

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
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**REPORT**

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Deputy Majority Whip

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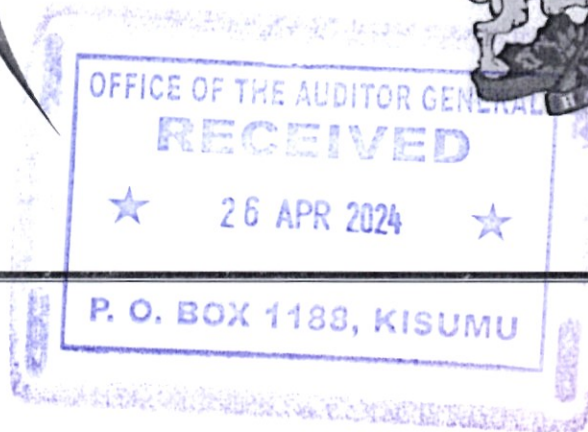
**THE AUDITOR-GENERAL**

**ON**

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

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





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**SEME CONSTITUENCY**

**NATIONAL GOVERNMENT CONSTITTUENCIES DEVELOPMENT FUND**

**ANNUAL REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2023**

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

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

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

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***I. Acronyms and Abbreviations***

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-

FY-Financial Year

SRC – Salaries and Remuneration Commission

## II. Key Constituency Information and Management

### (a) Background information

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

### **Mandate**

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

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

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**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 Seme 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 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Weldon Kipngetch Langat
2.	Sub-County Accountant	Roseline Muthama
3.	Chairman NGCDFC	Patrick Magana Londi
4.	Member NGCDFC	Emma Anne Owiti

**(c) Fiduciary Oversight Arrangements**

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

Next to Seme Sub County HQs  
Off Kosea – Maseno  
P.O. Box 209 Kombewa, Kenya

**(e) Seme Constituency NGCDF Contacts**

Telephone: (254) 720 399 068  
E-mail: [cdfseme@ngcdf.go.ke](mailto:cdfseme@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)



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**(f) Seme Constituency NGCDF Bankers**

Seme National Government Constituency Development Fund  
Equity Bank Limited  
Angawa Branch  
P.O.Box 3621  
Kisumu, 40100

**(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

**III. NG-CDFC Chairman’s Report**



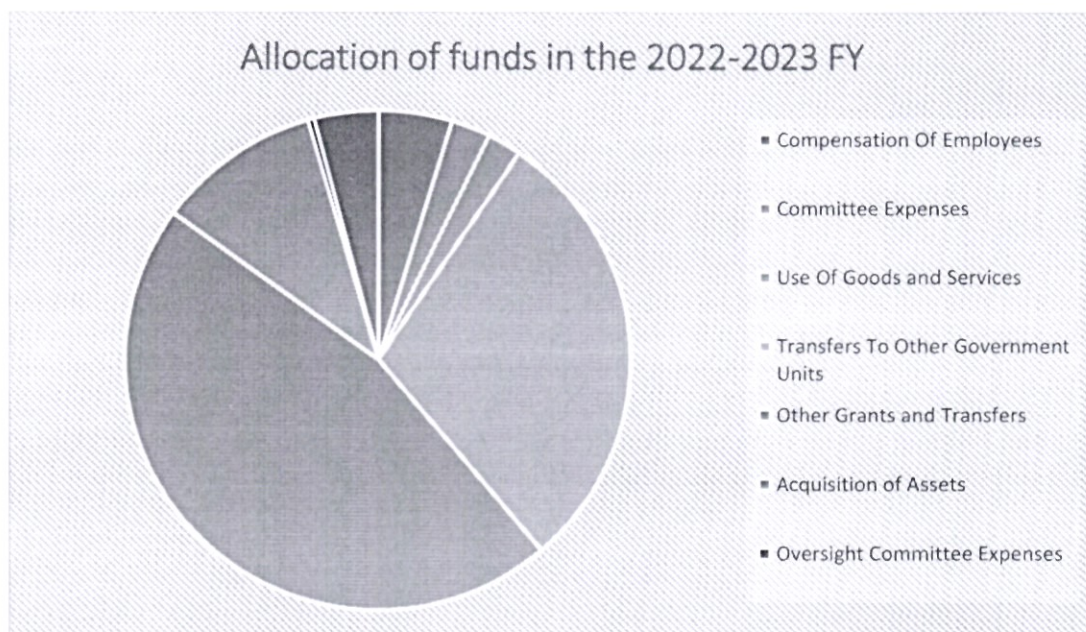
As we usher in the 2022/2023 Financial Year, it is important to reflect on the performance of the Seme NG-CDF Committee’s achievements and challenges including shortcomings. Seme NG-CDFC performed functions limited to Education, Security, Sports and Environment from Financial Year 2015/2016 to date.

The Fund therefore strives to implement the core National Government infrastructures in the respective areas enumerated above and in accordance to the NG-CDF Act of 2015 and as revised in 2016.

The approved budget for the 2022/2023 Financial Year was Ksh. 138,215,033 of which NG-CDF Board disbursed Ksh.82,700,000 (59.8%) of the total approved budget for the financial year to the constituency. By the end of the financial year the Board had not disbursed a total of 55,515,033 to the constituency due for the financial year under review.

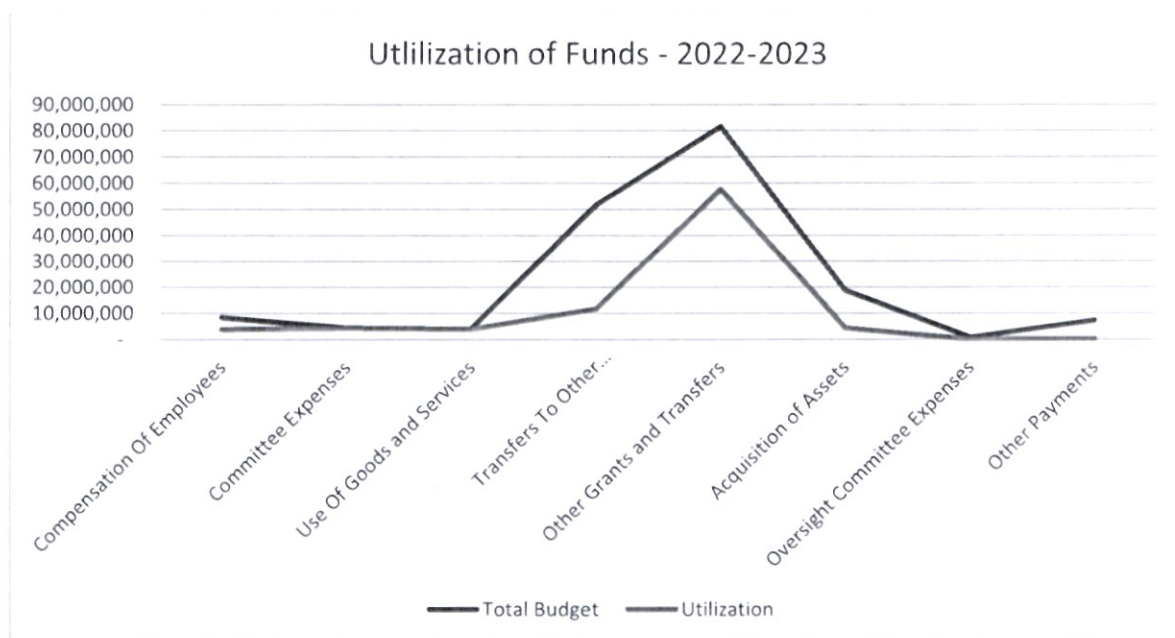
**a) Allocation to Projects**

During the year, the constituency total budget stood at Ksh 176,703,321 with Ksh 138,215,033 being the allocation for 2022/2023 financial year, Ksh 22,170,288 from opening balance, Ksh 16,300,000 from previous year’s outstanding disbursements and Ksh 18,000 from appropriation in aid. The receipt was voted as follows; 29.2% allocated towards the infrastructural development in government institutions, 45.7% of the funds was allocated towards other grants and transfers, 2.4% towards use of goods and services, 0.4% towards Constituency Oversight Committee, 2.8% towards Committee expenses, 10.3% towards Acquisition of assets, 4.1% towards other payments, 4.7% towards compensation of employees and the balance 0.4% unallocated funds as shown below;



**b) Utilization of Funds**

Utilization of funds stood at 48.5% from 83% the previous year a 34.5% decline. The decrease in budget absorption was attributed late receipt of funds from Board and non-receipt of high percentage of original budget before the closure of the financial. The overall utilization of funds during the year was as follows graphically;



Due to delays in receiving funds from the NGCDF Board, the implementation of projects faced significant challenges. The sluggish disbursement process had adverse effects on numerous projects, causing them to fall behind schedule as outlined in their workplans. Consequently, certain projects require adjustments due to inflation's impact on project costs.

Seme NG-CDFC has been inundated with numerous requests. The implementation of the Competency-Based Curriculum (CBC) has led to a heightened demand for classrooms in nearly all schools, alongside the ongoing renovations of existing structures. Additionally, there is an increased need for fencing and gate installations due to domestic animals (such as goats, sheep, and cattle) and human interference with pupils' agricultural activities within school premises. Thus, we anticipate incorporating this vital aspect into the 2022/2023 Workplan.

We have also encountered challenges in applying the Public Procurement and Asset Disposal Act (PPADA), particularly concerning Affirmative Action. Many women, youth, and disabled individuals lack the necessary capital to participate in tenders issued by the Project Management Committees (PMCs). This necessitates innovative approaches to align with government policy. Instances of PMCs disregarding PPADA regulations were observed, often linked to the relocation of school heads. This

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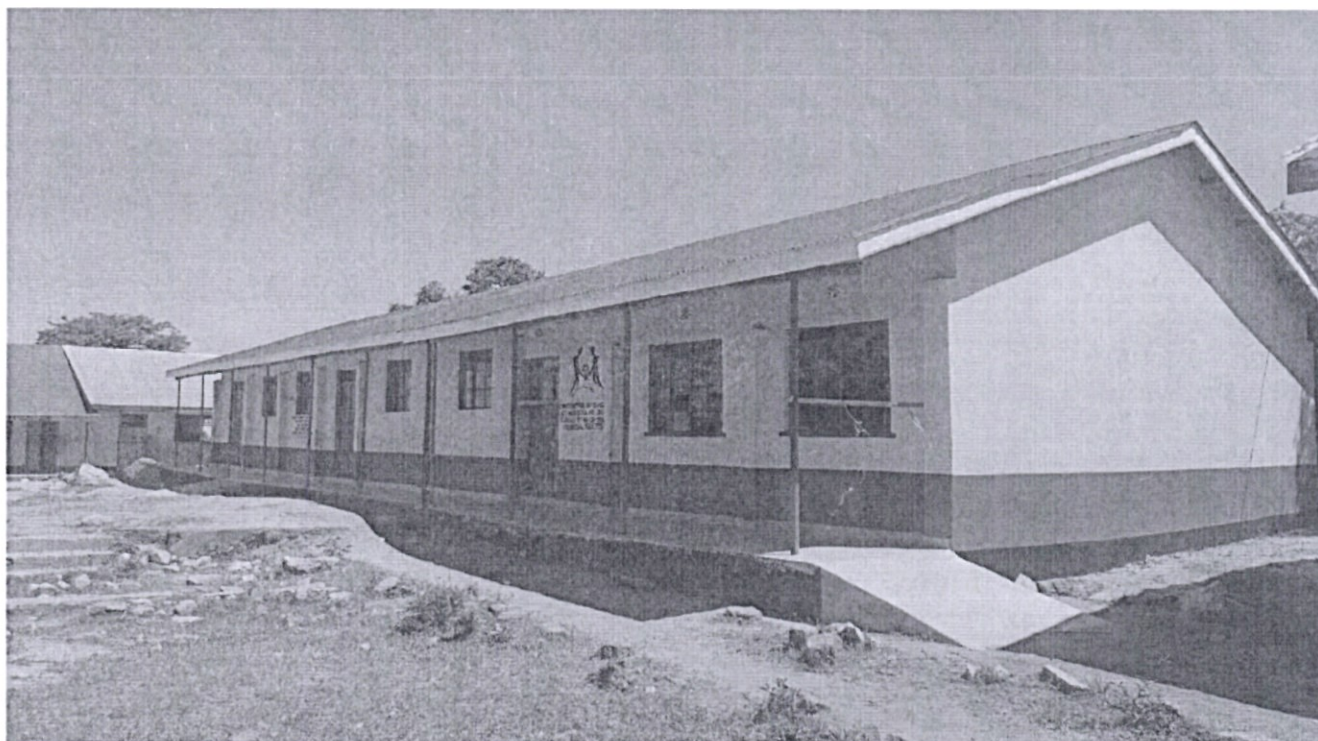
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highlights the need for varying approaches to fund administration in different constituencies. Capacity building for school heads becomes a priority, and there is a need to reduce reliance on Public Works Officers, especially in the preparation of Bills of Quantities (BoQs) and project supervision. This function should be integrated into NG-CDFC staffing norms, leading to cost and time savings and greater operational efficiency.

While the Fund's activities thrive at the grassroots level, there is a pressing need to address the overarching and cross-cutting issue of climate change. Requests for pit latrines, especially in areas with unstable soils, are prevalent. This calls for a shift towards adopting new, cost-effective, and efficient technologies, including bio-digesters, with well-documented environmental benefits. The current NG-CDF policy guidelines emphasize the use of stones in construction, yet newer, superior, and more cost-effective materials and construction technologies exist that significantly reduce construction costs. Therefore, it is essential for the Board to regularly review these guidelines. Additionally, the Board should establish Best Available Technologies (BATs) and Best Available Practices (BAPs) across all sectors, potentially standardizing these practices and technologies by establishing regional centers of excellence.

Below, you will find a list of projects implemented by Seme NG-CDF in the Financial Year 2022/2023.



**Fig 1: Construction of 3 Classrooms at Mayieka Primary School**



Figure 2: Construction of 4 Classroom at Diemo Primary School



Figure 3: Construction of 2 Classrooms at Alwala Primary School



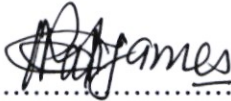
Figure 4: Construction of Morden Laboratory and 4 Classrooms

**Emerging Concerns Regarding NG-CDF and Proposed Solutions:**

- i) The NGCDF Act restricts project implementation to those falling under the jurisdiction of the National Government, excluding vital projects that could significantly benefit constituents. The NGCDF Act should be reviewed to broaden the scope of eligible projects, ensuring a more comprehensive impact on constituents' lives.
- ii) The after-effect of Covid-19 Pandemic has underscored the necessity for additional school facilities, but limited funding may prolong the realization of these facilities. We intend to explore innovative funding mechanisms or partnerships to expedite the construction of much-needed school facilities.
- iii) The adoption of the Competence Based Curriculum (CBC) poses challenges in providing extra classrooms to accommodate the requirements of the new education system. To mitigate this, we are in the process of developing a strategic plan for expanding educational infrastructure in alignment with the CBC implementation to meet the increased classroom demand.

**Implementation Challenges and Suggested Remedies:**

- i) Delays in fund disbursement by the NGCDF board have impeded project implementation timelines. The Board and National Treasury should expedite fund releases to prevent delays. We propose a streamline fund disbursement process and establish clear timelines for release to enhance project efficiency.
- ii) Increased taxes on construction materials and tax deductions on service providers by the Kenya Revenue Authority have elevated project costs.
- iii) Public misunderstanding of the NGCDF's role has led to confusion and unmet expectations, resulting in dissatisfaction. Ongoing civic education and awareness campaigns by the NGCDF are improving public perception and knowledge about the organization. To mitigate this, we will continue and expand civic education efforts to enhance public understanding and engagement with the NGCDF.



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**Patrick Magana Londi**  
**CHAIRMAN NGCDF COMMITTEE**

#### IV. Statement Of Performance Against Predetermined Objectives for FY2022/2023

##### 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 **Seme Constituency 2023-2028** plan are to:

- a) Improving access to quality education through rehabilitation/renovation/ construction of infrastructure in various primary and secondary school within the constituency.
- b) Harnessing youth talent by funding youth sporting initiatives, creating awareness of youth development and promotion of youth talent
- c) Enhancing security in the constituency by construction of infrastructure in security and administration establishments within the constituency.
- d) Improving the tracking of implementation of NGCDF programs through robust Monitoring and Evaluation of projects
- e) Promoting performance management and smooth running of NGCDF office
- f) Catering for any unforeseen occurrences in the constituency through emergency support.

##### 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 constructed 11 new classrooms and Renovated 10 Classrooms in Primary Schools, we constructed 3 new classrooms, completed 3 classrooms and



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Constituency Sector	Objective	Outcome	Indicator	Performance
				completed 1 dormitory block in Secondary schools - We awarded bursaries to approximately 3000 students and supported 175 students through scholarships
Security	-To improve access to security services	-Improved service delivery to wananchi	-constructions of AP Lines -Erection of flood lights in market places -construction of chiefs' offices	-Seme NGCDF has renovated 3 AP housing units in the constituency - We also purchase a total of 0.5 acres of land for construction of chief's offices
Environment	-To increase forest cover and clean trading centres	-Reduced erosion and flood control -clean environment to for constituents	-purchase and plantation of seedlings -purchase of desks -Repair and installation of water catchment tanks	-we purchase a total of 260 wooden desks for several learning institutions -all classrooms built are equipped with roof catchment
Sports	-To nature youth talents through sporting activities	-youth engagement through sporting activities	-Support youth clubs and schools with sporting equipment -Promote annual sports tournament -Improve sports playgrounds. Levelling of field and erection of goal posts	-Annual sports tournament did not materialize due to logistical issues.
Emergency	To Mitigate on unexpected occurrences that affects the welfare of constituents within the national government facilities	Availing of Funds to mitigate on the negative effects occasioned by unexpected occurrences	Support the re-construction of damaged National Government Projects Provide Funds for the provision of urgently needed facilities in National Government Facilities	Schools provided with sanitary facilities Schools

## V. Statement of Governance

### 1. Overview

The Seme National Government Constituency Development Fund Committee has made a firm commitment to upholding a high standard of corporate governance, as evidenced by the performance contract signed for the 2022/2023 financial year. The committee has established mechanisms to ensure compliance with all applicable laws and regulations in the management of the fund and its interactions with the public.

Our unwavering dedication to the utmost levels of corporate governance and ethical business practices remains steadfast. Strong corporate governance practices are indispensable for delivering sustainable value to our stakeholders and shareholders over the long term.

We continually evaluate our governance operational framework to ensure the presence of robust internal governing bodies and effective systems and processes that support the Board and management in driving change, setting strategic direction, and formulating high-level objectives and policies. The governance of the organization falls under the purview of the Seme National Government Constituency Development Fund Committee. Committee members are deeply committed to fulfilling their fiduciary responsibilities and have implemented a range of principles essential for ensuring that good governance is adhered to in all interactions with the organization's constituents, customers, and other pertinent stakeholders.

### 2. Organizational Structure:

- i) **The National Treasury and Planning** is responsible for allocating budgetary provisions and providing policy guidance on development matters to the fund. It also funds the NGCDF budgets and offers financial directives for the effective and efficient management of the Fund.
- ii) **The NG-CDF Board** operates as a corporate board under the jurisdiction of the National Treasury and Planning. Its primary role is to ensure the efficient management of funds within constituencies. The board has a secretariat located in Nairobi, led by the Chief Executive Officer.
- iii) **The NG-CDF Committee (NG-CDFC)** is tasked with formulating project proposals in consultation with the local community through periodic ward-level forums. These proposals are then submitted to the NG-CDF Board for approval, and the committee facilitates Project Management Committees (PMCs) in the planning, implementation, and sustainability of projects at the constituency level.
- iv) **The Constituency Oversight Committee (COC)** plays a vital role in mobilizing and raising awareness among target groups regarding matters related to the Fund. It also

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gathers views, opinions, and proposals from the public concerning the Fund and presents these perspectives to the National Assembly. The committee is headed by a Member of the National Assembly.

- v) **The Project Management Committee (PMC)** is responsible for executing projects on behalf of the local community. They collaborate with relevant government departments and prepare reports for submission to the NG-CDF Committee.
- vi) **The NGCDFC staff** comprises key personnel responsible for managing the affairs of the constituency. Key positions within the current staffing include the Clerk of Works, Accountant, Account Assistant, Records Officer, Clerical Officer, Driver and Groundsman.

**3. Composition of NGCDFC**

The Seme NGCDF Committee comprises of 10 members as listed below;

NO	NAME	CATEGORY	WARD	Position
1.	Patrick Magana Londi	Man (Adult)	West Seme	Chairperson
2.	Shadrack Omondi	Man (Youth)	East Seme	Member
3.	Ann Emma Owiti	Woman (Adult)	North Seme	Secretary
4.	Winnie Oriawo	Woman (Youth)	Central Seme	Member
5.	Kennedy Gumba	Representative of Persons with Disability	East Seme	Member
6.	Meshack Omoso	Constituency Nominee (Male)	Central Seme	Member
7.	Jane Onyango	Constituency Nominee (Female)	North Seme	Member
8.	Samwel Okuro	NGCDF Board Co-opted	West Seme	Member
9.	Elizabeth Owendi	Deputy County Commissioner		Member
10.	Kipngetich Langat	Fund Account Manager		Member

**4. The Functions of the NG-CDF Committee**

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

The roles and functions of NG-CDFC are as follows; -

- a) Build the capacity of project management committees and Committee.
- b) Sensitize the Community on the operations of the Fund;
- c) Consider all project proposals from all wards in the constituency and any other projects which a constituency committee considers beneficial to the Constituency;
- d) Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;1956 - Kenya Subsidiary Legislation, 2016

- e) Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans; in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- f) Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- g) Ensure that all projects receive adequate funding and are completed within three years;
- h) where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;

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#### **5. Removal of NG-CDFC Members**

A member holding a position within the NG-CDFC can be relieved of their duties for any of the subsequent reasons, either individually or in combination: Absence of integrity, Severe misconduct, misappropriation of public funds, tarnishing the committee's reputation through inappropriate personal behaviour in public, advocating unethical behaviours, creating discord within the committee, Suffering from a physical or mental ailment, Misusing funds, or any other valid and justifiable cause.

#### **6. Audit process**

The Auditor General's office submits yearly reports to the Parliamentary Accounts Committee regarding special funds. Additionally, within each constituency, sub-county internal auditors monitor the utilization of the Fund and routinely furnish reports to the National Treasury with a duplicate sent to the NG-CDF Board. In accordance with section 16(b) of the Act 2015, the board has set up its internal audit department, responsible for constituency accounts and offering assurances concerning the efficient utilization of the Fund.

#### **7. Induction and Training of NG-CDFC Members:**

In the fiscal year 2022-2023, the NG-CDF Board coordinated an induction program for the officially appointed members of the National Government Constituencies Development Fund Committee in Eldoret, spanning from April 2022 to April 2023.

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During this training, facilitated by the board, members received instruction regarding their responsibilities in relation to the management of the NG-CDF Act. They were also briefed on the policy concerning conflicts of interest in the tender awarding process and the allocation of bursaries. Subsequently, this policy was reinforced during NG-CDFC meetings.

**8. Ethics and Conduct**

During the training, members were also taken through chapter six of the constitution on ethical issues and how they are supposed to conduct themselves during the process of management of fund.

**9. Risk Management:**

As part of the training organized by the NG-CDF Board, committee members were educated on the intricacies of risk management, equipping them with the skills necessary to address risks at the constituency level. Recognizing that risk management is an essential component of sound governance and exemplary management practices within the constituency.

Moreover, the committee was informed that the Risk Policy underscores NG-CDF's commitment to cultivating a risk-aware culture that promotes deliberate and proactive risk management, aligned with NG-CDF's strategic objectives. Specific examples of identified risks and their corresponding management responses were also provided.

**10. Remuneration of NGCDF Committee**

Members of the NG-CDF Committee receive compensation in accordance with the directives established by both the NGCDF Board and the Salaries and Remuneration Commission (SRC). Presently, committee members are eligible to receive a sitting allowance of Ksh 5,000 per session, while the chairperson is entitled to Ksh 7,000 per session.

Remuneration for Constituency staff is derived from the allocation designated for office administration, and this is done in alignment with the stipulations outlined by the SRC, NGCDF Board, and the Employment Act of 2007. It is important to note that all payments are subject to the prevailing tax laws and other mandatory deductions as per statutory regulations.

**11. Conflict of Interest and Ethical Practice**

Seme NGCDF requires all individuals associated with our organization to promptly and openly disclose any conflicts of interest that may arise in the course of their duties. Such disclosures are crucial to maintaining the integrity and impartiality of our decision-making processes, ensuring transparency, and upholding the highest standards of ethics and accountability. All disclosures shall be to the Fund Account Manager and the Chairman of the committee

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In line with our dedication to transparency, integrity, and the highest ethical standards, it is essential that all committee members and staff within our organization disclose any potential conflicts of interest that may arise during the course of their responsibilities. This act of disclosure is crucial to guarantee that our decision-making processes remain impartial, equitable, and in the best interests of our constituents and stakeholders. By promptly identifying and addressing conflicts of interest, we demonstrate our commitment to preserving the trust vested in us by the community we serve and upholding our organization's credibility.

Moreover, ethical conduct stands as a fundamental pillar of our organization's mission, and we anticipate all committee members and staff to strictly adhere to a code of ethics in the execution of their professional duties. This commitment encompasses the preservation of confidentiality, avoidance of any actions that could jeopardize our organization's integrity, and the enactment of behaviours that align with our core values. Our unwavering dedication to ethical behaviour not only reinforces our standing but also ensures that our actions consistently conform to the principles of equity, accountability, and responsibility that serve as the foundation of our work.

**12. Accountability.**

Seme NG-CDF is subject to external oversight through a number of mechanisms and has developed its own internal processes to ensure that it maintains high levels of accountability.

## **VI. Environmental and Sustainability Reporting**

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

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## **2. Environmental performance**

- a) Seme NGCDF initiated projects in waste management to address the pressing sanitation needs in schools and security installations. During the reviewed year, our organization successfully completed the construction of 14 three-door toilet facilities in as many institutions, with the added feature of water harvesting infrastructure integrated into each construction.
- b) As part of our planned activities for the fiscal year, the Entity had intended to organize a sports tournament. However, unforeseen circumstances necessitated the postponement of the tournament to a later date

## **3. Employee Welfare**

We invest in providing the best working environment for our employees. Seme 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. Seme constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

## **4. Market Place Practices**

Seme 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



*Seme Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

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- 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**

Seme 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.

**6. 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.

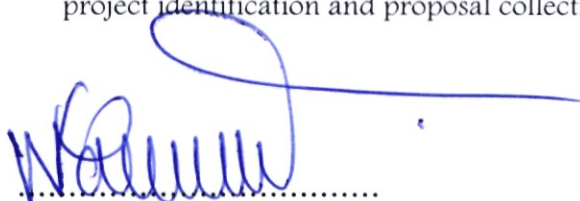
7. **Public participation** is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

**8. 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.

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



.....  
**Kipnetich Langat**  
**Fund Account Manager.**

*Seme Constituency  
National Government Constituencies Development Fund (NGCDF)  
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**VII. 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.

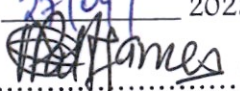
The Accounting Officer in charge of the NGCDF-Seme Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. 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.

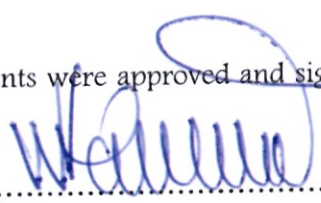
The Accounting Officer in charge of the NGCDF-Seme Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (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- Seme 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 Seme Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF- Seme Constituency financial statements were approved and signed by the Accounting Officer on 23/09/2023 2023.

.....  
  
Patrick Magana Londi  
Chairman – NGCDF Committee

.....  
  
Kipnetich Langat  
Fund Account Manager

# REPUBLIC OF KENYA

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**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

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

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### 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 Constituency Development Fund - Seme Constituency set out on pages 1 to 49, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the summary statement of

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

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

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

### **Basis for Qualified Opinion**

#### **Unsupported Construction of Multipurpose Hall**

The statement of receipt and payments reflects acquisition of assets amount of Kshs.4,374,722, as disclosed in Note 9 to the financial statements. Although the projects were completed, review of the payment vouchers totalling Kshs.4,374,722 in support of the expenditure did not indicate the breakdown of works paid for. Further, inspection and acceptance and completion certificates for the works were not provided for audit.

In the circumstances, the accuracy, completeness and regularity of Kshs.4,374,722 could not be confirmed

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Seme 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.176,685,321 and Kshs.121,170,288 respectively resulting to an under-funding of Kshs.55,515,033 or 31% of the budget. However,, the fund spent Kshs.85,787,786 against actual receipts of Kshs.121,170,288 resulting to an under-utilization of Kshs.35,382,502 or 20% of the receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other matter**

### **Un-resolved Prior Year Matters**

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

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **Failure to Deduct Income Tax for Committee Expenses**

The statement of receipts and payments reflects payment for committee expenses of Kshs.4,421,200. Review of the committee expenses revealed that income tax was not deducted from the committee allowances disbursed to the National Government Constituencies Development Fund Committee Members. This was contrary to Section 3(2)(ii) of the Income Tax Act cap 470 (Revised 2021) which states that gains or profits from employment or services rendered will be subject to income tax.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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 the ISSAI 2315 and ISSAI 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of its 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 Fund's activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit was 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 considered 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 control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**26 June, 2024**



*Seme Constituency*

*National Government Constituencies Development Fund (NGCDF)*

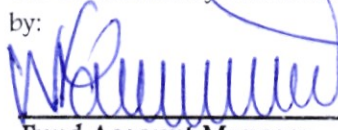
*Annual Report and Financial Statements for The Year Ended June 30, 2023*

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

	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	99,000,000	172,477,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	18,000	217,300
<b>Total Receipts</b>		<b>99,018,000</b>	<b>172,695,058</b>
<b>Payments</b>			
Compensation Of Employees	4	3,818,560	2,850,766
Committee expenses	5	4,421,200	5,099,850
Use Of Goods and Services	6	3,888,164	6,033,716
Transfers To Other Government Units	7	11,642,190	82,133,102
Other Grants and Transfers	8	57,615,951	84,890,295
Acquisition Of Assets	9	4,374,722	5,794,145
Oversight Committee Expenses	10	27,000	-
Other Payments	11	-	-
<b>Total Payments</b>		<b>85,787,786</b>	<b>186,801,874</b>
<b>Surplus/(Deficit)</b>		<b>13,230,214</b>	<b>(14,106,816)</b>

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 27/09/ 2023 and signed by:



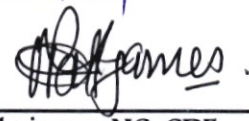
Fund Account Manager

Kipnetich Langat



National Sub-County  
Accountant

Roseline Muthama  
ICPAK M/No: 9014



Chairman NG-CDF  
Committee

Patrick Magana Londi

*Seme Constituency*

*National Government Constituencies Development Fund (NGCDF)*


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


X. Statement Of Assets and Liabilities as at 30th June, 2023

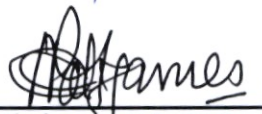
	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	12A	35,593,067	22,170,288
Cash Balances (Cash at Hand)	12B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>35,593,067</b>	<b>22,170,288</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	13	-	-
<b>Total Financial Assets</b>		<b>35,593,067</b>	<b>22,170,288</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	14A	-	-
Gratuity	14B	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>
<b>Net Financial Assets</b>		<b>35,593,067</b>	<b>22,170,288</b>
<b>Represented By</b>			
Fund Balance B/Fwd	15	22,170,288	35,546,793
Prior Year Adjustments	16	192,565	730,310
Surplus/Deficit for The Year		13,230,214	(14,106,816)
<b>Net Financial Position</b>		<b>35,593,067</b>	<b>22,170,288</b>

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 27/09/ 2023 and signed by:

  
Fund Account Manager

  
National Sub-County  
Accountant

  
Chairman NG-CDF  
Committee

Kipnetich Langat

Roseline Muthama  
ICPAK M/No: 9014

Patrick Magana Londi

*Seme Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

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

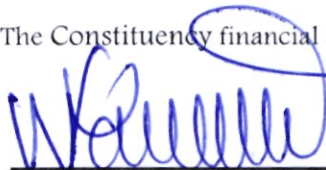
	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	99,000,000	172,477,758
Other Receipts	3	18,000	217,300
<b>Total Receipts</b>		<b>99,018,000</b>	<b>172,695,058</b>
<b>Payments</b>			
Compensation Of Employees	4	3,818,560	2,850,766
Committee Expenses	5	4,421,200	5,099,850
Use Of Goods and Services	6	3,888,164	6,033,716
Transfers To Other Government Units	7	11,642,190	82,133,102
Other Grants and Transfers	8	57,615,951	84,890,295
Oversight Committee Expenses	10	27,000	-
Other Payments	11	-	-
<b>Total Payments</b>		<b>81,413,065</b>	<b>181,007,729</b>
<b>Total Receipts Less Total Payments</b>		<b>17,604,935</b>	<b>(8,312,671)</b>
Adjusted For:			
Prior Year Adjustments	16	192,565	730,310
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
<b>Net Cash Flow from Operating Activities</b>		<b>17,797,500</b>	<b>(7,582,361)</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	(4,374,722)	(5,794,145)
<b>Net Cash Flows from Investing Activities</b>		<b>(4,374,722)</b>	<b>(5,794,145)</b>
<b>Net Increase In Cash And Cash Equivalent</b>		<b>13,422,779</b>	<b>(13,376,505)</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	12	<b>22,170,288</b>	<b>35,546,793</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	12	<b>35,593,066</b>	<b>22,170,288</b>

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

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

The Constituency financial statements were approved by NG CDFC on 29/09/ 2023 and signed by:



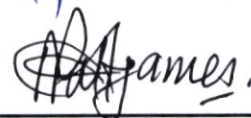
Fund Account Manager

Kipngetich Langat



National Sub-County  
Accountant

Roseline Muthama  
ICPAK M/No: 9014



Chairman NG-CDF  
Committee

Patrick Magana Londi

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

**XII. Summary Statement of Appropriation for The Year Ended 30<sup>th</sup> 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		
<b>Receipts</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Transfers From NGCDF Board	138,215,033	22,170,288	16,300,000	176,685,321	121,170,288	55,515,033	68.6%
Proceeds From Sale of Assets	-	-	-	-	-	-	
Other Receipts		18,000		18,000	18,000		100.0%
<b>Totals</b>	<b>138,215,033</b>	<b>22,188,288</b>	<b>16,300,000</b>	<b>176,703,321</b>	<b>121,188,288</b>	<b>55,515,033</b>	<b>68.6%</b>
<b>Payments</b>							
Compensation Of Employees	4,399,366	3,939,399	-	8,338,764	3,818,560	4,520,204	45.8%
Committee Expenses	4,180,000	242,385	-	4,422,385	4,421,200	1,185	100.0%
Use Of Goods and Services	3,859,985	30,311	-	3,890,296	3,888,164	2,133	99.9%
Transfers To Other Government Units	43,033,361	2,095,951	6,500,000	51,629,312	11,642,190	39,987,122	22.5%
Other Grants and Transfers	64,333,109	7,387,832	9,800,000	81,520,941	57,615,951	23,904,990	70.7%
Acquisition of Assets	13,813,212	4,793,989	-	18,607,201	4,374,722	14,232,480	23.5%
Oversight Committee Expenses	696,000	-	-	696,000	27,000	669,000	3.9%
Other Payments	3,900,000	3,289,620	-	7,189,620	-	7,189,620	0.0%
Funds Pending Approval**		408,800	-	408,800	-	408,800	0.0%
<b>Totals</b>	<b>138,215,033</b>	<b>22,188,288</b>	<b>16,300,000</b>	<b>176,703,321</b>	<b>85,787,786</b>	<b>90,915,535</b>	<b>48.5%</b>

*\*\*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*

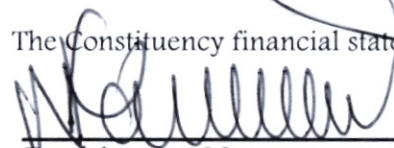
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**Comments on Budget Utilisation**

- The overall budget utilization was 68.6% which was due to non-disbursement of funds from the NGCDF Board on time. At the close of the financial year, the entity had not received a total of Ksh 55,515,033 which includes Ksh 4,300,000 for 2018/2019, and 51,215,033 for the 2022/2023 financial year.
- The compensation of employees, Transfer to National Government entities, acquisition of assets and other grants and transfers were below 90% in utilization because the entity had an outstanding disbursement of Ksh 55,515,033 which includes Ksh 4,300,000 for 2018/2019, and 51,215,033 for the 2022/2023 financial year.
- The variance between the original and the final budget is a result of the adjustment column of Ksh 37,488,288 constitutes Ksh 22,188,288 being opening balances and Ksh 16,300,000 being outstanding disbursements at the beginning of the year for 2022/2023 and previous years.
- Other receipts represent the Appropriation in Aid relating to sale of tenders amounting to Ksh 18,000

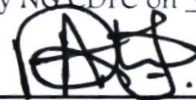
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	90,915,535
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	55,515,033
	35,400,502
Increase/ (decrease) Accounts payable	
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	192,565
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	35,593,067

The Constituency financial statements were approved by NG-CDFC on 27/09/ 2023 and signed by:



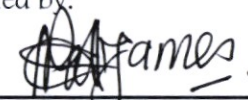
Fund Account Manager

Kipngetich Langat



National Sub-County Accountant

Roseline Muthama  
ICPAK M/No: 9014



Chairman NG-CDF Committee

Patrick Magana Londi

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XIII. Budget Execution By Sectors And Projects For The Year Ended 30<sup>th</sup> June 2023

Programme/Sub-programme	Original Budget(a)	Adjustments (b)		Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	6/30/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	4,399,366	3,939,399		8,338,764	3,818,560	4,520,204	46%
1.2 Committee allowances	1,886,000	24,577		1,910,577	1,910,000	577	100%
1.3 Use of goods and services	2,007,535	68,646		2,076,181	2,075,345	836	100%
<b>Total</b>	<b>8,292,901</b>	<b>4,032,621</b>	<b>-</b>	<b>12,325,522</b>	<b>7,803,905</b>	<b>4,521,617</b>	
<b>2.0 Monitoring and evaluation</b>						-	
2.1 Capacity building	1,007,065	43,190		1,050,255	1,049,780	475	100%
2.2 Committee allowances	2,415,500	95,725		2,511,225	2,511,200	25	100%
2.3 Use of goods and services	723,885	40,559		764,444	763,039	1,405	100%
<b>Total</b>	<b>4,146,450</b>	<b>179,474</b>	<b>-</b>	<b>4,325,924</b>	<b>4,324,019</b>	<b>1,905</b>	
<b>3.0 Emergency</b>							
<b>3.1 Primary Schools</b>							
3.1.1 Akonya Primary School	600,000			600,000	600,000	-	100%
3.1.2 Awanya Primary School	300,000			300,000	300,000	-	100%
3.1.3 Barkorwa Mixed Primary School	300,000			300,000	300,000	-	100%
3.1.4 Got Odongo Primary School	500,000			500,000	500,000	-	100%
3.1.5 Kajulu Primary School	300,000			300,000	300,000	-	100%

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Programme/Sub-programme	Original Budget(a)	Adjustments (b)		Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	6/30/2023		
3.1.6 Keyo Kode Primary School	300,000			300,000	300,000	-	100%
3.1.7 Kindu Mixed Sec School	500,000			500,000	500,000	-	100%
3.1.8 Kuoyo Kowe Primary School	300,000			300,000	300,000	-	100%
3.1.9 Miranga Primary School	500,000			500,000	500,000	-	100%
3.1.10 Nyabera Primary School	500,000			500,000	500,000	-	100%
3.1.11 Okuto Primary School	500,000			500,000	500,000	-	100%
3.1.12 Ombo Primary School	300,000			300,000	300,000	-	100%
3.1.13 Pith Kochiel Primary School	300,000			300,000	300,000	-	100%
3.1.14 Rachilo Primary School	300,000			300,000	300,000	-	100%
3.1.15 Rapogi Primary School	300,000			300,000	300,000	-	100%
<b>3.2 Secondary schools</b>				-		-	
3.2.1 Mayieka Secondary School	300,000			300,000	300,000	-	100%
3.3 Tertiary institutions				-		-	
<b>3.4 Security projects</b>				-		-	
3.4.1 Manywanda Police Post	300,000			300,000	300,000	-	100%
<b>3.5 Other Payments</b>				-		-	
3.5.1 Bon & Drew Associates		174,000.00		174,000	174,000	-	
3.5 Unutilized	1,236,190	4,741,744	4,400,000	10,377,934		10,377,934	0%
<b>Total</b>	<b>7,636,190</b>	<b>4,915,744</b>	<b>4,400,000</b>	<b>16,951,934</b>	<b>6,574,000</b>	<b>10,377,934</b>	<b>39%</b>
<b>4.0 Bursary and Social Security</b>				-			
4.1 Secondary Schools	30,600,000	109,500		30,709,500	33,435,192	(2,725,692)	109%
4.2 Tertiary Institutions	16,500,000	887,128		17,387,128	14,729,100	2,658,028	85%



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Programme/Sub-programme	Original Budget(a)	Adjustments (b)		Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	6/30/2023		
4.3 Social Security				-		-	
4.4 Special Needs	300,000			300,000	84,000	216,000	28%
<b>Total</b>	<b>47,400,000</b>	<b>996,628</b>	<b>-</b>	<b>48,396,628</b>	<b>47,479,813</b>	<b>916,815</b>	<b>100%</b>
<b>5.0 Sports</b>				-		-	
5.1 Constituency Sports Tournament	2,000,000	420,787		2,420,787	-	2,420,787	0%
5.2 Regional Sports Tournament	300,000			300,000	-	300,000	0%
<b>Total</b>	<b>2,300,000</b>	<b>420,787</b>	<b>-</b>	<b>2,720,787</b>	<b>-</b>	<b>2,720,787</b>	<b>0%</b>
<b>6.0 Environment</b>							
6.1.1 Got Agulu Primary School	400,000			400,000	300,000	100,000	75%
6.1.2 Opapla Police Post	300,000			300,000	300,000	-	100%
6.1.3 West Seme Chief's office - Reru	300,000			300,000		300,000	0%
6.1.4 Akonya Primary School		59,917		59,917	59,917	-	100%
6.1.5 Atol Primary School		59,917		59,917	59,917	-	100%
6.1.6 Bishop Abiero Magwar Girls		9,000		9,000		9,000	0%
6.1.7 Keyo Kodo Primary School		59,917		59,917	59,917	-	100%
6.1.8 Langi Primary School		59,917		59,917	59,917	-	100%
6.1.9 Magwako Primary School		59,917		59,917	59,917	-	100%
6.1.10 Mbeka Primary School		59,917		59,917	59,917	-	100%
6.1.11 Nyamisri Secondary School		59,917		59,917	59,917	-	100%
6.1.12 Nyatigo Secondary School		59,917		59,917	59,917	-	100%
6.1.13 Nyawanga Primary School		59,917		59,917	59,917	-	100%

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Programme/Sub-programme	Original Budget(a)	Adjustments (b)		Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	6/30/2023		
6.1.14 Odiénya Kagai Primary School		59,917		59,917	59,917	-	100%
6.1.15 Oluti Primary School		59,917		59,917	59,917	-	100%
6.1.16 Omuya Primary School		59,917		59,917	59,917	-	100%
6.1.17 Onyinjo Primary School		59,917		59,917	59,917	-	100%
6.1.18 Rabongi Primary School		59,917		59,917		59,917	0%
6.1.19 Ridore Mixed Secondary School		59,917		59,917	59,917	-	100%
6.1.20 St. Alloys Reru Secondary School		59,917		59,917	54,820	5,097	91%
<b>Total</b>	<b>1,000,000</b>	<b>967,673</b>	<b>-</b>	<b>1,967,673</b>	<b>1,493,659</b>	<b>474,014</b>	<b>76%</b>
<b>7.0 Primary Schools Projects</b>							
7.1 Akado Primary School	1,300,000			1,300,000		1,300,000	0%
7.2 Alwala Primary School	400,000			400,000	400,000	-	100%
7.3 Kaloka Primary School	1,300,000			1,300,000		1,300,000	0%
7.4 Langi Primary School	500,000			500,000		500,000	0%
7.5 Nyawanga Primary School	1,100,000			1,100,000	1,100,000	-	100%
7.6 Ochara Primary School	149,078			149,078	149,078	-	100%
7.7 Ogoná Kadero Primary School	1,300,000			1,300,000		1,300,000	0%
7.8 Ombo Primary School	1,300,000			1,300,000		1,300,000	0%
7.9 Onyinjo Primary School	131,000			131,000	131,000	-	100%
7.10 Pap Othany Primary School	545,267			545,267	545,267	-	100%
7.11 Simba Gero Primary School	298,262			298,262	298,262	-	100%
7.12 Simba Gero Primary School	500,000			500,000		500,000	0%
7.13 Abol Primary School		100,000		100,000		100,000	0%

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Programme/Sub-programme	Original Budget(a)	Adjustments (b)		Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	6/30/2023		
7.14 Atol Primary School		(80,000)		(80,000)		(80,000)	0%
7.15 Awanya Primary School			1,300,000	1,300,000	1,300,000	-	100%
7.16 Jonyo Primary School		0		0	-	0	0%
7.17 Kambudi Primary School			1,100,000	1,100,000	1,100,000	-	100%
7.18 Korwenje Primary School		600,000		600,000	600,000	-	100%
7.19 Lunga Primary School			1,300,000	1,300,000	1,300,000	-	100%
7.20 Mayieka Primary School			1,300,000	1,300,000	1,300,000	-	100%
7.21 Nyamgun Primary School		104,775		104,775		104,775	0%
7.22 Nyamisiri Primary School		780		780		780	0%
7.23 Pith Kochiel Primary School		(300,000)		(300,000)		(300,000)	0%
7.24 Urudi Ratta Primary School			1,300,000	1,300,000	1,300,000	-	100%
<b>Total</b>	<b>8,823,607</b>	<b>425,555</b>	<b>6,300,000</b>	<b>15,549,162</b>	<b>9,523,607</b>	<b>6,025,555</b>	<b>61%</b>
<b>8.0 Secondary Schools Projects</b>						-	
8.1 Bishop Abiero Magwar Secondary School	3,000,000			3,000,000		3,000,000	0%
8.2 Bishop Abiero Oruga Secondary School	4,500,000			4,500,000		4,500,000	0%
8.3 Bonde Secondary School	1,500,000			1,500,000		1,500,000	0%
8.4 Kadero Sunrise Secondary School	299,708			299,708	299,708	-	100%
8.5 Kindu Mixed Secondary School	2,600,000			2,600,000		2,600,000	0%
8.6 Nduru Kadero Mixed Secondary School	4,500,000			4,500,000		4,500,000	0%
8.7 Prof Nyonggo Secondary School	650,000			650,000		650,000	0%
8.8 Prof Nyonggo Secondary School	550,000			550,000		550,000	0%
8.9 Ranen Girls Secondary School	750,300			750,300	750,300	-	100%

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Programme/Sub-programme	Original Budget(a)	Adjustments (b)		Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	6/30/2023		
8.10 Ratta Mixed Secondary School	713,574			713,574	713,574	-	100%
8.11 Ridore Mixed Secondary School	6,000,000			6,000,000		6,000,000	0%
8.12 St. Alloys Reru Girls Secondary School	5,000,000			5,000,000		5,000,000	0%
8.13 St. Peters Kajulu Secondary School	600,000			600,000		600,000	0%
8.14 Bishop Abiero Magwar Girls Secondary School			200,000	200,000		200,000	0%
8.15 Nyamgun Secondary School		396.25		396		396	0%
8.16 Nyatigo Secondary School		(330,000.00)		(330,000)		(330,000)	0%
<b>Total</b>	<b>30,663,582</b>	<b>(329,604)</b>	<b>200,000</b>	<b>30,533,979</b>	<b>1,763,582</b>	<b>28,770,396</b>	<b>6%</b>
<b>9.0 Tertiary institutions Projects</b>				-		-	
9.1 KMTC - Langi Campus	2,600,000			2,600,000		2,600,000	0%
9.2 KMTC - Langi Campus	150,000			150,000		150,000	0%
9.3 Seme Teachers' College	441,171			441,171		441,171	0%
9.4 Seme Teachers' College	355,000			355,000	355,000	-	100%
9.5 Kemri Kombewa Pediatric Research Ward		2,000,000		2,000,000		2,000,000	0%
				-		-	
<b>Total</b>	<b>3,546,171</b>	<b>2,000,000</b>	<b>-</b>	<b>5,546,171</b>	<b>355,000</b>	<b>5,191,171</b>	<b>6%</b>
<b>10.0 Security Projects</b>				-		-	
10.1 Bodi Police Post	900,000			900,000		900,000	0%
10.2 Central Seme Chief's Office	1,050,000			1,050,000		1,050,000	0%

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Programme/Sub-programme	Original Budget(a)	Adjustments (b)		Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	6/30/2023		
10.3 East Seme Chief's Office	2,500,000			2,500,000	1,000,000	1,500,000	40%
10.4 Harambee Chiefs Camp	1,000,000			1,000,000		1,000,000	0%
10.5 Opapla Police Post	96,919			96,919		96,919	0%
10.6 West Seme Chief Office - Reru	450,000			450,000		450,000	0%
10.7 Kipasi Ap Line			1,200,000	1,200,000		1,200,000	0%
10.8 Kipasi Police Post			300,000	300,000	300,000	-	100%
10.9 Kolenyo Ap Post			1,600,000	1,600,000		1,600,000	0%
10.10 Magwar Ap Post			900,000	900,000		900,000	0%
10.11 Nyaguda Police Post			400,000	400,000		400,000	0%
10.12 Security Patrol Boat			1,000,000	1,000,000		1,000,000	0%
10.13 Seme Sub County Dccs Office		87,000		87,000		87,000	0%
						-	
<b>Total</b>	<b>5,996,919</b>	<b>87,000</b>	<b>5,400,000</b>	<b>11,483,919</b>	<b>1,300,000</b>	<b>10,183,919</b>	<b>11%</b>
<b>11.0 Acquisition of assets</b>				-		-	
11.1 NGCDF Motorcyle	295,000			295,000		295,000	0%
11.2 NGCDF Motorvehicle	9,500,000			9,500,000		9,500,000	0%
11.3 NGCDF Multipurpose Hall	3,500,000	4,510,447		8,010,447	4,374,722	3,635,726	55%
11.4 NGCDF Office Furniture and Equipment	518,212			518,212		518,212	0%
11.5 NGCDF Office Borehole		114,576		114,576		114,576	0%
11.6 Purchase of furniture and equipment		168,966	-	168,966	-	168,966	0%
<b>Total</b>	<b>13,813,212</b>	<b>4,793,989</b>	<b>-</b>	<b>18,607,201</b>	<b>4,374,722</b>	<b>14,232,480</b>	<b>24%</b>

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Programme/Sub-programme	Original Budget(a)	Adjustments (b)		Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
<b>12.0 Oversight Committee Expenses</b>							
12.1 Committee allowances	250,000			250,000	27,000	223,000	11%
12.2 Accommodation - Domestic Travel	150,000			150,000		150,000	0%
12.3 Daily Subsistence Allowance	105,000			105,000		105,000	0%
12.4 Travel Allowance	120,000			120,000		120,000	0%
12.5 Refined Fuels and Lubricants for Transport	71,000			71,000		71,000	0%
<b>Total</b>	<b>696,000</b>	-	-	<b>696,000</b>	<b>27,000</b>	<b>669,000</b>	<b>4%</b>
<b>13.0 Other payments</b>							
13.1 NGCDF Office ICT Hub	450,000			450,000		450,000	0%
13.2 Reru ICT Hub	450,000			450,000		450,000	0%
13.3 Seme NG-CDF Strategic Plan	3,000,000			3,000,000		3,000,000	0%
13.4 Constituency Innovation Hubs		3,249,800		3,249,800		3,249,800	0%
13.5 Electrification		39,820		39,820		39,820	0%
<b>Total</b>	<b>3,900,000</b>	<b>3,289,620</b>	-	<b>7,189,620</b>	-	<b>7,189,620</b>	<b>0%</b>
<b>14.0 unallocated fund</b>							
14.1 Unapproved projects							
14.2 AIA		408,800		408,800		408,800	0%
14.3 PMC savings							
<b>Total</b>	-	<b>408,800</b>	-	<b>408,800</b>	-	<b>408,800</b>	<b>0%</b>

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Programme/Sub-programme	Original Budget(a)	Adjustments (b)		Final Budget c = (a+b)	Actual on comparable basis (d)	Budget utilization difference (e = c-d)	% of Utilisation( f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	6/30/2023		
	138,215,033	22,188,288	16,300,000	176,703,321	85,787,786	90,915,535	49%

(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

#### **XIV. 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-Seme 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/Facilities, Unutilized funds from PMCs among others.

**Unutilized Funds from PMCs.**

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

**External Assistance**

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

**b) Recognition of payments**

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

***Significant Accounting Policies continued***

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

**6. Cash and Cash Equivalent.**

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

**7. Accounts Receivable**

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

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**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

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

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

**12. Comparative Figures**

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

***Significant Accounting Policies Continued***

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> 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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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022/2023	2021/2022
NGCDF Board	Kshs	Kshs
AIE A895032		300,000
AIE B105280		33,000,000
AIE B105557		44,000,000
AIE B105927		22,000,000
AIE B128694		5,000,000
AIE B140821		2,000,000
AIE B154201		12,000,000
AIE B154424		18,000,000
AIE B154480		12,088,879
AIE B163856		12,000,000
AIE B089092		12,088,879
AIE NO. A888912	11,000,000	
AIE NO. B185245	7,000,000	
AIE NO. B185408	6,000,000	
AIE NO. B185367	1,000,000	
AIE NO. B185776	15,000,000	
AIE NO. B206096	5,000,000	
AIE NO. B205889	12,000,000	
AIE NO. B 205594	12,000,000	
AIE NO. B 207910	15,000,000	
AIE NO. B 207650	15,000,000	
<b>TOTAL</b>	<b>99,000,000</b>	<b>172,477,758</b>

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)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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3. Other Receipts

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	18,000	217,300
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>18,000</b>	<b>217,300</b>

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**4. Compensation Of Employees**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	2,656,752	2,768,686
Personal allowances paid as part of salary	-	-
House Allowance	92,700	-
Transport Allowance	-	-
Leave allowance	83,500	-
Gratuity to contractual employees	889,488	-
Employer Contributions Compulsory national social security schemes	96,120	82,080
<b>Total</b>	<b>3,818,560</b>	<b>2,850,766</b>

**5. Committee Expenses**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Sitting allowance	4,267,200	4,276,650
Other committee expenses	154,000	823,200
<b>Total</b>	<b>4,421,200</b>	<b>5,099,850</b>

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6. Use of Goods and services

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	143,897	264,190
Communication, supplies and services	575,026	520,650
Domestic travel and subsistence	105,394	661,150
Printing, advertising and information supplies & services	470,020	247,685
Rentals of produced assets	65,000	-
Training expenses	915,100	1,566,652
Hospitality supplies and services	563,135	235,380
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	460,338	691,800
Fuel, oil & lubricants	338,450	1,150,000
Other operating expenses	32,487	-
Bank Charges	1,800	33,840
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	118,235	662,369
Routine maintenance- other assets	99,282	-
<b>Total</b>	<b>3,888,164</b>	<b>6,033,716</b>



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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)	9,523,607	58,237,000
Transfers To Secondary Schools (See Attached List)	1,763,582	17,876,102
Transfers To Tertiary Institutions (See Attached List)	355,000	6,020,000
<b>Total</b>	<b>11,642,190</b>	<b>82,133,102</b>

**8. Other Grants and Other transfers**

	2022/2023	2021/2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	33,435,192	44,263,599
Bursary – tertiary institutions (see attached list)	14,729,100	29,844,564
Bursary – special schools (see attached list)	84,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	1,300,000	1,900,000
Sports projects (see attached list)	-	3,400,600
Environment projects (see attached list)	1,493,659	2,111,000
Emergency projects (see attached list)	6,574,000	3,370,532
Roads projects (see attached list)	-	-
<b>Total</b>	<b>57,615,951</b>	<b>84,890,295</b>

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**9. Acquisition Of Assets**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	4,374,722	5,134,151
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	357,994
Purchase of ICT Equipment, Software and Other ICT Assets	-	302,000
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
<b>Total</b>	<b>4,374,722</b>	<b>5,794,145</b>

**10. Oversight Committee Expenses**

	<i>2022-2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
COC Members allowance	27,000	-
Other COC expenses	-	-
	<b>27,000</b>	-

**11. Other Payments**

	<i>2022-2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan	-	-
ICT Hub	-	-
	-	-

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022/2023	2021/2022
	Kshs	Kshs
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Equity Bank of Kenya, Angawa Branch – 1260 261 899 624</i>	35,593,067	22,170,288
<i>Name of Bank, account No. ( Deposits account)</i>	-	-
<b>Total</b>	-	-
<b>12 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	35,593,067	22,170,288
<i>[Provide Cash Count Certificates for Each]</i>		

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13. Outstanding Imprests

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
Kipngetich Langat	25.07.2022	150,000	150,000	-
Kipngetich Langat	02.08.2022	20,000	20,000	-
Kipngetich Langat	30.08.2022	100,000	100,000	-
Kipngetich Langat	30.08.2022	113,200	113,200	-
Kipngetich Langat	06.09.2022	300,000	300,000	-
Kipngetich Langat	29.09.2022	150,000	150,000	-
Kipngetich Langat	29.09.2022	40,000	40,000	-
Kipngetich Langat	26.10.2022	156,180	156,180	-
Kipngetich Langat	26.10.2022	143,000	143,000	-
Kipngetich Langat	26.10.2022	75,000	75,000	-
Kipngetich Langat	16.11.2022	116,250	116,250	-
Kipngetich Langat	16.11.2022	42,000	42,000	-
Kipngetich Langat	16.11.2022	79,000	79,000	-
Kipngetich Langat	16.11.2022	106,500	106,500	-
Kipngetich Langat	16.11.2022	118,500	118,500	-
Kipngetich Langat	22.12.2022	61,500	61,500	-
Kipngetich Langat	22.12.2022	98,500	98,500	-
Kipngetich Langat	01.01.2023	446,000	446,000	-
Kipngetich Langat	01.01.2023	290,000	290,000	-
Kipngetich Langat	01.01.2023	100,000	100,000	-
Kipngetich Langat	16.02.2023	100,000	100,000	-
Kipngetich Langat	16.02.2023	150,000	150,000	-
Kipngetich Langat	17.03.2012	267,000	267,000	-
Kipngetich Langat	5/3/2023	100,000	100,000	-
Kipngetich Langat	5/29/2023	150,000	150,000	-
Kipngetich Langat	20/6/2023	143,500	143,500	-
Kipngetich Langat	20/6/2023	150,000	150,000	-
<b>Total</b>		<b>3,766,130</b>	<b>3,766,130</b>	-

*[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 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

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

15. Fund Balance B/F

	(1 <sup>st</sup> July 2022)	(1 <sup>st</sup> July 2021)
	Kshs	Kshs
Bank accounts	22,170,288	35,546,793
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	22,170,288	35,546,793

*[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	986,310.00	192,565	1,178,875
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>Total</b>	<b>986,310.00</b>	<b>192,565</b>	<b>1,178,875</b>

Prior Year Adjustments of Ksh 192,565 relates to bursary cheques issued in 2021/2022 but reversed to cashbook in 2022/2023

**\*\* 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 <sup>st</sup> 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 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Net changes in accounts payables D-A	-	-

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*Notes To the Financial Statements (Continued)*

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Construction of buildings	491,129	559,349
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>Total</b>	<b>491,129</b>	<b>559,349</b>

19.2: Pending Staff Payables (See Annex 2)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NGCDFC Staff	185,858	606,198
Others ( <i>specify</i> )	-	-
<b>Total</b>	<b>185,858</b>	<b>606,198</b>

19.3: Unutilized Fund (See Annex 3)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Compensation of employees	4,520,204	3,939,399
Committee expense	1,185	242,385
Use of goods and services	2,133	-
Amounts due to other Government entities (see attached list)	39,987,122	8,595,951
Amounts due to other grants and other transfers (see attached list)	23,904,990	16,487,832
Acquisition of assets	14,232,480	4,793,989
Oversight Committee Expenses	669,000	-
Other Payments ( <i>specify</i> )	7,189,620	3,289,620
Funds pending approval	408,800	390,800
<b>Total</b>	<b>90,915,535</b>	<b>37,739,977</b>

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18.4: PMC account balances (See Annex 5)

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	14,926,863	58,202,359
Total	<b>14,926,863</b>	<b>58,202,359</b>



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XVI. 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	
<b>Construction of buildings</b>					
1. Seme NGCDF Multipurpose Hall	10,000,000	March 2022	9,508,871	491,129	Retention monies
2.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
3.					
4.					
5.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
6.					
7.					
8.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
9.					
<b>Sub-Total</b>					
<b>Grand Total</b>	<b>10,000,000</b>		<b>9,508,871</b>	<b>491,129</b>	

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**Annex 2 - Analysis of Pending Staff Payables**

<b>Name of Staff</b>	<b>Designation</b>	<b>Date employed</b>	<b>Outstanding Balance 30<sup>th</sup> June 2023</b>	<b>Comments</b>
<b>NG-CDFC Staff</b>				
1. Cliff Dache	Accounts Assistant	2017	29,310	
2. Leah Fiona Aduol	Project Assistant	2016	29,290	
3. Kevin Awiti	Driver	2020	18,193	
4. George Arodi	Clerical Officer	2020	18,103	
5. Josephine Owuor	Admin Assistant	2018	18,095	
6. Paul Oguk Omondi	Security Officer	2014	18,095	
7. Moses Oyugi	Grounds Man	2018	17,060	
8. Derrick Oketch	Clerk of Works	2023	37,713	
<b>Sub-Total</b>			<b>185,858</b>	
<b>Grand Total</b>				

*Seme Constituency*

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**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022/2023	2021/2022	
Compensation of employees	Funds set aside for payment of staff salaries and gratuity	4,520,204	3,939,399	Cashbook Closing Balances
Use of goods & services	To facilitate the Payment for Goods and Services for use by NGCDF	3,318	242,386	Cashbook Closing Balances
		<b>4,523,522</b>	<b>4,181,785</b>	
<b>Amounts due to other Government entities</b>				
<b>Amount Due to Primary Schools</b>				
Abol Primary School	Construction of 1 Classroom	100,000	100,000	Cashbook Closing Balances
Atol Primary School	Completion of 1 Classroom	(80,000)	(80,000)	Funds not disbursed by the NG-CDF Board
Awanya Primary School	Construction of 2 Classroom	-	1,300,000	Funds not disbursed by the NG-CDF Board
Kambudi Primary School	Construction of 1 Classroom	-	1,100,000	Funds not disbursed by the NG-CDF Board
Korwenje Primary School	Completion of Administration Block	-	600,000	Funds not disbursed by the NG-CDF Board
Lunga Primary School	Construction of 1 Classroom	-	1,300,000	Funds not disbursed by the NG-CDF Board
Mayieka Primary School	Construction of 1 Classroom	-	1,300,000	Funds not disbursed by the NG-CDF Board
Nyamgun Primary School	Completion of 1 classroom	104,775	104,775	Cashbook Closing Balances
Nyamisiri Primary School	Completion of 2 Classrooms	780	780	Cashbook Closing Balances
Pith Kochiel Primary School	Purchase of Land	(300,000)	(300,000)	Cashbook Closing Balances
Urudi Ratta Primary School	Completion of 1 classroom	-	1,300,000	Funds not disbursed by the NG-CDF Board
Akado Primary School	Construction of 1 Classroom	1,300,000	-	Cashbook Closing Balances
Kaloka Primary School	Construction of 1 Classroom	1,300,000	-	Cashbook Closing Balances
Langi Primary School	Fencing of School Compound	500,000	-	Cashbook Closing Balances
Ogona Kadero Primary School	Construction of 1 Classroom	1,300,000	-	Cashbook Closing Balances
Ombo Primary School	Construction of 1 Classroom	1,300,000	-	Cashbook Closing Balances
Simba Gero Primary School	Renovation of 2 Classrooms	500,000	-	Cashbook Closing Balances

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**National Government Constituencies Development Fund (NGCDF)**  
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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022/2023	2021/2022	
<b>Amount Due to Secondary Schools</b>				
Nyatigo Secondary School	Completion of 1 classroom	(330,000)	(330,000)	Cashbook Closing Balances
Nyamgun Secondary School	Completion of Science Laboratory	396	396	Cashbook Closing Balances
Bishop Abiero Magwar Girls Secondary School	Fencing of Compound	200,000	200,000	Cashbook Closing Balances
Bishop Abiero Magwar Secondary School	Drilling and Development of Borehole	3,000,000	-	Funds not disbursed by the NG-CDF Board
Bishop Abiero Oruga Secondary School	Construction of 52 Capacity Science Laboratory	4,500,000	-	Funds not disbursed by the NG-CDF Board
Bonde Secondary School	Completion of a single laboratory (110 Capacity)	1,500,000	-	Funds not disbursed by the NG-CDF Board
Kindu Mixed Secondary School	Construction of 2 Classrooms (90 capacity)	2,600,000	-	Funds not disbursed by the NG-CDF Board
Nduru Kadero Mixed Secondary School	Construction of 52 Capacity Science Laboratory	4,500,000	-	Funds not disbursed by the NG-CDF Board
Prof Nyonggo Secondary School	Completion of Construction of an Administration block	650,000	-	Funds not disbursed by the NG-CDF Board
Prof Nyonggo Secondary School	Completion of Construction of a staff house (	550,000	-	Funds not disbursed by the NG-CDF Board
Ridore Mixed Secondary School	Construction of 12 no. Classrooms : Phase 1	6,000,000	-	Funds not disbursed by the NG-CDF Board
St. Alloys Reru Girls Secondary School	Construction of a 52 Capacity Science Laboratory ( Phase 1)	5,000,000	-	Funds not disbursed by the NG-CDF Board
St. Peters Kajulu Secondary School	Renovation of 60 students capacity Science Laboratory (Phase 3)	600,000	-	Funds not disbursed by the NG-CDF Board
<b>Amount Due to Tertiary Schools</b>				
Kemri Kombewa Pediatric Research Ward	Purchase of Land for Pediatric Research Ward	2,000,000	2,000,000	Cashbook Closing Balances
KMTC - Langi Campus	Construction of 2 Classrooms (90 capacity)	2,600,000	-	Cashbook Closing Balances
KMTC - Langi Campus	Construction of Guard Sentry at the Gate	150,000	-	Cashbook Closing Balances
Seme Teachers' College	Completion of Dining Hall ( Kitchen Only) - Phase 1	441,171	-	Cashbook Closing Balances
<b>Sub-Total</b>		<b>39,987,122</b>	<b>8,595,951</b>	

**Seme Constituency**

**National Government Constituencies Development Fund (NGCDF)**

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022/2023	2021/2022	
<b>Amounts due to other grants and other transfers</b>				
<b>Bursary</b>				
Bursary - Secondary Schools	Payment of bursary to needy students in Secondary Schools	100,592	9,500	Cashbook Closing Balances
Bursary - Tertiary Institutions	Payment of bursary to needy students in Tertiary Institutions	45,744	287,128	Cashbook Closing Balances
Bursary - Tertiary Institutions	Payment of bursary to needy students in Special Needs Institutions	2,000	-	Cashbook Closing Balances
<b>Emergency</b>				
<b>Unutilised Emergency Funds</b>	Emergency reserve for urgent and unforeseen need for expenditures that may occur in the constituency	10,377,934	9,315,744	Cashbook Closing Balances
<b>Environment Projects</b>				
Akonya Primary School	Purchase and Installation of Water Tank	-	59,917	Cashbook Closing Balances
Atol Primary School	Purchase and Installation of Water Tank	-	59,917	Cashbook Closing Balances
Bishop Abiero Magwar Girls	Purchase and Installation of Water Tank	9,000	9,000	Cashbook Closing Balances
Keyo Kodo Primary School	Purchase and Installation of Water Tank	-	59,917	Cashbook Closing Balances
Langi Primary School	Purchase and Installation of Water Tank	-	59,917	Cashbook Closing Balances
Magwako Primary School	Purchase and Installation of Water Tank	-	59,917	Cashbook Closing Balances
Mbeka Primary School	Purchase and Installation of Water Tank	-	59,917	Cashbook Closing Balances
Nyamisri Secondary School	Purchase and Installation of Water Tank	-	59,917	Cashbook Closing Balances
Nyatigo Secondary School	Purchase and Installation of Water Tank	-	59,917	Cashbook Closing Balances
Nyawanga Primary School	Purchase and Installation of Water Tank	-	59,917	Cashbook Closing Balances
Odiénya Kagai Primary School	Purchase and Installation of Water Tank	-	59,917	Cashbook Closing Balances
Oluti Primary School	Purchase and Installation of Water Tank	-	59,917	Cashbook Closing Balances
Omuya Primary School	Purchase and Installation of Water Tank	-	59,917	Cashbook Closing Balances
Onyinjo Primary School	Purchase and Installation of Water Tank	-	59,917	Cashbook Closing Balances
Rabongi Primary School	Purchase and Installation of Water Tank	59,917	59,917	Cashbook Closing Balances
Ridore Mixed Secondary School	Purchase and Installation of Water Tank	-	59,917	Cashbook Closing Balances
St. Alloys Reru Secondary School	Purchase and Installation of Water Tank	5,097	59,917	Cashbook Closing Balances
Got Agulu Primary School	Construction of 3 Door Pit Latrines	100,000	-	Cashbook Closing Balances



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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
<b>Acquisition of assets</b>				
NGCDF Motorcycle	Purchase of 1 No , 125CC Offroad Motorcycle	295,000	-	Funds not disbursed by the NG-CDF Board
NGCDF Motorvehicle	Purchase of Offroad Motorvehicle	9,500,000	-	Cashbook Closing Balances
NGCDF Multipurpose Hall	Completion of Multipurpose Hall	3,635,726	4,510,447	Cashbook Closing Balances
NGCDF Office Furniture and Equipment	Purchase of Office Furniture	518,212	-	Cashbook Closing Balances
NGCDF Office Borehole	Rehabilitation of Borehole	114,576	114,576	Cashbook Closing Balances
Purchase of furniture and equipment	Purchase of Office Furniture	168,966	168,966	Cashbook Closing Balances
<b>Sub-Total</b>		<b>14,232,480</b>	<b>4,793,989</b>	
<b>Oversight Committee Expenses (itemize )</b>				
Committee allowances	Payment of committtle allowances	223,000	-	Funds not disbursed by the NG-CDF Board
Accommodation - Domestic Travel	Payment of Accommodation - Domestic Travel	150,000	-	Funds not disbursed by the NG-CDF Board
Daily Subsistence Allowance	Payment of Daily Subsistence Allowance	105,000	-	Funds not disbursed by the NG-CDF Board
Travel Allowance	Payment of Travel Allowancefor NG-CDF Staff & NG-CDFC	120,000	-	Funds not disbursed by the NG-CDF Board
Refined Fuels and Lubricants for Transport	Purchase of Refined Fuels and Lubricants for Transport	71,000	-	Funds not disbursed by the NG-CDF Board
<b>Sub-Total</b>		<b>669,000</b>	<b>-</b>	
<b>Others Payments</b>				
NGCDF Office ICT Hub	Provision of ICT Hub Furniture	450,000	-	Funds not disbursed by the NG-CDF Board
Reru ICT Hub	Provision of ICT Hub Furniture	450,000	-	Funds not disbursed by the NG-CDF Board
Seme NG-CDF Strategic Plan	Preparation of Strategic Plan	3,000,000	-	Funds not disbursed by the NG-CDF Board
Constituency Innovation Hubs	Constituency Innovation Hubs	3,249,800	3,249,800	Cashbook Closing Balances
Electrification	Electrification Projects	39,820	39,820	Cashbook Closing Balances
<b>Sub-Total</b>		<b>7,189,620</b>	<b>3,289,620</b>	
Funds pending approval	Funds pending approval	408,800	390,800	Cashbook Closing Balances

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022/2023	2021/2022	
AIA				
	Sub-Total	408,800	390,800	
	Grand Total	90,915,535	37,739,976	

**Annex 4 – Summary of Fixed Asset Register**

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	25,858,261	4,374,722		30,232,983
Transport equipment	5,152,000			5,152,000
Office equipment, furniture and fittings	2,112,454			2,112,454
ICT Equipment, Software and Other ICT Assets	1,304,640			1,304,640
Other Machinery and Equipment				-
Heritage and cultural assets				-
Intangible assets				-
<b>Total</b>	<b>34,427,355</b>	<b>4,374,722</b>		<b>38,802,077</b>



*Seme Constituency**National Government Constituencies Development Fund (NGCDF)**Annual Report and Financial Statements for The Year Ended June 30, 2023***Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023**

PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Abol Primary School CDF Project	1260262698188	Equity Bank, Angawa	1,881.30	686,044.45
Aduong Monge Primary School PMC	1260279227787	Equity Bank, Angawa	62,561	183,463.00
Aduong Monge Sec School	1286412404	KCB, Kisumu Airport	285,623.25	322,574.00
Akado Police Post	1260163800619	Equity Bank, Angawa	0.00	2,636.55
Akonya Primary School	1260265641326	Equity Bank, Angawa	23,720.00	386,075.70
Alungo Mixed Secondary School	1260268843236	Equity Bank, Angawa	1,023.06	86,023.01
Alungo Primary School	1260277333460	Equity Bank, Angawa	31,300.00	31,300.00
Alwala Primary School	1260281137005	Equity Bank, Angawa	2,114,389.20	2,230,369.20
Asino Primary School	1260262544643	Equity Bank, Angawa	50,849.00	73,909.00
Asol Mixed Secondary School	1260264426093	Equity Bank, Angawa	118,743.00	805,616.00
Asol Primary	1292890150	KCB, Kisumu Airport	239,429.00	1,300,000.00
Atoya Primary	1293145564	KCB, Kisumu Airport	89,313.25	1,300,000.00
Atoya Primary School	1260265647664	Equity Bank, Angawa	825.00	112,825.00
Awanya Primary School	1260270356718	Equity Bank, Angawa	435.55	335.55
Bishop Abiero Girls Sec School	1260276243060	Equity Bank, Angawa	80,479.81	1,227,890.00
Dago Kanyagaya	1290817510	KCB, Kisumu Airport	8,413.00	438,239.00
Diemo Primary School	1260279216272	Equity Bank, Angawa	142,877.70	152,824.70
Diemo Secondary School	1260265683925	Equity Bank, Angawa	335,750.00	2,501,400.00
Got Odongo Primary School	1260270516961	Equity Bank, Angawa	52,207.50	230.00
Harambee Police Post	1260280383867	Equity Bank, Angawa	315,887.00	299,937.00
Jimo Primary School	1260276248400	Equity Bank, Angawa	990.00	20,065.00
Jimo Primary School	1286130506	KCB, Kisumu Airport	16,879.80	16,880.00
Kadero Sunrise Sec School	1285701437	KCB, Kisumu Airport	15,349.40	295,009.00
Kamagore Primary School	1260268198864	Equity Bank, Angawa	81,052.00	422,250.00
Kambudi Primary School	1260277326457	Equity Bank, Angawa	745,067.30	8,719.30
Kamonye Primary School	1260269997757	Equity Bank, Angawa	55,820.95	328,079.00
Keyo Kedo Primary	1293151351	KCB, Kisumu Airport	71,209.25	793,413.00
Kindu Mixed Secondary School	1260279868425	Equity Bank, Angawa	32,736.95	1,435.00
Kindu Primary School	1260276241669	Equity Bank, Angawa	50,070.30	50,070.30
Kirindo Primary School	1260277687324	Equity Bank, Angawa	48,857.50	68,685.50
Kitare Primary School	1260270057420	Equity Bank, Angawa	747.25	69,777.25

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2022-2023</b>	<b>Bank Balance 2021-2022</b>
Kolenyo Police Post	1260276260741	Equity Bank, Angawa	1,510,750.00	310,750.00
Kombewa KMTC	1260263807239	Equity Bank, Angawa	495,511.05	1,521,195.05
Korumba Primary School	1260264109367	Equity Bank, Angawa	70,753.00	953.50
Korwenje Primary School	1260278884937	Equity Bank, Angawa	58,535.25	679,381.00
Korwenje Secondary School	1260267935825	Equity Bank, Angawa	103,149.30	318,880.00
Kuoyo Kaila Pry	1293192937	KCB, Kisumu Airport	1,238,940.00	1,300,000.00
Kwoyo Kowe Primary School	1260279047764	Equity Bank, Angawa	74,975.05	357,540.00
Lieye Primary School	1260262454173	Equity Bank, Angawa	91,458.00	1,269,466.00
Lunga Primary School	1260262812728	Equity Bank, Angawa	705,341.50	82,770.50
Magwar Police Post	1260283146524	Equity Bank, Angawa	843.75	-
Magwar Primary	1292997508	KCB, Kisumu Airport	291,309.50	2,300,000.00
Magwar Primary School	1260272063798	Equity Bank, Angawa	7,355.00	307,955.00
Mbeka Primary	1292890517	KCB, Kisumu Airport	112,835.00	981,433.00
Miranga Primary	1294815288	KCB, Kisumu Airport	91,512.25	475,000.00
Miranga Primary School	1260262464400	Equity Bank, Angawa	65,744.00	-
Mwagwako Primary School	0290295676099	Equity Bank, Angawa	5,848.20	53,654.20
Nanga Koker Primary School	1260262912976	Equity Bank, Angawa	54,493.65	708,109.60
Ndiru Primary School	1293671258	KCB, Kisumu Airport	448,976.00	
Nduta Primary School	0290264060321	Equity Bank, Angawa	225,091.00	80,941.00
Ngere High School	1260262740309	Equity Bank, Angawa	101,399.60	81,899.60
Ngere Primary School	1260269994734	Equity Bank, Angawa	(89.95)	96,000.00
Ngop Ngeso Primary	1293270121	KCB, Kisumu Airport	95,610.30	1,300,000.00
Ngop Ngeso Primary School	1260280542847	Equity Bank, Angawa	(1,407.90)	550.00
Ngutu Primary	1293197521	KCB, Kisumu Airport	441,137.50	2,600,000.00
Nyabera Polytechnic	1260265640536	Equity Bank, Angawa	-	1,860.00
Nyabera Primary School	1260270793339	Equity Bank, Angawa	28,650.80	71.80
Nyaguda Primary School Cdf	1285185145	KCB, Kisumu Airport	40,972.90	
Nyalik Primary School	0290270212833	Equity Bank, Angawa	844,308.85	2,596,942.55
Nyamboyo Primary School	1260280088342	Equity Bank, Angawa	11,135.55	601,475.00
Nyamgun Primary School	1260277398003	Equity Bank, Angawa	29,050.55	601,184.00
Nyamisri Primary School	1260264201862	Equity Bank, Angawa	173,521.50	136,777.50
Nyamor Primary	1292890355	KCB, Kisumu Airport	8,045.05	1,366,957.00
Nyarombo Primary School	1260277679842	Equity Bank, Angawa	855.00	32,855.00

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Nyawanga Primary	1293029882	KCB, Kisumu Airport	678,365.90	1,575,000.00
Nyawanga Primary School	1260271070234	Equity Bank, Angawa	-	415.00
Nyawanga Secondary School	1260277694628	Equity Bank, Angawa	98,974.00	723,641.00
Ochara Primary School	1260272119795	Equity Bank, Angawa	11,863.50	279,050.00
Ochok Primary School	1260265647855	Equity Bank, Angawa	16,836.00	258,512.00
Odienya Kagai Primary	1292895632	KCB, Kisumu Airport	3,194.50	1,298,975.00
Okuto Primary School	1260270947039	Equity Bank, Angawa	45,098.50	5,765.00
Olare Primary School	1260262697374	Equity Bank, Angawa	88,730.20	26,222.50
Oluti Primary School	1260276433684	Equity Bank, Angawa	18,735.25	304,940.25
Ombo Primary School	1260271507776	Equity Bank, Angawa	37,836.50	3,139.00
Omore Primary School Cdf	1285421469	KCB, Kisumu Airport	37,496.00	37,496.00
Omuya Primary School	1260280291913	Equity Bank, Angawa	132,408.05	377,932.85
Opande Primary	1286205727	KCB, Kisumu Airport	8,846.55	8,847.00
Opapla Police Post	1315956292	KCB, Kisumu Airport	4,160.00	
Orando Primary	1293145467	KCB, Kisumu Airport	127,864.35	575,000.00
Oruga Primary School	1260272266378	Equity Bank, Angawa	67,075.00	30,682.00
Osewre Primary School	1260269951830	Equity Bank, Angawa	109,811.05	1,302,490.00
Otenga Primary School	1260272162855	Equity Bank, Angawa	(732.95)	(716.95)
Pith Kabonyo Primary School	1260269555082	Equity Bank, Angawa	1,158.00	235,328.00
Pith Kochiel Primary School	1260268739779	Equity Bank, Angawa	3,010.00	502,010.00
Prof Peter Anyan'g Nyongo Sec Sch	1260270442809	Equity Bank, Angawa	132,539.30	2,653,895.00
Ranen Girls Secondary School	1260277678291	Equity Bank, Angawa	45,043.00	957,660.00
Rapogi Primary School	1260272961576	Equity Bank, Angawa	44,934.00	566,859.00
Rapogi Secondary School	1260265636305	Equity Bank, Angawa	5,421.00	178,421.00
Rodi Primary School	1260265632958	Equity Bank, Angawa	45,096.75	104,289.00
Runda Primary School	1260262117509	Equity Bank, Angawa	5,250.85	59,619.75
Seme Teachers College PMC	1260279479091	Equity Bank, Angawa	212,656.79	1,366,333.79
Siala Kaila Primary School	1260270347774	Equity Bank, Angawa	612.00	961,357.00
St Paul's Barkorwa Sec School	1260265632063	Equity Bank, Angawa	2,512.00	54,707.00
St Peters Kajulu Secondary School	1260264039774	Equity Bank, Angawa	96,330.95	182,949.95
St. Francis Oriang, Primary	1260280780974	Equity Bank, Angawa	43,975.00	1,201,030.00
Urudi Ratta Primary School CDF Project	1260263707031	Equity Bank, Angawa	300,661.00	85,265.00
<b>Total</b>			<b>14,926,863</b>	<b>58,202,359</b>

**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/KSM/SEME/	<p><b>Undisbursed Stale Cheques</b></p> <p>The statement of receipts and payments reflects other grants and transfers of Kshs.82,133,102 and Kshs 84,890,295 and as disclosed in Notes 5 and 7 to the financial statements respectively. However, these amounts include stale cheques totaling to Kshs 3,335,560 which had not been reversed in the cashbook</p> <p>In the circumstances, the accuracy and completeness of transfers totaling to Kshs. 167,023,397 could not be confirmed.</p>	<p>a) The amount of Ksh 2,335,560 that relates to payment of bursary had been unrepresented at the close of the financial year but were still not stale and hence could not be reversed or reissued before they became stale. The cheques were later cleared at the bank or reversed back to the cashbook when they became stale. See attached copy of Cashbook (<b>Annex 1A</b>)</p> <p>b) The amount of Ksh 1,000,000 that relates to projects is funds meant for a construction project at the DCC's office. The project has not taken off because the same project</p>	Resolved	August 2023

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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>was funded by the Ministry of Interior and Coordination of National Government and we are in the process of reallocating the funds for the construction of toilets at the DCC's offices. We have reversed the cheque in the cashbook in the meantime.</p>		
CDF/2021/2022(16)	<p><b>Ownership and Grounded Assets</b> Annex 4 of the financial statements reflects a balance of Ksh 34,427,355 in respect of fixed assets. However, review of ownership documents submitted for audit revealed that two motorcycles KMDM 315U and KMDM 445U were grounded and not functional. Further, included in the fixed asset register is a grounded motorcycle whose registration details were not availed for confirmation.</p>	<p>a) The other 2 Motorcycles (KMDM 315U and KMDM 445U) are registered in the name of the manufacturer, we have initiated the process to transfer the logbooks to Seme NGCDF.</p> <p>b) We have initiated the process of disposing the grounded and unusable assets in the 2022/2023 financial year. See Board of Survey Report</p>	Not Resolved	November 2023

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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)
OAG/KSM/SEME/	<p><b>Budget Control and Performance</b> The summary Statement of appropriation indicates that the fund spent Ksh 186,801,873 against an approved budget of Ksh 224,541,850 resulting to an under expenditure of Kshs 37,739,977 or 17% of the budget</p>	<ul style="list-style-type: none"> <li>The low performance was due to non-receipt of funds from the NGCDF Board in time.</li> </ul>		
CDF/2021/2022(16)	<p><b>Unaccounted for Bursaries</b> The statement of receipts and payments reflects Kshs.84,890,295 in respect of other grants and transfers as disclosed in Note 7 to the financial statements. This amount includes Ksh 74,108,163 disbursed to various education institutions as bursaries. However, review of the payment vouchers revealed disbursement worth Ksh 10,377,000 were not supported by acknowledgement letters or receipts;</p>	<ul style="list-style-type: none"> <li>During the year under review, the entity engaged the Postal Corporation of Kenya to deliver the bursary cheques to the various schools and colleges outside the constituency. The bursary cheques for schools within the constituency were collected by the school's principals and finance officers.</li> </ul>	Resolved	August 2023

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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)
OAG/KSM/SEME/	<p><b>Non-remission of Income Tax</b> The statement of receipts and payments reflects of KShs.11,133,566 in respect of use of goods and services as disclosed in Note 5 to the financial statements. The amount includes Kshs. 4,276,650 paid to Constituency Development Committee Members as allowances whose income tax of Ksh 1,282,995 were not deducted and remitted to Kenya Revenue Authority. In additions, training expenses, fuel, oil and lubricants of Kshs 1,567,500 were incurred from taxpayers who were not issuing receipts/ invoices supported with Electronic Tax Registers Receipts (ETR).</p>	<p>a) The NGCDF Committee members are mostly drawn from the local community and comprises of people who are readily available to participate in the affairs of the constituency. They are normally not gainfully employed elsewhere and hence we treated the allowances earned as a primary source of income. We did not tax the allowances paid because the cumulative monthly payments per month per member was less than the taxable amount of Ksh 24,000.</p> <p>b) The payments of Kshs 417,500 for training relates to cost incurred in purchase of small items where it was not possible to get ETR receipts to support the expenditure.</p> <p>c) Similarly, the amount of Ksh 1,150,000 relates to payment for</p>	Resolved	June 2023

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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>fuel, oil and lubricants. At the time of purchase, we were not issued with the ETR receipts, we have, after the audit requested the supplier to issue the receipts but they have informed us that they cannot backdate any ETR receipts. We will however insist on ETR Receipts for all purchases.</p>		
CDF/2021/2022(16)	<p><b>Payment for Incomplete and Sub-Standard Works</b></p> <p>The statement of receipts and payments reflects Kshs.82,133,102 in respect of transfers to other Government entities as disclosed in Note 6 of the financial statements. This amount includes Kshs 11,650,000 disbursed to various institutions for various construction projects. However, inspection of the projects in March 2023, revealed that the projects had various audit</p>	<p>a) The current composition of most PMCs do not compel the inclusion of a technical person in the membership of the PMCs. We have however been training the PMCs to enhance their capacities to monitor projects.</p> <p>b) We have required all contractors to submit their workplans before commencement of construction works. This we will enforce as part of the contract documents.</p> <p>c) Due to budget constraints, we have engaged interns with training in</p>	Resolved	June 2023



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	exceptions including inadequate workmanships and incomplete projects  In the circumstances, value for money on the funds spent on these projects may not have been realized	construction management to support the office of the Clerk of Works.		

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Kipngetch Langat  
Fund Account Manager