compensation of employees	salaries	58,588		Delay in disbursement of funds
Use of goods & services	Committee allowances	145,000	(3,401,165)	Delay in disbursement of funds
Amounts due to other Government entities			336,637	Delay in disbursement of funds
Iiani Primary School-Kathonzweni	Construction of two classrooms	2,400,000		Delay in disbursement of funds
Ikangavya Primary School	Renovation of 3 classroom	900,000		Delay in disbursement of funds
Kaiani Primary School	Renovation of 3 classroom	900,000		Delay in disbursement of funds
Kalembwani Primary School	Renovation of 3 classroom	900,000		Delay in disbursement of funds
Kawala Primary School	Renovation of 3 classroom	900,000		Delay in disbursement of funds
Kiatine Primary School	Renovation of 3 classroom	900,000		Delay in disbursement of funds
Kilisa Primary School	Renovation of 3 classroom	900,000		Delay in disbursement of funds
Kitikyumu Primary School	Renovation of 3 classroom	900,000		Delay in disbursement of funds
Kitonyoni Primary School	Renovation of 3 classroom	900,000		Delay in disbursement of funds
Kivandini Primary School	Renovation of 3 classroom	900,000		Delay in disbursement of funds
Kwambiti Primary School	Construction of one classroom	1,350,000		Delay in disbursement of funds
Manzani Primary School	Renovation of 2 classroom	750,000		Delay in disbursement of funds
Masue Primary School	Construction of one classroom	1,800,000		Delay in disbursement of funds
Mathangathini primary school	Renovation of 3 classroom	900,000		Delay in disbursement of funds
Mbeletu Primary School	Construction of one classroom	1,350,000		Delay in disbursement of funds
Mbuvuni Primary School	Renovation of 2 classroom	1,800,000		Delay in disbursement of funds
Muangeni Primary School	Renovation of 3 classroom	600,000		Delay in disbursement of funds
Mukameni Primary School	Renovation of 3 classroom	900,000		Delay in disbursement of funds
Mumbeeni primary school	Renovation of 3 classroom	900,000		Delay in disbursement of funds

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Ngomano Primary School	Renovation of 3 classroom	900,000		Delay in disbursement of funds
Ngunguuni Primary School	Renovation of 3 classroom	900,000		Delay in disbursement of funds
St Johns Malivani primary school	Renovation of 1 classroom	575,000		Delay in disbursement of funds
Ungatani primary school	Renovation of 1 classroom	500,000		Delay in disbursement of funds
Wee Primary School	Construction of dormitory	2,400,000		Delay in disbursement of funds
Yembondo primary school	Renovation of 3 classroom	900,000		Delay in disbursement of funds
Yuuni Primary School	Construction of one classroom	1,800,000		Delay in disbursement of funds
Aic Muthyoi Secondary School	Construction of one classroom	1,100,000		Delay in disbursement of funds
Athiani Secondary School	Construction of dormitory	2,500,000		Delay in disbursement of funds
Iiani secondary school	Construction of dormitory	2,000,000		Delay in disbursement of funds
Kambi Mawe Secondary School	Renovation of 1 classroom	800,000		Delay in disbursement of funds
Kitonyoni Secondary School	Construction of dormitory	2,500,000		Delay in disbursement of funds
Kyunyuu Secondary School	Renovation of 1 classroom	400,000		Delay in disbursement of funds
Mandoi Secondary School	Renovation of 3 classroom	900,000		Delay in disbursement of funds
Mbuthani Secondary School	Construction of dormitory	2,250,000		Delay in disbursement of funds
Mbuvo Secondary School	Construction of dormitory	2,700,000		Delay in disbursement of funds
Muambani Secondary School	Construction of one classroom	1,500,000		Delay in disbursement of funds
Muusini secondary school	Construction of one classroom	1,500,000		Delay in disbursement of funds
Serena Williams Wee Secondary School	Renovation of 1 classroom	500,000		Delay in disbursement of funds
St Johns Malivani Secondary School	Construction of 2 classrooms	2,400,000		Delay in disbursement of funds
Yeemulwa secondary school	Construction of one classroom	1,500,000		Delay in disbursement of funds
Sub-Total		51,578,588		
Environment				
	Kwa Muema Nthangu sand dam	550,000		Delay in disbursement of funds

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
	Kwa Mathuli sand dam	450,000		Delay in disbursement of funds
	Kwa kithae sand dam	550,000		Delay in disbursement of funds
	Kwangondu sand dam	550,000		Delay in disbursement of funds
	Kwa kavendela sand dam	500,000		Delay in disbursement of funds
	5.0 Sports	2,688,155		
	5.1 REGIONAL SPORTS	500,000		Delay in disbursement of funds
	Emergency	5,035,905		Delay in disbursement of funds
	Katangini Assistant Chiefs Office	1,100,000		Delay in disbursement of funds
	Kathonzweni County Commissioners Office	800,000		Delay in disbursement of funds
	Kikumini Assistant Chiefs Office	2,000,000		Delay in disbursement of funds
	Kithuki Chiefs Office	1,500,000		Delay in disbursement of funds
	Kithumba Chiefs Office	1,100,000		Delay in disbursement of funds
	Munathi Assistant Chiefs Office	1,100,000		Delay in disbursement of funds
	4.1 Secondary Schools	2,400		Delay in disbursement of funds
	4.2 Tertiary Institutions	2,053		Delay in disbursement of funds
	4.3 Social Security	6,531		Delay in disbursement of funds
	4.4 Special Needs	85,000		Delay in disbursement of funds
	Sub-Total	18,520,044		
	Acquisition of assets		649,183	
	ICT	1,024	2,216,962	Delay in disbursement of funds

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Oversight Committee Expenses (itemize)	COC	664,924		Delay in disbursement of funds
Others (<i>specify</i>)			4,632,307	
	Strategic plan	4,000,000		Delay in disbursement of funds
Sub-Total		4,000,000		
Funds pending approval				
Grand Total		74,774,780	2,216,962	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	1,491,652	-	-	1,491,652
Transport equipment	8,345,250	-	-	8,345,250
Office equipment, furniture and fittings	953,931	-	-	953,931
ICT Equipment, Software and Other ICT Assets	92,000	-	-	812,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	10882833	-	-	11602833

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

Pmc	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Kithiani Primary School	COOP	1100049452002	-	-
Athiani Primary School	Equity	670192887807	629	629
Kambi Mawe Secondary School	Equity	670276263609	475	475
Kikome Primary School	Equity	670166581361	205	
Kithayooni Primary School	Equity	670198720440	1,458	1,458
Kiuani Primary School	Equity	670199802712	870	90
Kiuuku Primary School		670279590480	2,630	2,630
Makutano Primary School	Equity	670299813566	435	435
Managauni Primary School	Equity	670197096817	448	448
Muangen Primary School	Equity	670270263840	20	20
Mulenyu Primary School	Equity	6702786520040	1,510	
Munathi Primary School	Equity	670199685338	39	
Nzueni Primary School	Equity	670192902410	2,979	2,979
St Francis Maanzani	Equity	6702702675511	4,153	4,153
St. Johns Malivani Primary School	Equity	670276530917	5,707	5,707
Yekanga Secondary School	Equity	670282257913	4,530	
Kasayani Primary School	Equity	670297051259	678	678
Kitheini Primary School	Equity	6701928949228	2,392	2,392
Kwambata Primary School	Equity	670199683278	603,206	3,206

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Pmc	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Kyase Primary School	Equity	670280497819	1,530	1,530
Muthwani Primary School	Equity	6700272214695	345	345
Nthanhu Primary School	Equity	6702997114850	7	7
Syandoo Primary School	Equity	670199798895	815	815
Kiangini Chiefs Office	Equity	670164225573	654	654
Maviaume Primary School	Equity	670266552837	-	-
Ngoi Primary School	Equity	670192898398	792	792
Mikisi Primary School	COOP	1139540040100	4,362	4,362
Thavu Pri	COOP	1139539692000	923	923
Ngosini Primary Sch	COOP	11175396600	2,660	2,660
Kikumini Police Station	COOP	110005724800	-	-
Muthwani Primary School	EQUITY	670272214695	345	345
Kasaayani Pri	EQUITY			
Kitheini Pri	EQUITY			
Kyase Primary School	EQUITY	670280497819	1,530	1,530
Nthangu Primary Sch	EQUITY	670299714850	7	7
Iiani Primarysch	EQUITY	1810284324740	-	-
Kiangini Chief Office	EQUITY	670164225573	654	654
Maviaume Primary School	EQUITY	670266552837	-	-
Ngaa Pri Sch	KCB	1206635037	899	899

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Pmc	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Kyumbe Primary School	KCB	1136514732	93	-
Makueni Ccio Office	KCB	1288774559	934	1,060
Kavingoni Sec School	KCB	1287184472	3,299	3,425
Kithoni Secondary School	KCB	1256533181	2,313	
Total			654,526	37,450

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)						
1	<p>Inaccuracies in the Financial Statements</p> <p>Review of the financial statements revealed the following anomalies</p> <p>i) NG-CDFC Chairman’s report</p> <p>The table on page viii of the chairman’s report, receipts figures reflected under final budget column differs with figures reflected in the statement of appropriation.</p> <p>ii) Signing of the Financial statements</p> <p>A member of the NG-CDF Committee signed the financial statements on behalf of the chairperson.</p> <p>Variances between the statement of appropriation and budget execution by sectors and project</p> <p>The statement of appropriation and budget execution by sectors and projects reflects budget utilization and differences as detailed below;</p> <table border="1" data-bbox="562 1347 1122 1458"> <thead> <tr> <th data-bbox="562 1347 752 1458">Component</th> <th data-bbox="752 1347 958 1458">Statement of appropriation</th> <th data-bbox="958 1347 1122 1458">Budget execution by sectors</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Component	Statement of appropriation	Budget execution by sectors				<p>As per recommendations, the amended have been done and resubmitted for review.</p>	<p>Resolved</p>	
Component	Statement of appropriation	Budget execution by sectors								

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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)									
	<table border="1" data-bbox="566 384 1122 727"> <tr> <td></td> <td></td> <td>and projects</td> </tr> <tr> <td>Transfers to other government units</td> <td>0</td> <td>1,600,000</td> </tr> <tr> <td>Other grants and transfers</td> <td>336,637</td> <td>- 1,323,780</td> </tr> </table> <p data-bbox="611 770 1122 879">Variiances between project implementation status report and the project files reports</p> <p data-bbox="611 884 1122 1369">The statement of receipts and payments as disclosed in note 6 to the financial statements reflects transfers to other government units totaling Ksh 78,563,887 which includes an amount of 13,700,000 disbursed to twelve projects for learning institutions. Review of project files for these projects revealed that they were completed after 30th June 2022 while the project implementation status report for the same date indicate they were complete by 30th June 2022.</p> <p data-bbox="611 1374 853 1406">Recommendation</p> <p data-bbox="611 1410 1066 1444">The management should amend the</p>			and projects	Transfers to other government units	0	1,600,000	Other grants and transfers	336,637	- 1,323,780			
		and projects											
Transfers to other government units	0	1,600,000											
Other grants and transfers	336,637	- 1,323,780											

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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)
	financial statements and resubmit for audit			
2	<p>inaccuracy in cash and cash equivalents</p> <p>The statement of financial assets and liabilities reflects a bank balance of Ksh. 2,216, 962 under cash and cash equivalents. Included in the bank reconciliation statement for the month of June 2022, were unrepresented cheques of Ksh. 8,191,371. However, a review of the bank statements revealed that cheques totaling to Ksh. 751,500 were cleared in June 2022 and did not therefore qualify to be classified as unrepresented cheques as at 30 June 2022. In addition, the bank reconciliation statements were not signed by the preparer not submitted to National treasury for analysis and review.</p> <p>In the circumstances, t has not been possible to confirm the accuracy of cash and cash equivalents of Ksh. 2,216,962 as at 30 June 2022.</p> <p>Recommendations</p>	<p>As per audit recommendations, bank reconciliation will be done regularly and submitted to the National Treasury for analysis and review. And secondly signed reconciliation statements have been submitted to the auditor for review.</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)
	<ul style="list-style-type: none"> i. Bank reconciliations should be done regularly, signed and submitted to national treasury for analysis and review ii. Submit signed reconciliation statements by the Fund Account Manager for audit. 			
3	<p>Budget and budgetary control The summary statement of appropriation reflects final expenditure budget and actual amount on comparable basis of Ksh. 193,886,453 and Ksh. 191,669,491 respectively resulting to an under absorption of Ksh. 2,216,962 or 1.14% of the budget. The underperformance affected the planned activities and may have impacted negatively on service delivery to the public.</p> <p>Recommendation Makueni NG-CDF Committee should ensure that planned activities are implemented within the planned period.</p>	<p>As per above recommendations Makueni NG-CDF Committee will strive to ensure that planned activities are implemented within the planned period.</p>	Resolved	
4	Failure file report on utilization of	The management	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>emergency reserve The statement of receipts and payments reflects an expenditure of Ksh. 94,290,761 for other grants and transfers as disclosed under note 7 to the financial statements which includes Ksh, 2,100,000 utilized on six emergency projects from emergency reserves. However, no documents were provided for audit to confirm the same was reported to the NGCDF board within thirty days of the occurrence.</p> <p>Recommendation Explain why the constituency committee failed to comply with the above quoted regulation on reporting the utilization of emergency reserve to the board within the thirty days of occurrence.</p>	<p>has already reported the utilization of the emergency funds and in future will comply with the set timelines.</p>														
5	<p>Delay to release funds for emergency projects Note 7 to the financial statements reflects emergency projects amounts totaling Ksh. 2,100,000 out of which Ksh. 1,850,000 was released for five emergency projects in learning institutions. However, the NGCDF management delayed release of these funds to PMCs of these learning institutions by between two to ten months from the date of approval by the NGCDF Committee as detailed below:</p> <table border="1" data-bbox="510 1449 1126 1468"> <thead> <tr> <th>Name of</th> <th>Project</th> <th>NGCDF</th> <th>Date of</th> <th>Date funds</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Name of	Project	NGCDF	Date of	Date funds	Amount							<p>The projects were approved for emergency funding but there was no exchequer releases prompting delayed disbursement of the same.</p>	Resolved	
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	<table border="1" data-bbox="517 384 1124 962"> <thead> <tr> <th>Institution</th> <th></th> <th>Committee approval date</th> <th>PMC Letter</th> <th>were disbursed to PMCs</th> <th>disbursed</th> </tr> </thead> <tbody> <tr> <td>Kyaka primary school</td> <td>Renovation of 1 classroom</td> <td>8/10/2020</td> <td>29/2020</td> <td>4/8/2021</td> <td>250,000</td> </tr> <tr> <td>Nthangu mixed secondary school</td> <td>Construction of 6 door latrine</td> <td>8/10/2020</td> <td>23/11/2020</td> <td>4/8/2021</td> <td>300,000</td> </tr> <tr> <td>Kambi mawe mixed secondary school</td> <td>Construction of 6 door pit latrines</td> <td>8/10/2020</td> <td>16/10/2020</td> <td>17/8/2021</td> <td>300,000</td> </tr> <tr> <td>Kaasya secondary school</td> <td>Construction of toilets</td> <td>4/5/2021</td> <td>5/7/2021</td> <td>8/9/2021</td> <td>500,000</td> </tr> <tr> <td>Kiuani primary school</td> <td>Renovation of 2 classrooms with dilapidated roofs</td> <td>25/4/2022</td> <td>17/6/2022</td> <td>30/06/2022</td> <td>500,000</td> </tr> <tr> <td>Total amount disbursed for two emergency projects</td> <td></td> <td></td> <td></td> <td></td> <td>1,850,000</td> </tr> </tbody> </table> <p data-bbox="517 1002 1104 1074">No explanation was given for delay to release fund for emergency projects.</p> <p data-bbox="517 1082 757 1110">Recommendation</p> <p data-bbox="517 1118 1115 1225">The NGCDF Management should explain why it delayed to release funds to implement these five emergency projects.</p>	Institution		Committee approval date	PMC Letter	were disbursed to PMCs	disbursed	Kyaka primary school	Renovation of 1 classroom	8/10/2020	29/2020	4/8/2021	250,000	Nthangu mixed secondary school	Construction of 6 door latrine	8/10/2020	23/11/2020	4/8/2021	300,000	Kambi mawe mixed secondary school	Construction of 6 door pit latrines	8/10/2020	16/10/2020	17/8/2021	300,000	Kaasya secondary school	Construction of toilets	4/5/2021	5/7/2021	8/9/2021	500,000	Kiuani primary school	Renovation of 2 classrooms with dilapidated roofs	25/4/2022	17/6/2022	30/06/2022	500,000	Total amount disbursed for two emergency projects					1,850,000			
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6	<p data-bbox="517 1313 1124 1417">Failure to submit Bank reconciliations statements to National Treasury and office of the auditor</p> <p data-bbox="517 1425 1081 1453">Review of financial records for the financial</p>	<p data-bbox="1151 1313 1440 1453">As per above recommendations. the management will ensure that bank</p>	Resolved																																											

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	<p>year under review revealed that bank reconciliations are not regularly done and checked by senior officers as required by the law. However, no evidence was provided to confirm that bank reconciliation statements were submitted to the national treasury and a copy to the auditor general as required under section 90(1) of public finance management regulations 2015.</p> <p>Recommendations</p> <p>i. Explain why the management filed to comply with the above quoted law.</p> <p>The management to ensure bank reconciliation statements are submitted to the national treasury and the auditor general as required by the law</p>	<p>reconciliation statements are submitted to the national treasury and the auditor general as required by the law</p>		



 Eric Muange
 Fund Account Manager.