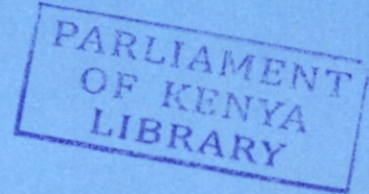


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 14 AUG 2024	DAY: WEDNESDAY
TABLED BY:	HON. OWEN BAYA, MP DEPUTY LEADER OF THE MAJORITY PARTY
CLERK AT THE TABLE:	KESTER NGINYO

THE AUDITOR-GENERAL

ON

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

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



NAVAKHOLO 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)

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

*Navakholo Constituency
National Government Constituencies Development Fund (NGCDF)
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1. Acronyms and Abbreviations

Provide a list of all applicable acronyms and abbreviation e.g.

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC- Project Management Committee

FY-Financial Year

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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;

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- 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 Navakholo 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)

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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	Mr. Thomas Ontweka
2.	Sub-County Accountant	Ms. Roselyne Kolwa
3.	Chairman NGCDFC	Mr. Kennedy Ngao Barasa
4.	Member NGCDFC	Mrs. Hellane Nanjakululu

(c) Fiduciary Oversight Arrangements

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

P.O. Box 14-50127
Navakholo NGCDF Office
Navakholo – Muhuni- Chebuyusi Road
NAMBACHA, KENYA

(e) Navakholo Constituency NGCDF Contacts

Telephone: (254) 722288499/722325799
E-mail: cdfnavakholo@ngcdf.go.ke
Website: www.go.ke

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(f) Navakholo Constituency NGCDF Bankers

Equity Bank (Kenya) Limited
Kakamega Branch
P.O.Box 2512 - 50100
Kakamega

(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

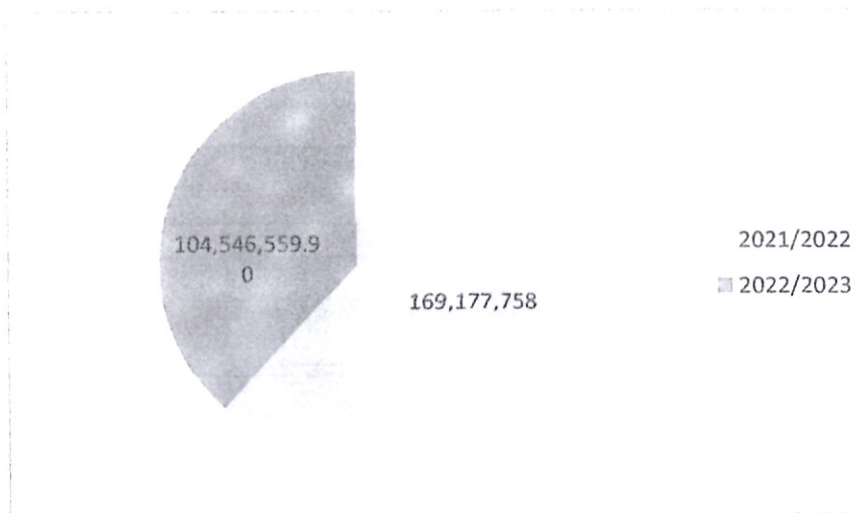
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3. NG-CDFC Chairman's Report



Mr. Kennedy Barasa Ngao – NGCDFC Chairman, Navakholo Constituency

In the financial year under review (2022/2023), Navakholo Constituency received part of the budgeted allocation by 30th June 2022. The actual amount received by close of the financial year was Kshs. 104,546,559.90. On comparable basis, during close of financial year 2021/2022, we had received Kshs. 169,177,758.



A Pie chart showing receipts in the two financial years on comparable basis

The red color represents receipts for 2022/2023 financial year whereas blue shows receipts for the previous financial year, 2021/2022 respectively.

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Kisembe Primary School – construction of 4no. classrooms in Bunyala West Ward, complete and handed over



KMTC Navakholo – Construction of Storey building of 12 lecture halls in Bunyala Central Ward, complete and handed over

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Purchase of sports uniform



Purchase of 46-seater school bus at St. John's Shinoyi Secondary School

The NG-CDF Committee started allocating funds for storey construction works in public secondary schools. This is because it has become a challenge to acquire land. We better do construction upwards. Once complete, they will be our flagship projects in the constituency, something that had never been done before.

During management of the fund, we have had challenges as follows:

- ✓ The constituents heavily depend on bursary kitty for the education of their children. This overdependence might compromise the committee's integrity. However, to solve such, we have Sub Locational Bursary Sub Committees that vet bursary applications and forward their findings to the Bursary Sub Committee before award to beneficiaries.

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- ✓ Political interference is another challenge in the management of the kitty. Some constituents are always negative because of political dynamics. We always encourage the use of Complaints/suggestion box so that it is official.
- ✓ Decision making is tricky in the committee meetings. This is because each of the members has a particular interest for their ward. Through NG-CDFC trainings, the members are aware that they represent the entire constituency and not a ward. Should there be a problem, it will be for the whole constituency. Hence teamwork.
- ✓ Slow pace at which the NG-CDF Board releases funds to constituencies is another very serious challenge. Although this is based on collections from the taxes, it is affecting project implementation. The NG-CDF Board released about half of the allocation two weeks to closure of financial year. Other constituencies are yet to receive all their funds for the just ended financial year. The NG-CDF Act 2015 should be followed to ensure disbursements are timely.



Mr. Kennedy Barasa Ngao
CHAIRMAN NGCDF COMMITTEE
NAVAKHOLO NGCDFC

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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 *Navakholo Constituency 2023-2025* plan are to:

(Enumerate all the objectives of the constituency as per the Strategic Plan)

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	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 22/23 we increased number of classrooms, laboratories etc - Bursary beneficiaries at all levels were as per the attached schedules
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 Improved security in the community	- Number of new physical facilities for police officers - Number of new physical facilities for security administrators – DCC, ACCs, Chiefs etc.	In the 2022/2023 FY, we allocated funds for purchase of land -housing and offices for security administrators
Environment	To keep the	Increased	Number of tree	In the 2022/2023

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	learners learning environment conducive	number of toiletries in schools	seedlings to primary schools and secondary schools	FY, we allocated funds for purchase of 10,000 tree seedlings to some primary schools and secondary schools
Sports	Empower and develop youth	Reduced dependence and spur economic growth through sports	Number of schools benefiting from sports equipment	In the 2022/2023 FY, we allocated funds for hold sports tournaments
Emergency	To cater for emergency arising issues	Improved infrastructure in 2 schools	Number of usable physical infrastructure build in primary	In the 2022/2023 FY we constructed pit latrines in two institutions

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5. Statement of Governance

According to NG-CDF Act 2016 Sec.43 (1, 2 & 3), There is established a National Government Constituency Development Fund Committee for every constituency. This is done publicly by doing an advertisement so that interested constituents can apply in written to the Fund Account Manager. The requirements are clearly stipulated in the advertisement. Membership is as follows:

- a) the national government official responsible for co-ordination of national government functions;
- b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- c) two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment;
- d) one persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
- f) the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
- g) one member co-opted by the Board in accordance with Regulations made by the Board.

The Fund Account Manager communicates to the Constituency Manager to nominate two members (male & female). He also writes to the DCC requesting for one of the ACCs to chair the selection panel. The Fund Account Manager also writes to the organization for People Living with Disability to nominate a representative (which should be in minuted resolution plus cover letter).

The selection panel then goes through the applications for suitable candidates. Based on regional balance, geographical distribution and gender balance, suitable candidates are selected through set criteria. The details are then forwarded to the NG-CDF Board for gazettment.

NG-CDF Act Sec.43 (13) clearly stipulates under which circumstances a member may be removed as follows:

- (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

The roles of NG-CDF Committee are:

- a) Collect public views on what projects to be funded before budgeting through Public Participation
- b) Do budget proposals to the Board based on the official allocations and submit to the Board on timely basis
- c) Manage the fund at the constituency level on behalf of the Board
- d) Co-ordinate the implementation of projects by Project Management Committees
- e) Ensure the Project Management Committees are empowered through training to carry out their mandate.
- f) Ensure accountability in projects is maintained at all times at the Project Management Committees level.

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Every financial year, the NG-CDF Committee, staff and Project Management Committees are trained to ensure they understand their roles before funds are released to their respective accounts. In the financial year under review, we have held at least twelve meetings.

As a committee, we have made it clear to all members that anyone who has interest in any activity e.g. works, supplies must declare in our meetings as a way of avoiding conflict of interest. Apparently, we have never experienced such a case.

On remuneration of members, it is as per the NG-CDF Act 2016 and its regulations. A member is paid sh.5, 000 per sitting whereas the chairperson gets sh.7, 000.

Through our trainings, members and staff as well as Project Management Committees are advised to always ensure that they don't engage in unethical practices as the public is watching on what they do on daily basis. This shall help avoid complaints and conflicts. In fact at the time of recruitment of members, one must avail clearance certificates from Kenya Revenue Authority, Ethics & Anti-Corruption Commission plus Certificate of Good Conduct just to show that one does not have integrity issues before they become NG-CDF Committee member.

The NG-CDF Committee has ensured that risk management is put into consideration e.g. our premises are guarded day and night; our very sensitive offices have doors fitted with steel doors and window grills for Fund Account Manager & Office Secretary, we also have backup of our official data through flash disks and even saving on the net for safety. Project Management Committees are also advised to ensure that their public facilities are safe (schools and offices).

It is also clear to the members that their term is of two years after which one may be renewed or replaced based on performance.

6. Environmental and Sustainability Reporting

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

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 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

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*

3. Employee welfare

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

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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-

Navakholo 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-

Navakholo 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.

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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.

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

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Mr. Thomas Moracha Ontweka
Fund Account Manager.

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7. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF- Navakholo 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- Navakholo Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Navakholo 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 Navakholo 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

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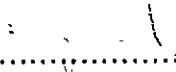
audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Navakholo Constituency financial statements were approved and signed by the Accounting Officer on 21-7- 2023.


.....

Name: Kennedy Ngao
Chairman – NGCDF Committee


.....

Name: Thomas Ontweka
Fund Account Manager

REPUBLIC OF KENYA

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Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NAVAKHOLO 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 - Navakholo Constituency set out on pages 1 to 47, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the

Report of the Auditor-General on National Government Constituencies Development Fund - Navakholo Constituency for the year ended 30 June, 2023

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 - Navakholo 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 Project Management Committee Bank Balances

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.11,227,038 which does not include Project Management Committees (PMC) bank balance of Kshs.9,883,336. In addition, Annex 5 to the financial statements reflects one hundred and thirteen (113) PMC bank accounts with balances totalling Kshs.9,883,336. Included are balances totalling, Kshs.1,394,330 held in sixty (60) bank accounts brought forward which had no movements during the year.

Further, monthly bank reconciliation statements, certificate of bank balances, expenditure returns, projects implementation status reports and bank statements for one hundred and one (101) bank accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.9,883,336 could not be confirmed.

2. Unsupported Bursary Disbursements

The statement of receipts and payments and as disclosed in Note 8 to the financial statements, reflects other grants and other transfers amounts of Kshs.42,030,219, which includes bursary totalling Kshs.35,181,217 for secondary schools, tertiary institutions and special schools. However, acknowledgements by beneficiary institutions for bursary totalling Kshs.263,300 were not provided for audit.

In the circumstances, the accuracy and regularity of bursary expenditure of Kshs.263,300 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Navakholo 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 receipts budget and actual on comparable basis of Kshs.159,634,163 and Kshs.104,546,560 respectively, resulting to an under-funding of Kshs.55,087,603 or 35% of the budget. However, the Fund spent a balance of Kshs.93,638,822 against actual receipts of Kshs.104,546,560 resulting to an under-utilization of Kshs.10,907,738 or 10% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

The audit report for the previous year highlighted several issues on the Reports on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance. However, Management's report on the progress made in resolving the issues, at Annex 6 of other important disclosures indicates that issues relating to the financial statements had not been resolved as at 30 June, 2023. No explanation was provided on failure to implement recommendations.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in 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

Project Implementation Status

During the year under review, the Fund had planned to implement forty-six (46) projects at a total cost of Kshs.136,238,119. However, seventeen (17) or 37% of the projects with a total cost of Kshs.53,983,531 were completed, six (6) or 13% of the projects with a total cost of Kshs.20,708,400 were on-going and twenty-three (23) or 50% of the projects with a cost of Kshs.61,546,188 had not been started as at 30 June, 2023.

In the circumstances, value for money obtained from the six (6) on-going projects and the twenty-three (23) projects that had not started 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 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 that govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a time 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 policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 June, 2024

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	90,000,000	169,177,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	1,600,000	-
Total Receipts		91,600,000	169,177,758
Payments			
Compensation Of Employees	4	3,468,015	4,607,505
Committee expenses	5	2,538,850	7,001,425
Use Of Goods and Services	6	3,591,337	2,127,898
Transfers To Other Government Units	7	41,296,400	116,501,548
Other Grants and Transfers	8	42,030,219	36,388,558
Acquisition Of Assets	9	-	-
Oversight Committee Expenses	10	714,000	-
Other Payments	11	-	-
Total Payments		93,638,822	166,626,934
Surplus/(Deficit)		(2,038,822)	2,550,824


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 21-7-2023 and signed by:



Fund Account Manager

Name: Thomas Ontweka



National Sub-County
Accountant

Name: Roselyne Kolwa
ICPAK M/No:14950



Chairman NG-CDF
Committee

Name: Kennedy Ngao

Navakholo Constituency
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10. Statement Of Assets and Liabilities As At 30th June, 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	11,227,038	12,946,560
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		11,227,038	12,946,560
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		11,227,038	12,946,560
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	319,300	-
Total Financial Liabilities		-	-
Net Financial Assets		10,907,738	12,946,560
Represented By			
Fund Balance B/Fwd	15	12,946,560	10,395,736
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		(2,038,822)	2,550,824
Net Financial Position		10,907,738	12,946,560

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 21-9 2023 and signed by:



Fund Account Manager

Name: Thomas Ontweka



National Sub-County
Accountant

Name: Roselyne Kolwa
ICPAK M/No: 14950



Chairman NG-CDF
Committee

Name: Kennedy Ngao

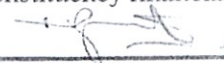
Navakholo Constituency
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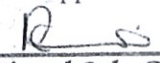
11. Statement of Cash Flows for The Year Ended 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	90,000,000	169,177,758
Other Receipts	3	1,600,000	-
Total Receipts		91,600,000	169,177,758
Payments			
Compensation Of Employees	4	3,468,015	4,607,505
Committee Expenses	5	2,538,850	7,001,425
Use Of Goods and Services	6	3,591,337	2,127,898
Transfers To Other Government Units	7	41,296,400	116,501,548
Other Grants and Transfers	8	42,030,219	36,388,558
Oversight Committee Expenses	10	714,000	-
Other Payments	11	-	-
Total Payments		93,638,824	186,626,936
Total Receipts Less Total Payments		(2,038,822)	2,550,824
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	319,300	-
Net Cash Flow from Operating Activities		(1,719,522)	2,550,824
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	-
Net Cash Flows from Investing Activities			
Net Increase In Cash And Cash Equivalent		(1,719,522)	2,550,824
Cash & Cash Equivalent At Start Of The Year	15	12,946,560	10,395,736
Cash & Cash Equivalent At End Of The Year	12	11,227,038	12,946,560

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 21/9/23 2023 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: Mr.Thomas ontweka

Name: Mrs.Roselyne Kolwa
ICPAK M/No:14950

Name:Mr.Kennedy Ngao

Navakholo Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2022-2023		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	145,087,603	12,946,560	-	158,034,163	102,946,560	55,087,603	65.1%
Proceeds From Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts-PMC Savings	-	1,600,000	-	1,600,000	1,600,000	-	100.0%
Totals	146,687,603	12,946,560	-	159,634,163	104,546,560	55,087,603	65.6%
Payments							
Compensation Of Employees	5,349,780	457,793	-	5,807,573	3,468,015	2,339,558	59.7%
Committee Expenses	3,048,000	9,450	-	3,057,450	2,538,850	518,600	83.03%
Use Of Goods and Services	4,660,104		-	4,660,104	3,591,337	1,068,767	77.7%
Transfers To Other Government Units	66,600,000	1,633,905	-	68,233,905	41,296,400	26,937,505	74.9%
Other Grants and Transfers	51,832,190	10,633,417	-	62,465,607	42,030,219	20,435,388	68.9%
Acquisition of Assets	10,400,000	92,755	-	10,492,755	-	10,492,755	0.0%
Oversight Committee Expenses	1,197,529		-	1,197,529	714,000	483,529	59.6%
Other Payments - Strategic Plan	2,000,000	240	-	2,000,240	-	2,000,240	0.0%
PMC Receipt-Lukhuna Primary	-	1,600,000	-	1,600,000	-	1,600,000	
Funds Pending Approval**	-	119,000	-	119,000	-	119,000	0.0%
Totals	145,087,603	14,546,560	-	159,634,163	93,638,822	65,995,342	58.5%

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

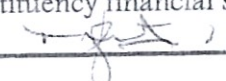
Explanatory Notes.

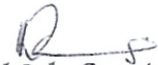
- (a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]
- i. The fund underutilized all the vote heads below 90% utilization due to low disbursement of funds from the NGCDF Board.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	65,995,342
Less undisbursed funds receivable from the Board as at 30 th June 2023	55,087,603
	10,907,738
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	10,907,738

The Constituency financial statements were approved by NG CDFC on 21/9, 2023 and signed by:


Fund Account Manager
Name: Mr. Thomas Ontweka


National Sub-County Accountant
Name: Mrs. Roselyne Kolwa
ICPAK M/No:14950


Chairman NG-CDF Committee

Name: Mr. Kennedy Barasa Ngao

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

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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,349,780	457,793	-	5,807,573	3,468,015	2,339,558
1.2 Committee allowances	1,248,000	9,450	-	1,257,450	1,138,850	68,600
1.3 Use of goods and services	2,107,476	-	-	2,107,476	1,599,450	759,076
Sub-total	8,705,256	467,243	-	9,172,499	6,206,315	3,167,234
2.0 Monitoring and evaluation						
2.1 Capacity building	1,800,000	-	-	1,800,000	1,400,000	400,000
2.2 Committee allowances	2,552,628	-	-	2,552,628	1,991,887	560,741
2.3 Use of goods and services	4,352,628	-	-	4,352,628	3,391,887	960,741
Sub-total						
3.0 Emergency						
3.1 Primary Schools						
Bethel Eden Ltd-Sipanga Primary	948,640	-	-	948,640	948,640	-
Richridar Enterprises	295,000	-	-	295,000	295,000	-
3.2 Security projects						
Mohlessan Co. Ltd-Lusumu ACC's Office	932,445	-	-	932,445	932,445	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference
		Opening Balance (C/1 k) and AIA	Previous Years' Outstanding Disbursements			
Mohtessan Co.Ltd	209,917	-	-	209,917	209,917	-
3.3 Secondary schools	-	-	-	-	-	-
3.4 Tertiary institutions	-	-	-	-	-	-
Unutilized	5,250,188	1,109,874	-	6,360,062	-	6,360,062
Sub-total	7,636,190	1,109,874	-	8,746,064	2,386,002	6,360,062
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	17,000,000	3,448,500	-	20,448,500	19,970,206	478,294
4.3 Tertiary Institutions	14,000,000	1,144,643	-	15,144,643	15,113,011	31,632
4.4 Social Security	996,000	720,000	-	1,716,000	-	1,716,000
4.5 Special Needs	200,000	2,000	-	202,000	98,000	104,000
Sub-total	32,196,000	5,315,143	-	37,511,143	35,181,217	2,329,926
5.0 Sports						
5.1	500,000	1,000,000	-	1,500,000	998,000	502,000
Sub-total	500,000	1,000,000	-	1,500,000	998,000	502,000
6.0 Environment						
6.1 RNA INVESTMENTS LTD-Namirama Primary	50,000	-	-	50,000	46,500	3,500
6.2 RNA INVESTMENTS LTD-Navakholo Primary	50,000	-	-	50,000	46,500	3,500
6.3 RNA INVESTMENTS LTD-Emulakha Primary	50,000	-	-	50,000	46,500	3,500

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
6.4 RNA INVESTMENTS LTD- Budonga Primary	50,000	-	-	50,000	46,500	3,500
6.5 RNA INVESTMENTS LTD- Sihanikha Primary	50,000	-	-	50,000	46,500	3,500
6.6 RNA INVESTMENTS LTD- St.Raphael's Shibembe	50,000	-	-	50,000	46,500	3,500
6.7 RNA INVESTMENTS LTD- Sivilie 'B' Primary	50,000	-	-	50,000	46,500	3,500
6.8 RNA INVESTMENTS LTD- Siyombe Primary	50,000	-	-	50,000	46,500	3,500
6.9 RNA INVESTMENTS LTD- Sisokhe Primary	50,000	-	-	50,000	46,500	3,500
6.10 RNA INVESTMENTS LTD- Ingotse Primary	50,000	-	-	50,000	46,500	3,500
Sub-total	500,000	-	-	500,000	465,000	35,000
7.0 Primary Schools Projects (List all the Projects)						
Our Lady Of Mercy Sipanga	800,000	-	-	800,000	800,000	-
Sivilie Primary School	600,000	-	-	600,000	600,000	-
Ingotse Primary	3,000,000	-	-	3,000,000	3,000,000	-
Sihanikha Primary	600,000	-	-	600,000	600,000	-
Kisembe Primary	600,000	-	-	600,000	600,000	-
Muhuni Primary	8,000,000	-	-	8,000,000	8,000,000	-
Chebuyusi Primary	3,000,000	-	-	3,000,000	3,000,000	-
Eshingoto Primary	2,000,000	-	-	2,000,000	1,000,000	1,000,000

*Navakholo 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			
Musabale Primary	-	2,208,400	-	2,208,400	2,208,400	-
Tanga Primary School	-	1,500,000	-	1,500,000	-	1,500,000
Lwakhupa Primary	3,000,000	-	-	3,000,000	-	3,000,000
Emasinga Primary	2,000,000	-	-	2,000,000	-	2,000,000
Eshikhoni primary	2,000,000	-	-	2,000,000	-	2,000,000
Busangavia Primary	1,500,000	-	-	1,500,000	-	1,500,000
Mukwa Primary	1,500,000	-	-	1,500,000	-	1,500,000
Mukama Primary	800,000	-	-	800,000	-	800,000
Muyiyi Primary	1,500,000	-	-	1,500,000	-	1,500,000
Shambitsi Primary	1,500,000	-	-	1,500,000	-	1,500,000
Eshiyenga Primary	800,000	-	-	800,000	-	800,000
Sub-total	33,200,000	3,708,400	-	36,908,400	19,808,400	17,100,000
8.0 Secondary Schools Projects (List all the Projects)						
Nang'anda Sec	800,000	-	-	800,000	800,000	-
Manager Equity -Isuzu East Africa-Shinoyi	8,600,000	-	-	8,600,000	8,588,000	12,000
Friends School Siyombe	3,000,000	-	-	3,000,000	3,000,000	-
Chebuyusi High School	3,500,000	-	-	3,500,000	3,500,000	-
Simuli Secondary School	800,000	-	-	800,000	800,000	-
Nderema Mixed Secondary	800,000	-	-	800,000	800,000	-

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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			
Sivile Sec. School	600,000	-		600,000	-	600,000
St. Pauls Emulakha Sec	600,000	50,000		650,000	-	650,000
Sosokhe Sec	-	29,000		29,000	-	29,000
St. Kizito Girls Sec	-	54,905		54,905	-	54,905
Namundera Sec	500,000	-		500,000	-	500,000
Ingotse Sec	5,000,000	-		5,000,000	-	5,000,000
Sub-total	24,200,000	133,905		24,333,905	17,488,000	6,845,905
9.0 Tertiary institutions Projects (List all the Projects)						
9.1 Navakholo KMTC	9,200,000	-		9,200,000	4,000,000	5,200,000
Sub-total	9,200,000	-		9,200,000	4,000,000	5,200,000
10.0 Security Projects						
Bunyala East ACC's Office	3,000,000	1,000,000		4,000,000	3,000,000	1,000,000
Lusumu Division Ass. County Commissioner's Office	3,000,000	-		3,000,000	-	7,000,000
Lusumu Division Ass. County Commissioner's Office	4,000,000	-		4,000,000	-	4,000,000
Lusumu Division Ass. County Commissioner's Office	1,000,000	-		1,000,000	-	1,000,000
Sub-total	11,000,000	1,000,000		12,000,000	3,000,000	9,000,000
11.0 Acquisition of assets						
Navakholo Ngcdf Office	3,500,000			3,500,000	-	3,500,000

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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			
Navakholo Ngcdf Motor Vehicle	6,900,000	92,755	-	6,992,755	-	6,992,755
Sub-total	10,400,000	92,755	-	10,492,755	-	10,492,755
12.0 Oversight Committee Expenses (itemize)						
Constituency Oversight Committee Allowance	300,000	-	-	300,000	300,000	-
Accommodation - Domestic Travel	75,000	-	-	75,000	75,000	-
Catering Services (receptions), Accommodation, Gifts, Food and Drinks	328,529	-	-	328,529	46,050	282,479
Travel Costs (airlines, bus, railway)	40,000	-	-	40,000	40,000	-
Remuneration of Instructors and Contract Based Training Services	454,000	-	-	454,000	252,950	201,050
Sub-total	1,197,529	-	-	1,197,529	714,000	483,529
13.0 Others						
13.1 Strategic Plan	2,000,000	240	-	2,000,240	-	2,000,240
Sub-total	2,000,000	240	-	2,000,240	-	2,000,240
AIA		119,000	-	119,000	-	119,000
PMC Savings	1,600,000	-	-	1,600,000	-	1,600,000
Sub-total	1,600,000	119,000	-	1,719,000	-	1,719,000
Grand Total	146,687,603	12,946,560	-	159,634,163	93,638,822	65,995,342

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

14. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Navakholo 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.

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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 (vehicles), Unutilized Funds from PMCs among others.

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

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Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2013

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 30 June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

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Significant Accounting Policies Continued

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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15. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
	Kshs	Kshs
NGCDF Board		32,088,879
AIE NO. B 105243		68,000,000
AIE NO. B 105536		26,000,000
AIE NO. B 128968		15,000,000
AIE NO. B 128655		28,088,879
AIE NO. B 154165	7,000,000	
AIE NO. B 185209	6,000,000	
AIE NO. B 185482	15,000,000	
AIE NO. B 185744	5,000,000	
AIE NO. B 200060	12,000,000	
AIE NO. B 205557	12,000,000	
AIE NO. B 205854	18,000,000	
AIE NO. B 207614	15,000,000	
AIE NO. B 207980	90,000,000	169,177,758
TOTAL		

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	-	-

3. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	-	-
Rents	-	-

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Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	1,600,000	-
Other Receipts Not Classified Elsewhere (Gratuity Provision)	-	-
Total	1,600,000	-

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,224,303	2,695,070
Personal allowances paid as part of salary		
House Allowance	437,500	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	711,622	1,798,315
Employer Contributions Compulsory national social security schemes	94,590	114,120
Total	3,468,015	4,607,505

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,975,300	5,546,600
Other committee expenses	563,550	1,454,825
Total	2,538,850	7,001,425

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6. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	27,473	85,000.00
Communication, supplies and services	109,900	-
Domestic travel and subsistence	425,365	305,000.00
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	950,400	-
Hospitality supplies and services	283,850	731,978.00
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	245,100	465,956.00
Fuel, oil & lubricants	80,000	435,000.00
Other operating expenses	1,405,250	-
Bank Charges	9,000	26,880.00
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	55,000	78,084.00
Routine maintenance- other assets	-	-
Total	3,591,338	2,127,898.00

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Notes To The Financial Statements (Continued)

7. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	19,808,400	41,961,786
Transfers To Secondary Schools (See Attached List)	17,488,000	56,071,391
Transfers To Tertiary Institutions (See Attached List)	4,000,000	18,468,371
Total	41,296,400	116,501,548

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	19,804,906	10,701,500
Bursary – tertiary institutions (see attached list)	15,113,011	13,124,058
Bursary – special schools (see attached list)	263,300	113,000
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	3,000,000	5,300,000
Sports projects (see attached list)	998,000	-
Environment projects (see attached list)	465,000	1,000,000
Emergency projects (see attached list)	2,386,002	6,150,000
Roads projects (see attached list)	-	-
Total	42,030,219	36,388,558

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Notes To the Financial Statements (Continued)

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	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Intangible Assets	-	-
Total	-	-

10. Oversight Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
COC Members allowance	300,000	-
Other COC expenses	414,000	-
TOTAL	714,000	-

11. Other Payments

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

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023 30/6/2023	2021-2022 30/6/2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
Equity Bank (Kenya) Limited, Kakamega Branch, Navakholo NGCDF, Account No. 500279912889	11,227,038	12,946,560
<i>Name of Bank, account No. (Deposits account)</i>	-	-
Total	11,227,038	12,946,560
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total		
<i>[Provide Cash Count Certificates for Each]</i>		

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>
		Kshs	Kshs	Kshs
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
Total		-	-	-

[Include an annex if the list is longer than 1 page.]

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*Notes to the Financial Statement Continued
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)	319,300	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	319,300	-

15. Fund Balance B/F

	(1st July 2022)	(1st July 2021)
	Kshs	Kshs
Bank accounts	12,946,560	10,395,736
Cash in hand	-	-
Imprest	-	-
Total	12,946,560	10,395,736
Less	-	-
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	-	-

[Provide short appropriate explanations as necessary]

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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	-	-	-

** The adjusted balances are not carried down on the face of the financial statement.
(Entity to provide disclosure on the adjusted amounts)

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)	319,300	-
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	2,339,558	457,793
Committee expense	468,600	9,450
Use of goods and services	1,118,767	
Amounts due to other Government entities (see attached list)	29,145,905	1,633,905
Amounts due to other grants and other transfers (see attached list)	18,226,988	10,633,417
Acquisition of assets	10,492,755	92,755
Oversight Committee Expenses	483,529	
Other Payments – Strategic plan	2,000,240	240
Funds pending approval	1,719,000	119,000
Total	65,995,342	12,946,560

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18.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	9,883,336	21,504,531
Total	9,883,336	21,504,531

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16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 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 Current FY	Outstanding Balance Previous FY	Comments
Compensation of employees	Unspent remuneration	2,339,558	457793	
Use of goods & services	Unspent amount for stationeries	1,068,767	9450	
Committee Expenses	Unspent committee expenses	518,600		
Sub-Total		3,926,925	467,243	
Amounts due to other Government entities				
Primary Schools				
1. Tanga Primary	Amount for purchase of land	1,500,000	1,500,000	
2. Lwakhupa Primary		3,000,000		
3. Emasinga Primary		2,000,000		
4. Eshikhoni Primary		2,000,000		
5. Eshingoto Primary		1,000,000		
6. Busangavia Primary		1,500,000		
7. Mukwa Primary		1,500,000		
8. Mukama Primary		800,000		
9. Muiyi Primary		1,500,000		
10. Shambitsi Primary		1,500,000		
11. Eshiyenga Primary		800,000		
Secondary Schools				
1. St. Pauls Emulakha Secondary		650,000	50,000	
2. St Kizito Girls Secondary	Savings from the project	54,905	54,905	
3. Sisokhe Secondary	Savings from the project	29,000	29,000	
4. Sivile sec. School		600,000		

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
5. Shinoyi		12,000		
6. Namundera		500,000		
7. Ingotse		5,000,000		
Tertiary institutions				
Navakholo KMTC		5,200,000		
Sub-Total		16,045,905	1,633,905	
Amounts due to other grants and other transfers				
Security				
1. Deputy County Commissioner's Office	Savings from the project		2,208,400	
2. Bunyala East Assistant Chief		1,000,000	1,000,000	
3. Lusumu Division Ass. County Commissioner's Office		3,000,000		
4. Lusumu Division Ass. County Commissioner's Office		4,000,000		
5. Lusumu Division Ass. County Commissioner's Office		1,000,000		
Emergency-Unutilized		6,360,062	1,109,874	
	Unspent amount for emergency projects			
Sports				
1. Sihanikha Primary	Amount for sports uniform		50,000	
2. Chebuyusi Primary	Amount for sports uniform		50,000	
3. Sikubale Primary	Amount for sports uniform		50,000	
4. Namirama Primary	Amount for sports uniform		50,000	
5. Kisembe Primary	Amount for sports uniform		50,000	

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
6. Lusumu Primary	Amount for sports uniform		50,000	
7. Bushili Primary	Amount for sports uniform		50,000	
8. Ematiha Primary	Amount for sports uniform		50,000	
9. Ebumamu Primary	Amount for sports uniform		50,000	
10. Eshikhoni Primary	Amount for sports uniform		50,000	
Unutilised		502,000	500,000	
Environment				
6.1 Namirama Primary		3,500		
6.2. Navakholo Primary		3,500		
6.3. Emulakha Primary		3,500		
6.4. Budonga Primary		3,500		
6.5. Sihanikha Primary		3,500		
6.6.St. Raphael's Shibembe		3,500		
6.7 Sivilie 'B' Primary		3,500		
6.8. Siyombe Primary		3,500		
6.9 Sisokhe Primary		3,500		
Bursary				
1.Special Schools	Unspent amount for bursary	478,294	2,000	
2.Secondary Schools	Unspent amount for bursary	31,632	3,448,500	
3.Tertiary Institutions	Unspent amount for bursary	104,000	1,144,643	
4.Social Security	Unspent amount for NHIF (Social Security)	1,716,000	720,000	
Sub-Total		18,226,988	10,633,417	
Acquisition of assets				
Construction of CDF Office		3,500,000	92,755	

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Navakholo NGCDF Motor Vehicle		6,992,755		
Sub-Total		10,492,755	92,755	
Oversight Committee Expenses(itemize)				
Catering Services (receptions), Accommodation, Gifts, Food and Drinks		483,529		
Sub-Total		483,529	-	
Others (specify)				
Strategic Plan		2,000,240	240	
Sub-Total		2,000,240	240	
Funds pending approval				
AIA	Unallocated funds to projects	119,000	119,000	
PMC Saving - Lukhuna primary		1,600,000		
Sub-Total		1,719,000	119,000	
Grand Total		65,995,342	12,946,560	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021-2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End 2022-2023
Land	850,000			850,000
Buildings and structures	17,639,795			17,639,795
Transport equipment	493,200			493,200
Office equipment, furniture and fittings	2,000,000			2,000,000
ICT Equipment, Software and Other ICT Assets	1,124,250			1,124,250
Other Machinery and Equipment	-			-
Heritage and cultural assets	-			-
Intangible assets	-			-
Total	22,107,245			22,107,245

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

PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Our Lady Sipanga Primary School	Equity Bank – Kakamega	5 0281003932	439,959	444,095
Navakholo Deputy County Commissioner's Office	Equity Bank – Kakamega	5 0280968610	430	430
Shibembe Primary School	Equity Bank – Kakamega	5 0280964228	595	554,736
Good Sheperd Primary School	Equity Bank – Kakamega	5 0280956255	641,149	676,149
Namirama Primary School	Equity Bank – Kakamega	5 0280940147	161,205	161,205
St. Joseph's Matoyi Primary School	Equity Bank – Kakamega	5 0280752583	362	362
Makhima Primary School	Equity Bank – Kakamega	5 0280752704	870	870
Bunyala West Chief's Office	Equity Bank – Kakamega	5 0280752269	20,000	20,000
Nambacha Primary School	Equity Bank – Kakamega	5 0280749353	751	751
Simakina Primary School	Equity Bank – Kakamega	5 0280553476	130	9,430
St. Peter's Bukhubalo Secondary School	Equity Bank – Kakamega	5 0279914443	747	57,247
Lutaso Primary School	Equity Bank – Kakamega	5 0279808698	200	200
Nderema Primary School	Equity Bank – Kakamega	5 0279805696	2,410	2,410
Kochwa Primary School	Equity Bank – Kakamega	5 0279801080	1,438	1,438
Good Sheperd Primary School	Equity Bank – Kakamega	5 0279752602	1,075	48,195
Sidikho Secondary School	KCB – Kakamega	1272452298	9,748	9,874
Emulama Primary School	Equity Bank – Kakamega	5 0279738022	9,182	9,182
Emasinga Primary School	Equity Bank – Kakamega	5 0279737496	14,801	59,921
Nambacha Secondary School	Equity Bank – Kakamega	5 0279724810	2,067	202,127
Simuli Secondary School	Equity Bank – Kakamega	5 0279718225	647	647

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
St. Aquinas Buchangu Secondary School	Equity Bank – Kakamega	50(279712929	4,598	4,598
St. Margaret Wading'o Primary School	Equity Bank – Kakamega	50(279703180	18,307	18,307
Lukhuna Primary School	Equity Bank – Kakamega	50(279702894	547,995	663,995
Eshikhoni Primary School	Equity Bank – Kakamega	50(279696811	807	807
Bushili Primary School	Equity Bank – Kakamega	50(279694491	807	807
Bushili Primary School	Equity Bank – Kakamega	50(279694506	38,764	38,764
Simakina Primary School	Equity Bank – Kakamega	50(279678505	97	97
Mwikoli Primary School	Equity Bank – Kakamega	50(279694109	807	807
St. Paul's Emulakha Secondary School	Equity Bank – Kakamega	50(279674227	380	380
Buhayi Muslim Secondary School	Equity Bank – Kakamega	50(279649778	710,947	710,947
Buhayi Muslim Secondary School	Equity Bank – Kakamega	50(279649791	880	880
Sisokhe Primary School	Equity Bank – Kakamega	50(279615804	760	760
Emasinga Primary School	Equity Bank – Kakamega	50(279466728	3,195	3,195
St. Teresa's Ebumanu Secondary School	Equity Bank – Kakamega	50(279332048	1,777	1,777
Tumaini Community School	Equity Bank – Kakamega	50(278994714	7,480	7,480
Ebumangale Primary school	Equity Bank – Kakamega	50(278995135	860	860
Navakholo Police Post	Equity Bank – Kakamega	50(278991360	989	989
Namundera Secondary School	Equity Bank – Kakamega	50(278988380	266,814	266,814
St. Paul's Lwakhupa Secondary School	Equity Bank – Kakamega	50(278985960	19,254	1,046,454
Friends School Musaga	Equity Bank – Kakamega	50(278984862	1,613	1,613
St. Mary's Ebutenjeje Girls Secondary School	Equity Bank – Kakamega	50(278983265	3,155	3,155

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Friends School Sirigoi	Equity Bank – Kakamega	5 0278983276	1,349	1,349
KMTC Navakholo	Equity Bank – Kakamega	5 0278890964	29,744	59,744
Navakholo DCC's Office	Equity Bank – Kakamega	5 0278885041	7	7
Weremba Muslim Secondary School	Equity Bank – Kakamega	5 0278816554	41,660	41,660
Sikubale Primary School	Equity Bank – Kakamega	5 0278814731	1,815	1,815
Chekata Primary School	Equity Bank – Kakamega	5 0278814890	3,229	3,229
Shibembe Primary School	Equity Bank – Kakamega	5 0278688143	13,145	13,145
Nambacha Mixed Secondary School	Equity Bank – Kakamega	5 0278459591	1,775	1,775
Ingotse Girls Secondary School	Co-operative Bank - Kakamega	11 39632856101	3,880	3,880
St. Raphael's Burangasi Secondary School	Equity Bank - Kakamega	5 0277622001	1,286	1,286
Lwakhupa Primary School	KCB – Kakamega	1233981099	1,371	1,497
Job's Primary School	Co-operative Bank - Kakamega	11 39804049200	920	1,040
Navakholo Police Division Office	Co-operative Bank - Kakamega	11 11804250100	1,000	1,000
Muregu AP Camp	Cooperative Bank – Kakamega	11 11631455700	11,825	11,825
Lutaso Chief's Office	Cooperative Bank – Kakamega	11 11631455600	4,325	4,325
Sisokhe Primary School	Cooperative Bank – Kakamega	11 39165627401	2,162	2,162
St. Margaret's Wading'o Primary School	Co-operative Bank - Kakamega	11 39632759200	7,072	7,072
Siyombe Primary School	Co-operative Bank - Kakamega	11 39165252600	1,695	1,695
Sirigoi Primary School	Cooperative Bank – Kakamega	11 39098424101	770	770
Assumption of Our Lady Sipanga Primary School	Co-operative Bank - Kakamega	11 39632759300	3,598	3,598
Ebumamu Primary School	Cooperative Bank – Kakamega	11 39632766000	1,833	1,833

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Chebuyusi Muslim Primary School	Co-operative Bank - Kakamega	113 632765700	1,022	1,022
Namabacha AP Camp	Co-operative Bank - Kakamega	114 632622800	2,326	2,326
Natunyi Community Health Centre	Equity Bank - Kakamega	50 270344638	1,635	1,635
Buchangu Dispensary	Equity Bank - Kakamega	50 270126325	79,705	79,680
St. John's Budonga Secondary School	Equity Bank – Kakamega	50 270211662	2,998	2,998
Kochwa Primary School	KCB - Kakamega		200908570	10,847
Ematiha Secondary School	Equity Bank – Kakamega	50 270175449	1,435	1,495
Eshikhoni Primary School	KCB - Kakamega		200472195	674
Navakholo Secondary School	Equity Bank - Kakamega	50 270075427	2,450	2,450
Eshilakwe Primary School	Equity Bank - Kakamega	50 264911739	4,688	4,688
Mukama Primary School	Co-operative Bank - Kakamega	113 011926300	6,095	6,095
Ewamakhumbi Primary School	Co-operative Bank - Kakamega	113 165610501	6,098	6,098
St. Kizito Girls Secondary School Lusumu	Equity Bank – Kakamega	50 264093425	1,520	1,520
Nang'anda D. O's Office	Cooperative Bank – Kakamega	114 631075300	3,512	3,512
St. Raphael's Burangasi Secondary School	Co-operative Bank - Kakamega	113 631124900	2,762	2,762
St. Paul's Emulakha Secondary School	KCB – Kakamega		156882885	394
Shinoyi Secondary School	KCB - Kakamega		156846579	1,416
Shinoyi Chief's Office	KCB – Kakamega		156787653	67,357
Eshilakwe Dos Office PMC	KCB - Kakamega		154471152	6,239
Sidikho Chief's Office	Cooperative Bank – Kakamega	114 545641400	5,490	5,490
Namirama Girls High School	KCB - Kakamega		130971007	1,803

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Ingotse High School	KCB – Kakamega	1110703775	8,607	8,733
Emuhuni Primary School	Cooperative Bank – Kakamega	119011926000	1,700	1,700
Shibembe Primary School	Equity Bank – Kakamega	50282527021	1,500	1,500
Kharanda Primary School	Equity Bank – Kakamega	50282083110	180	105,830
Naulu Primary School	Equity Bank – Kakamega	50282062870	422	265,222
Siyombe Primary School	Equity Bank – Kakamega	50282088157	9,949	9,949
Sihanikha Primary School	Equity Bank – Kakamega	50282060081	880,550	287,691
Sivilie Primary School	Equity Bank – Kakamega	50282415435	604,753	2,400,000
Mukama Primary School	Equity Bank – Kakamega	50282088117	336,150	378,150
Kisembe Primary School	Equity Bank – Kakamega	50282507625	605,143	809,825
Ematiha Primary School	Equity Bank – Kakamega	50282402670	827	2,400,000
Mwikoli Primary School	Equity Bank – Kakamega	50282402430	1,635	2,400,000
Ingotse Primary School	Equity Bank – Kakamega	50281309782	550	49,550
Friends Namakoye Primary School	Equity Bank – Kakamega	50282062267	435	48,210
Mungakha Primary School	Equity Bank – Kakamega	50282509009	19,249	586,599
Bukhubalo Primary School	Equity Bank – Kakamega	50282057325	539	539
Sisokhe Primary School	Equity Bank – Kakamega	50278220069	1,146	1,149
Sisokhe Secondary School	Equity Bank – Kakamega	50279742293	1,000	1,000
Chebuyusi High School	Equity Bank – Kakamega	50281991516	168,283	424,278
St. John's Shinoyi Secondary School	Equity Bank – Kakamega	50282443821	10,642	10,642
Nderema Secondary School	Equity Bank – Kakamega	50282063691	811,942	255,792

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Simuli Secondary school	Equity Bank – Kakamega	500 282086429	840,026	1,347,348
Shikomari Secondary school	Equity Bank – Kakamega	500 282063626	322	824,685
Nang'anda Secondary school	Equity Bank – Kakamega	500 282464657	74,343	1,426,350
Navakholo Primary School	Equity Bank – Kakamega	500 281263319	492	451,128
Makunga Police Station	Equity Bank – Kakamega	500 282219355	432	432
Esumeyia Primary School	Equity Bank – Kakamega	500 282008843	4,630	4,630
Lukhuna Primary School	Equity Bank – Kakamega	500 281184204	412	1,589,412
Ewamakhumbi Primary School	Cooperative Bank – Kakamega	1139 165610501	6,098	6,098
Musabale Primary School (PMC)	Equity Bank - Kakamega	500 283857842	2,208,400	
Total			9,883,336	21,504,531

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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)
OAG/WRO/NAVAKHOLO NG-CDF 2021-2022/(18)	<p>Unsupported Assets</p> <p>Annex 4 to the financial statements on summary of fixed assets register reflects a balance of kshs. 22,107,245 which includes kshs. 493,200 relating to transport equipment. However, ownership documents and valuation reports for the equipment were not provided for audit review. Further, no evidence was provided to show that the assets of the fund were insured.</p> <p>In the circumstances, the accuracy, completeness, fair valuation and safety of the assets valued at kshs. 22,107,245 could not be confirmed.</p>	<p>It is true logbooks for the two motor cycles of registration nos GKB 057U and GKB 059U were not available at the time of audit since they are currently held at the NGCDF Board. Furthermore, the NGCDF is currently reporting under cash basis where there is no proper guideline on the valuation of assets.</p>	Not Resolved	
OAG/WRO/NAVAKHOLO NG-CDF 2021-2022/(18)	<p>Inaccuracy of the summary statement of Appropriation</p> <p>The summary statement of appropriation reflects actual expenditure of kshs. 179,573,495. However, a recalculation of the</p>	<p>The management has availed the Re-audited financial statement for verification</p>	Not 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>expenditure items reflects a recomputed total of kshs. 179,573,495. The variance of kshs. 119,000 has not been explained or reconciled.</p> <p>In the circumstances, the accuracy and completeness of the summary statement of appropriation could not be confirmed.</p>			
OAG/WRO/NAVAKHOLO NG-CDF 2021-2022/(18)	<p>Budgetary control and performance</p> <p>The summary statement of appropriation reflects actual expenditure of kshs. 166,626,934 against approved budget of kshs. 179,573,495 resulting to under-performance of kshs. 12,946,561 or 7% of the budget.</p> <p>The under-performance affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>It is true Kshs. 12,946,561 remained unutilized as at 30th June 2022, this was as a result of late disbursement from the NGCDF Board.</p>	Not resolved	
OAG/WRO/NAVAKHOLO NG-CDF 2021-2022/(18)	<p>Lack of inspection and acceptance certificates for projects</p> <p>The statement of receipts and payments reflects an amount of kshs. 36,388,558 in respect of other grants and transfers which as disclosed in note 7 to the financial</p>	<p>The management agrees with the findings of the audit. However, the Inspection and Acceptance certificates the projects were available for verification.</p>	Not 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)
	statements, includes kshs. 5,300,000, kshs. 1,000,000 and kshs. 6,150,000 relating to security projects, environment projects and emergency projects respectively. However, inspection and acceptance reports and certificates were not provided to confirm that the projects were completed as per the required standards as provided by Section 48 of the Public Procurement and Assets Disposal Act 2015, which specifies the mandate of the inspection and acceptance committee. In the circumstances, management was in breach of the law.			
OAG/WRO/NAVAKHOLO NG-CDF 2021-2022/(18)	<p>Idle project at Shikomari secondary school</p> <p>Note 6 to the financial statements reflects an amount of kshs. 56,071,391 in respect of transfers to secondary schools. Included in this amount is kshs. 3,200,000 relating to the proposed construction of four (4) classrooms at Shikomari secondary school at a contract sum of kshs. 3,079,124 as per contract agreement dated 25th February, 2022. However, a site visit conducted on 15th March,</p>	<p>It is true at the time of audit the project had not been handed over to the client. However, it has now been handed over to the user for occupation which is now in use</p>	Not 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>2023 revealed that although the project was completed it had not been put to use.</p> <p>In the circumstances, value for money was not obtained from the project.</p>			
OAG/WRO/NAVAKHOLO NG-CDF 2021-2022/(18)	<p>Failure to return Project Management Committee balances to the CDF account</p> <p>Annex 5 to the financial statements reflects PMC Bank Balances of kshs. 21,504,531 as at 30th June, 2022. However, the project management committee balances were not returned to the constituency's main account as required by section 12(8) of the National Government Constituencies Development Fund Act, 2015, which states that unutilized funds of the project management committees shall be returned to the constituency account at the close of the financial year.</p> <p>In the circumstances, management was in breach of the law.</p>	The NGCDF Board has not advised on the implementation of National Government Constituencies Development Fund Act, 2015, Section 12(3)	Not resolved	
OAG/WRO/NAVAKHOLO NG-CDF 2021-2022/(18)	Non-compliance with the law on ethnicity	It is true majority of Navakholo NGCDF employees hail from one	Not 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>Review of human resource records revealed that during the year under review, the Fund had ten (10) employees. However, out of the 10, eight (8) or 80% were from the same ethnic community. This was contrary to section 7(2) of the National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community.</p> <p>In the circumstances, management was in breach of the law.</p>	<p>ethnic community. However, the management confirms that the recruitment of employees is done through a competitive process and only the locals show interest in the positions advertised.</p>		

.....
 Thomas Ontweka
 Fund Account Manager.