


REPUBLIC OF KENYA



*Enhancing Accountability*

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# REPORT

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| <br>THE NATIONAL ASSEMBLY<br>PAPERS LAID |   |
| DATE:   | 14 AUG 2024<br>WEDNESDAY                                  |
| TABLED BY:  | HON. OWEN BAYA, MP<br>DEPUTY CHIEF WHIP<br>MAJORITY PARTY |
| CLERK AT THE TABLE:   | KUSTHER NGENYO  |

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
SHINYALU CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2023



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**SHINYALU CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**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)

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*Shinyalu 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- Project Management Committee  
FY-Financial Year

## **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

### **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 Shinyalu Constituency NGCDF day-to-day management is under the following key organs:

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

### **Fiduciary Management**

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

| No | Designation           | Name                   |
|----|-----------------------|------------------------|
| 1. | A.I.E holder          | JULIUS EZEKIEL OKETCHI |
| 2. | Sub-County Accountant | MESHACK AMAYO          |
| 3. | Chairman NGCDFC       | THOMAS ALILA ASEKA     |
| 4. | Member NGCDFC         | ETSINA ISENDI          |

### **(c) Fiduciary Oversight Arrangements**

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

P.O. Box 405-50100  
Khalisia Plaza  
KAKAMEGA, KENYA

### **(e) Shinyalu Constituency NGCDF Contacts**

Telephone: (254) 722574566  
E-mail: [cdfshinyalu@ngcdf.go.ke](mailto:cdfshinyalu@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

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**(f) Shinyalu Constituency NGCDF Bankers**

EQUITY BANK

ACCOUNT NUMBER 0500279933658

P.O Box 2512-50100

KAKAMEGA

**(g) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(h) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya



### III. NG-CDFC Chairman's Report

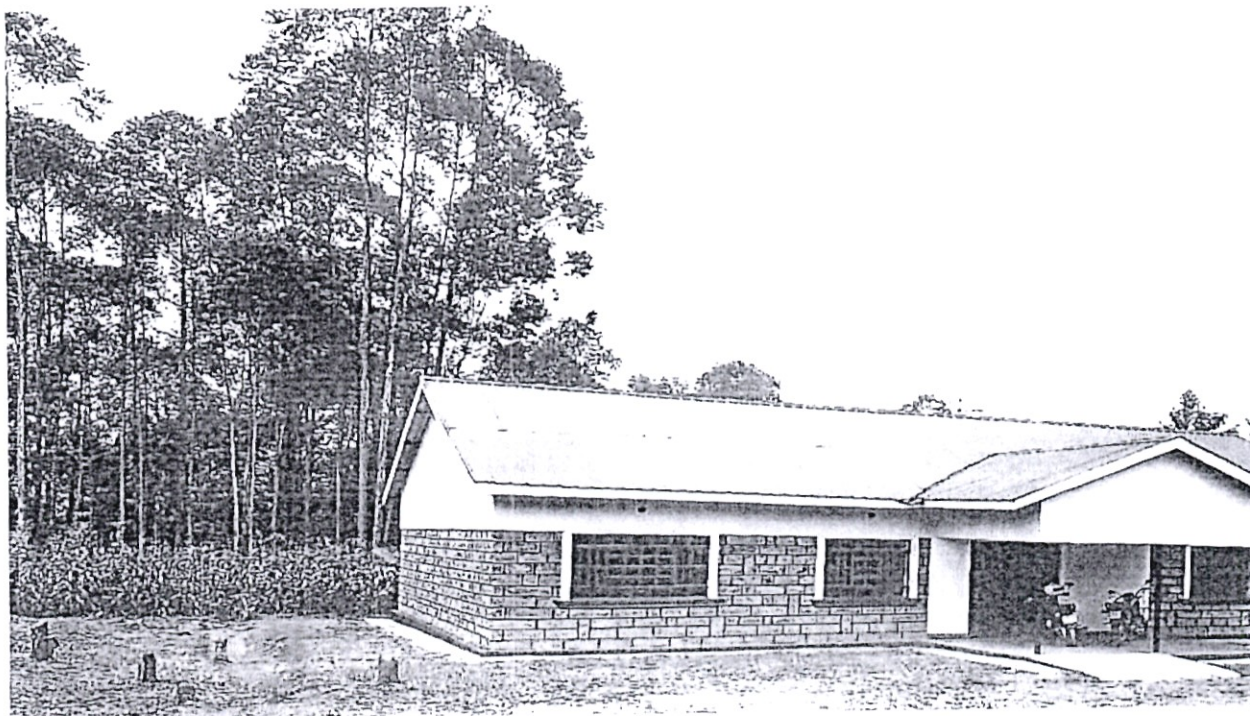


THOMAS ALILA ASEKA CDFC CHAIRMAN

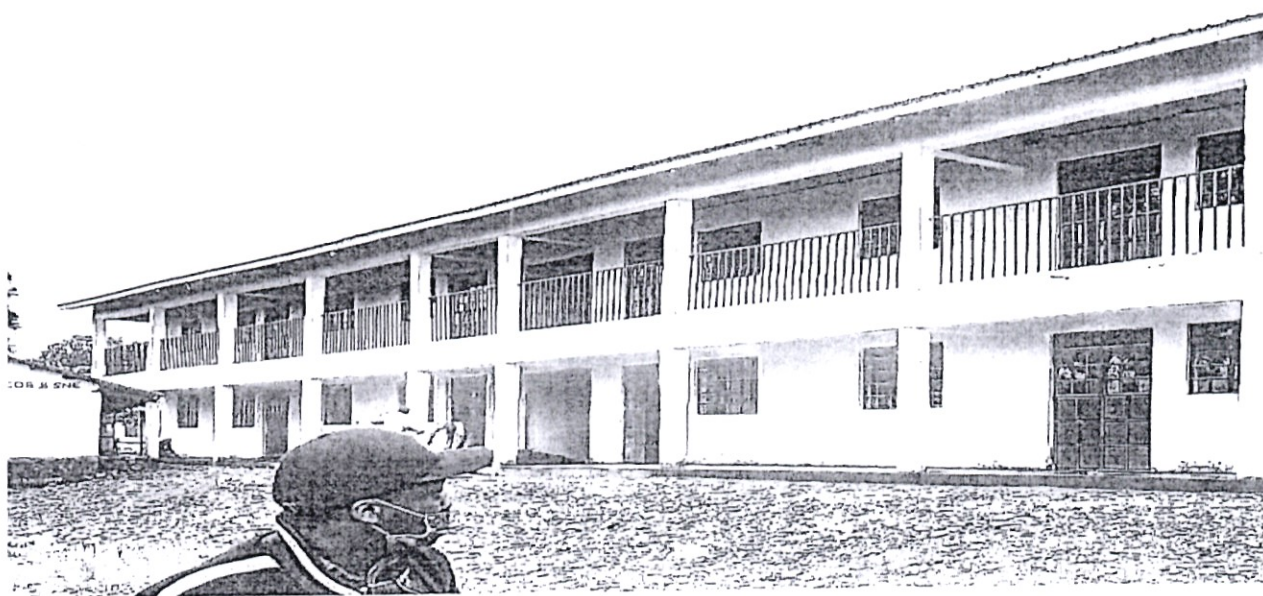
I am pleased to once again present the reports and financial statements of the Shinyalu National Government Constituency Development Fund financial year 2022/2023. In the financial year 2022/2023 Shinyalu constituency received a total of Ksh 87,000,000 (Eighty-seven million)

## **KEY ACHIEVEMENTS**

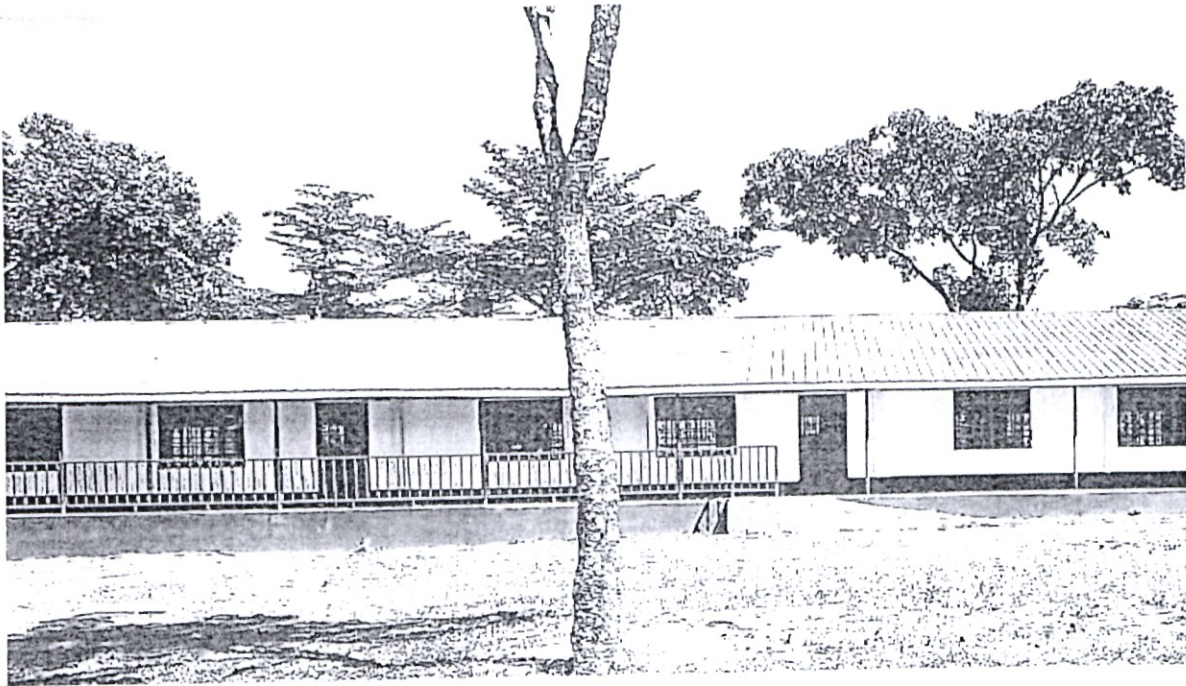
- We prioritised and disbursed ksh 29,643,283 (Twenty nine million six hundred and forty three two hundred and eighty three), which was more than half the total funds received as bursary support for needy students in the constituency. These funds have benefited over 7000 needy and vulnerable students. This was a strong statement in line with the constituency strategic plan that has education as one of the major pillars for social economic transformation.
- We also managed to intervene and construct exhaustible pit latrines at Dr Rev Kisia secondary school, Mukhonje primary school, and at St Ignatius boys high mukumu we managed to renovate a dormitory that was burned by fire to a tune of ksh 7,129,207 (Seven million, one hundred and twenty nine thousand, two hundred and seven) from the emergency reserve. The schools had been condemned by the public health department and were facing closure
- We also managed to construct classrooms in some schools and administration blocks in the following schools shagungu primary school administration block, Dr kisia secondary school four number classrooms and administration block, muraka primary school eight number classroom storey building, shamiloli primary school four number classrooms, munasio primary school four number classrooms, shirulu primary school three number classrooms, and at magakha eight number classrooms.
- The constituency procured and had a comprehensive 5 year strategic plan (2018-2023) drawn up that will be the guiding principle in implementation of the fund to achieve social economic development for the people of Shinyalu constituency. The plan focuses on thirteen strategic themes including Education and training, agriculture, commerce, urban development housing and tourism, employment creation and promotion, water, energy, roads, security, environmental management, technology and finally resource mobilization and governance
- In line with the environment strategic theme we were able to purchase and distribute over 10,000 indigenous tree seedlings to over 20 schools to heed the national government call of achieving 10 % forest cover by the year 2020.
- The constituency also organized and executed a successful soccer tournament in the month of December 2021 that aimed at enhancing youth talent by providing a higher platform for them to showcase their skills to potential professional soccer scouts and big league teams.



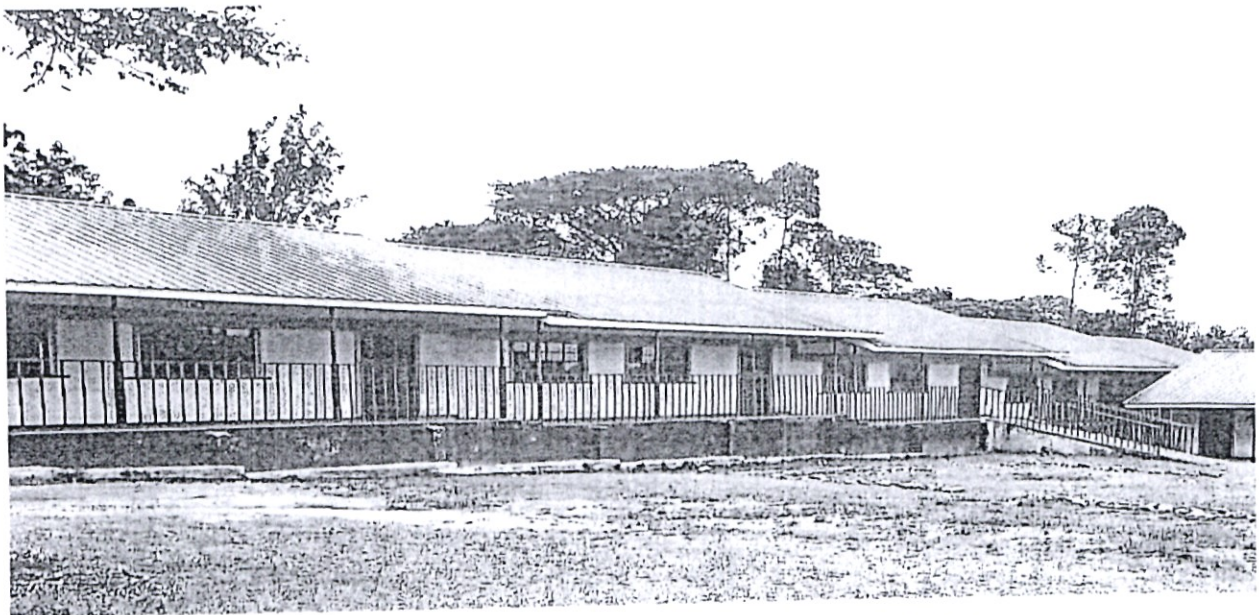
SHAGUNGU PRIMARY SCHOOL ADMINISTRATION BLOCK



MURAKA PRIMARY SCHOOL EIGHT NUMBER CLASSROOMS STOREY BUILDING



LIRHANDA BORDING PRIMARY SCHOOL FOUR NUMBER CLASSROOMS



SHILONGO PRIMARY SCHOOL EIGHT NUMBER CLASSROOMS



**DR KISIA SECONDARY SCHOOL FOUR NUMBER CLASSROOM AND ADMINISTRATION BLOCK**

### **CHALLENGES, EMERGING ISSUES AND THE WAY FORWARD**

- As we appreciate the continued support from the national government in making slight additions to the kitty we however regrettably wish to say that it's not enough to assist the constituency make the rapid anticipated challenge of providing proper infrastructure for the education sector and security organs. The national government should seriously consider the re-introduction of the poverty index scheme for distribution of the national cake.
- Its common knowledge that there are certain pockets of regions in this country that have a high poverty index like Shinyalu and they have to be jump started economically to catch up with regions that have made huge strides in matters development.

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- We remain committed as a committee to ensure that the fund makes the expected impact in the constituency in terms of enabling needy and bright students attend and complete their formal education in a convenient environment
- We also are focused to ensure our constituency achieves the lowest regional and national crime indices

.....

**Name THOMAS ALILA ASEKA  
CHAIRMAN NGCDF COMMITTEE**

**IV. Statement Of Performance Against Predetermined Objectives for FY2022/23**

**Introduction**

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

The key development objectives of *Shinyalu Constituency 2023-2028* plan are to:

**Progress on attainment of Strategic development objectives**

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

| <b>s</b>  | <b>Objective</b>  | <b>Outcome</b>  | <b>Indicator</b>   | <b>Performance</b>   |
|-----------|---|---|--|--|
| Education | Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates | Reduced distance covered by school children, Increases opportunities for school leavers, Education for the disabled, Improved learning facilities | Number of Classrooms/laboratories Constructed. Administration block and toilets constructed in schools as well   | 64 New classrooms being constructed to completion. We were able to disburse bursaries to at least 4500 students, 3800 for secondary schools and 700 for tertiary institutions. |
| Security  | To promote a safe and secure environment for Shinyalu constituents  | Safe and Secure constituency - Increased upsurge of local and external investors - Increased involvement  | Number of new police and administrative posts constructed • Number of police stations and administration offices repaired • New number of nyumbakumi associations created • Number of community policing trainings conducted • | We were not able to construct some police post because we had not allocated funds which has been done in this financial year   |

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|                  |   |   |   |   |
|------------------|---|---|---|---|
|                  |   | of the community in security matters - Improved working environment for | Number of constituents trained on community policing • Number of crime incidences reported                                      |   |
| Environment      | To develop mechanisms for the management of the environment and the natural resources (especially lands). | Adopt Sustainable Development goal number 13 on climate                 | Hold annual environment day by supporting tree planting, water harvesting and beautification programmes in learning institution | - Improved forest cover - Well developed plans for environmental conservation in the constituency. - Green and clean environment - Reduce the common outbreak of diseases related to pollution - Water conservation |
| Sports           | Promote peace building activities and enhance community cohesion.   | Sports activities for the youth and other vulnerable groups.            | Number of Sports Tournaments organized.   | The Constituency organized 1 big tournament where youths were awarded with trophies.  |
| Emergency        | To be able to come in for the assistance to the help schools in terms of emergency that occurs in schools | Construction of toilets in schools and other emerging issues            | Number of toilets constructed in schools and renovation of classes  | We were able to construct number of toilets in schools and renovation of classes  |
| Others (Specify) |   |   |   |   |



## **V. Statement of Governance**

### **Mandate and function of Shinyalu NG-CDFC**

#### **Composition of the NG-CDFC**

This is the Committee that manages NG-CDF within the constituency. According to NG-CDF 2016 regulations: 1. The members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. 2. A vacancy shall occur in Constituency Committee upon— commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee. 3. Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel. Each Constituency Development Fund Committee shall comprise— The national government official at the constituency as may be designated by the Cabinet Secretary or an alternate; Three men nominated by the ward development committees and one of whom shall be a youth at the date of appointment; Three women nominated by the ward development committees and one of whom is a youth shall be a youth at the date of appointment; One person with disability nominated by the ward development committees; One person nominated from among the active Non-Governmental Organizations in the constituency; An officer of the Board seconded to the Constituency Development Fund Committee by the Board who shall be ex-officio and shall serve as the secretary to the Constituency Development Fund Committee.

#### **Functions of NG-CDF Committees**

The National Government Constituencies Development Fund Committee (NG-CDFC) is established pursuant to section 43(1) of NG-CDF Act, 2015 with its operations at the constituency level. Key functions include; a)

- a) Build the capacity of project management committees and sensitize the Community on the operations of the Fund;
- b) Consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- c) Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;

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- d) Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- e) Consult with relevant government departments to ensure that cost estimates for projects are realistic;
- f) In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;
- g) Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- h) Ensure that all projects receive adequate funding and are completed within three years;
- i) 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;
- j) Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;

*Appointment of NGCDF Members*

- i. The formation of the NG-CDFC Members is guided by the NG-CDF Act Section 43(1) (2) (3) & (4).
- This procedure shall start upon receipt of the guidelines on formation of NG CDFC from the NG CDF Board,
- The FAM shall write a letter to the DCC and Constituency Office Manager requesting for the nomination of members of the selection panel as per the guidelines and maintain a record confirming receipt
- The DCC shall nominate in writing an officer or his/her representative who will be the chairperson to the NG CDFC selection panel.
- The Constituency Office Manager shall nominate in writing two persons of either gender to be members of the selection panel.
- The chair shall then convene the first selection panel meeting to document criteria for selection of the four members to the NG-CDFC (Male and female adults, male and female youth) and advertise (the applicants shall be given two weeks to submit their applications).
- The FAM shall then write to the Constituency Office Manager requesting for the nomination of two persons of either gender as per the guidelines issued by the NG-CDF Board to be members of the NG-CDFC maintain a record confirming receipt
- The Constituency Office Manager shall then nominate in writing the two members to the NG-CDFC.

- The FAM shall write to a registered group representing people with disabilities in the constituency as per the guidelines as issued by the NG-CDF Board requesting for nomination of one person with disability to sit in the NG-CDF committee and maintain a record confirming receipt
- The PWD organization shall nominate in writing a member to the NG-CDFC.
- Applications are received at the NG-CDF office and recorded in the application register.
- Within one week after the closure of the advertisement, the Selection panel shall convene to shortlist the suitable candidates as per the criteria in the advert. The successful candidates shall then be called for interviews within seven days.
- The Selection panel shall hold the interviews of the invited candidates and come up with the final list of qualified nominees to the NG-CDFC.
- The FAM shall then submit to the NG-CDF Board the report of the selection panel which includes seven nominees and the Nominee of the Board to the NG-CDFC as per the guidelines within seven days.
- The FAM shall ensure that the timelines set out in the regulations are adhered to during the process of selection and appointment of NGCDF Committees

ii. The selected members are forwarded to parliament through CEO of the board for purpose of gazettment

iii. Upon gazettment the DCC or the FAM shall for the first meeting where the chairperson and secretary are elected

#### **4.2 NG-CDFC Handing Over Processes**

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

#### **4.3 Removal of members is as in the act 2015 section 13, a,b,c,d,e f and g**

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

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;

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

#### **4.4 Roles and function of the committee**

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

#### **4.5 Induction and Training**

The committee on being inaugurated are taken for induction by the Board and subsequent training are done the constituency as per there training plan

#### **4.6 Meetings**

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

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

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

#### **4.7 Ethics and Conduct**

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

#### 4.8 Risk Management

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

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

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

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

## **2. Environmental performance**

- Hold annual environment day by supporting tree planting, water harvesting and beautification programmes in learning institution
- Safe and Secure constituency - Increased upsurge of local and external investors - Increased involvement of the community in security matters - Improved working environment for
- The Constituency organized 1 big tournament where youths were awarded with trophies

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Shinyalu 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. Shinyalu 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, (OSHIA) 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-**

SHINYALU NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

## **5. Community Engagements-**

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

### **Public Participation in Project Identification and Implementation and Monitoring**

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

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

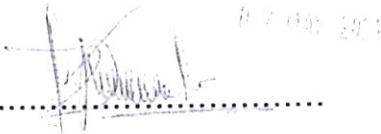
The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.



**Public Awareness**

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

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



Handwritten signature and date: 18/06/2023

.....  
**Name**

**Fund Account Manager.**

## 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-SHINYALU 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-SHINYALU 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- SHINYALU 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 SHINYALU 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

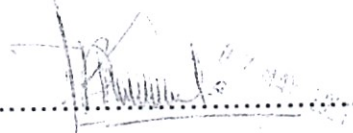
for. Further the Accounting Officer confirms that the *constituency*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF- SHINYALU Constituency financial statements were approved and signed by the Accounting Officer on 21/09/2023.



.....  
Name: THOMAS ALILA ASEKA  
Chairman – NGCDF Committee



.....  
Name: JULIUS EZEKIEL OKETCH  
Fund Account Manager

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - SHINYALU 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 Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Shinyalu Constituency set out on pages 26 to 61,

which comprise of the statement of assets and liabilities as at 30 June, 2023, statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

## **Basis for Qualified Opinion**

### **1. Unsupported Bursary Disbursements**

The statement of receipts and payments reflects other grants and transfers of amount of Kshs.47,987,015 as disclosed under Note 6 to the financial statements. The amount includes disbursements of bursary to secondary schools and tertiary institutions totalling Kshs.37,058,669. However, advertisements, application forms, vetting committee minutes, copies of receipts and acknowledgement letters from the beneficiary institutions were not provided for audit.

In the circumstances, the accuracy and completeness of bursary disbursements to secondary schools and tertiary institutions totalling Kshs.37,058,669of could not be confirmed.

### **2. Unsupported Project Management Committee Balances**

Note 11 reflects Project Management Committee (PMC) account balances of Kshs.1,638,688 as disclosed in Annex 5 to the financial statements. However, bank reconciliation statements and cash books to support these balances were not provided for audit.

In the circumstances, the accuracy and completeness of the Project Management Committee account balances of Kshs.1,638,688 could not be confirmed.

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

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis amounts of Kshs.183,411,546 and Kshs.98,924,755 respectively, resulting to under-funding of Kshs.84,486,791 or 46% of the budget. Similarly, the Fund spent Kshs.88,875,364 against actual receipts of Kshs.98,924,755 resulting to under-utilization of Kshs.10,049,391 or 10% of the receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management had not resolved the issues or given any explanation for failure to implement the recommendations.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.



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

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

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

  
FCPA Nancy Gatungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**23 May, 2024**

*Shinyalu 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    | 87,000,000         | 176,288,879        |
| Proceeds From Sale of Assets        |      |                    |                    |
| Other Receipts                      |      |                    |                    |
| <b>Total Receipts</b>               |      | <b>87,000,000</b>  | <b>176,288,879</b> |
| <b>Payments</b>                     |      |                    |                    |
| Compensation Of Employees           | 2    | 3,482,397          | 2,439,280          |
| Committee expenses                  | 3    | 2,941,532          |                    |
| Use Of Goods and Services           | 4    | 6,067,938          | 10,612,678         |
| Transfers To Other Government Units | 5    | 27,116,482         | 121,474,675        |
| Other Grants and Transfers          | 6    | 47,987,015         | 41,447,514         |
| Oversight Committee Expenses        | 7    | 1,280,000          |                    |
| <b>Total Payments</b>               |      | <b>88,875,364</b>  | <b>175,974,147</b> |
| <b>Surplus/ (Deficit)</b>           |      | <b>(1,875,364)</b> | <b>314,732</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 21/09/ 2023 and signed by:



Fund Account Manager

Name: JULIUS OKETCH



National Sub-County  
Accountant

Name: MESHACK AMAYO  
ICPAK M/No: 16033



Chairman NG-CDF Committee

Name: THOMAS ASEKA

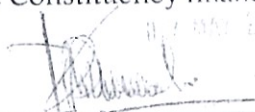
*Shinyalu Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

**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)   | 8    | 10,049,391        | 11,924,755        |
| Cash Balances (Cash at Hand)           |      |                   |                   |
| <b>Total Cash and Cash Equivalents</b> |      | <b>10,049,391</b> | <b>11,924,755</b> |
| <b>Accounts Receivable</b>             |      |                   |                   |
| Outstanding Imprests                   |      |                   |                   |
| <b>Total Financial Assets</b>          |      | <b>10,049,391</b> | <b>11,924,755</b> |
| <b>Financial Liabilities</b>           |      |                   |                   |
| <b>Accounts Payable (Deposits)</b>     |      |                   |                   |
| Retention                              |      |                   |                   |
| Gratuity                               |      |                   |                   |
| <b>Total Financial Liabilities</b>     |      |                   |                   |
| <b>Net Financial Assets</b>            |      | <b>10,049,391</b> | <b>11,924,755</b> |
| <b>Represented By</b>                  |      |                   |                   |
| Fund Balance B/Fwd                     | 9    | 11,924,755        | 10,361,371        |
| Prior Year Adjustments                 |      |                   | 1,248,652         |
| Surplus/Deficit for The Year           |      | (1,875,364)       | 314,732           |
| <b>Net Financial Position</b>          |      | <b>10,049,391</b> | <b>11,924,755</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 21/09/2023 and signed by:

  
Fund Account Manager

Name: JULIUS OEKTCH

  
National Sub-County  
Accountant  
Name: MESHACK AMAYO  
ICPAK M/No: 16033

  
Chairman NG-CDF Committee

Name: THOMAS ASEKA

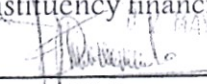
*Shinyalu Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

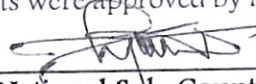
**XI. Statement Of Cash Flows for The Year Ended 30th June 2023**

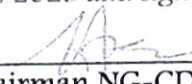
|  | Notes | 2022/2023          | 2021/2022          |
|--|-------|--------------------|--------------------|
|  |       | Kshs               | Kshs               |
| <b>Receipts From Operating Activities</b>              |       |                    |                    |
| Transfers From NGCDF Board                             | 1     | 87,000,000         | 176,288,879        |
| Other Receipts   |       |                    |                    |
| <b>Total Receipts</b>                                  |       | 87,000,000         | 176,288,879        |
| <b>Payments for operating activities</b>               |       |                    |                    |
| Compensation Of Employees                              | 2     | 3,482,397          | 2,439,280          |
| Committee Expenses                                     | 3     | 2,941,532          |                    |
| Use Of Goods and Services                              | 4     | 6,067,938          | 10,612,678         |
| Transfers To Other Government Units                    | 5     | 27,116,482         | 121,474,675        |
| Other Grants and Transfers                             | 6     | 47,987,015         | 41,447,514         |
| Oversight Committee Expenses                           | 7     | 1,280,000          |                    |
| Other Payments   |       |                    |                    |
| <b>Total Payments</b>                                  |       | <b>88,875,364</b>  | <b>175,974,147</b> |
| <b>Total Receipts Less Total Payments</b>              |       |                    |                    |
| Adjusted For:  |       |                    |                    |
| Prior Year Adjustments                                 |       |                    | 1,248,652          |
| Decrease/(Increase) In Accounts Receivable             |       |                    | 1,248,652          |
| Increase/(Decrease) In Accounts Payable                |       |                    |                    |
| <b>Net Cash Flow from Operating Activities</b>         |       | <b>(1,875,364)</b> | <b>1,563,384</b>   |
| <b>Cashflow From Investing Activities</b>              |       |                    |                    |
| Proceeds From Sale of Assets                           |       |                    |                    |
| Acquisition Of Assets                                  |       |                    |                    |
| <b>Net Cash Flows from Investing Activities</b>        |       |                    |                    |
| Net Increase In Cash And Cash Equivalent               |       | (1,875,364)        | 1,563,384          |
| <b>Cash &amp; Cash Equivalent At Start Of The Year</b> | 9     | <b>11,924,755</b>  | <b>10,361,371</b>  |
| <b>Cash &amp; Cash Equivalent At End Of The Year</b>   | 9     | <b>10,049,391</b>  | <b>11,924,755</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 21/09/2023 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name: JULIUS OKETCH

  
\_\_\_\_\_  
National Sub-County  
Accountant  
Name: MESHACK AMAYO  
ICPAK M/NO: 16033

  
\_\_\_\_\_  
Chairman NG-CDF Committee  
Name: THOMAS ASEKA

*Shinyalu 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 |
|-------------------------------------|--------------------|--------------------------------|---|--------------------|----------------------------|-------------------------------|------------------|
|                                     |                    | b                              |   |                    |                            |                               |                  |
|                                     | a                  |                                |   |                    |                            |                               |                  |
|                                     | 2022/2023          | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding disbursements | 2022/2023          | 2022/2023                  |                               |                  |
| Receipts                            | Kshs               | Kshs                           | Kshs                                      | Kshs               | Kshs                       | Kshs                          |                  |
| Transfers From NGCDF Board          | 151,960,174        | 11,924,755                     | 19,526,617                                | 183,411,546        | 98,924,755                 | 84,486,791                    |                  |
| Proceeds From Sale of Assets        |                    |                                |   |                    | -                          | -                             |                  |
| Other Receipts                      |                    |                                |   |                    | -                          | -                             |                  |
| <b>Totals</b>                       | <b>151,960,174</b> | <b>11,924,755</b>              | <b>19,526,617</b>                         | <b>183,411,546</b> | <b>98,924,755</b>          | <b>84,486,791</b>             | <b>53%</b>       |
| <b>Payments</b>                     |                    |                                |   |                    |                            |                               |                  |
| Compensation Of Employees           | 4,404,645          | 172,461                        |   | 4,577,106.00       | 3,482,397                  | 1,094,709                     | 76 %             |
| Committee Expenses                  | 5,530,000          | 6,719                          |   | 5,536,719.00       | 2,941,532                  | 2,595,187                     | 53 %             |
| Use Of Goods and Services           | 5,712,965          | 434,983                        |   | 6,147,948.00       | 6,067,938                  | 80,010                        | 99 %             |
| Transfers To Other Government Units | 78,536,154         | 9,155,210                      | 18,188,879                                | 105,880,242.56     | 27,116,482                 | 78,763,761                    | 26 %             |
| Other Grants and Transfers          | 53,414,591         | 2,155,382                      |   | 55,569,973.00      | 47,987,015                 | 7,582,958                     | 86 %             |
| Acquisition of Assets               | 3,000,000          |                                | 1,337,738                                 | 4,337,738.00       | -                          | 4,337,738                     |                  |
| Oversight Committee Expenses        | 1,361,819          |                                |   | 1,361,819.00       | 1,280,000                  | 81,819                        | 94 %             |
| Other Payments                      |                    |                                |   | -                  | -                          | -                             |                  |
| Funds Pending Approval**            | 151,960,174        | 11,924,755                     | 19,526,617                                | 183,411,546        | 88,875,364                 | 94,536,182                    | 49 %             |
| <b>Totals</b>                       |                    |                                |   |                    |                            |                               |                  |

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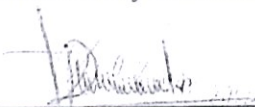
**Explanatory Notes.**

Transfers to other government units was underutilized because of the delay of the remittance of funds from the board  
 Compensation of employees was underutilized because the funds were dispersed in the constituency during the month of February hence the underutilized effect.  
 Committee expenses was underutilized due to the delay of funds being disbursed from the board.

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

| <b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b> |               |
|--|---------------|
| <b>Description</b>   | <b>Amount</b> |
| Budget utilisation difference totals   | 94,536,182    |
| Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023                  | 84,486,791    |
|  | 10,049,391    |
| Increase/(decrease) Accounts payable   |               |
| (Decrease)/Increase Accounts Receivable  |               |
| Add/Less Prior Year Adjustments  |               |
| Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023                             | 10,049,391    |

The Constituency financial statements were approved by NG CDFC on 21/09/2023 and signed by:

  
\_\_\_\_\_

**Fund Account Manager**

**Name: JULIUS OKETCH**

  
\_\_\_\_\_

**National Sub-County  
Accountant**

**Name: MESHACK AMAYO  
ICPAK M/No: 16033**

  
\_\_\_\_\_

**Chairman NG-CDF Committee**

**Name: THOMAS ASEKA**

*Shinyalu Constituency  
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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  | Adjustments                    |   | Final Budget     | Actual on comparable basis | Budget utilization difference |
|---|------------------|--------------------------------|---|------------------|----------------------------|-------------------------------|
|   |                  | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements |                  |                            |                               |
|   | Kshs             | Kshs                           | Kshs                                      | Kshs             | Kshs                       | Kshs                          |
| <b>1.0 Administration and Recurrent</b> |                  |                                |   |                  |                            |                               |
| 1.1 Compensation of employees           | 4,406,645        | 172,461.00                     |   | 4,579,106        | 3,568,547                  | 1,010,559                     |
| 1.2 Committee allowances                | 1,823,000        | 6,000.00                       |   | 1,829,000        | 1,747,700                  | 81,300                        |
| 1.3 Use of goods and services           | 2,887,965        | 434,983.00                     |   | 3,322,948        | 3,313,490                  | 9,458                         |
| <b>Sub-total</b>                        | <b>9,117,610</b> | <b>613,444</b>                 |   | <b>9,731,054</b> | <b>8,629,737</b>           | <b>1,101,317</b>              |
| <b>2.0 Monitoring and evaluation</b>    |                  |                                |   |                  |                            |                               |
| 2.1 Capacity building                   | 1,405,372        | 525.00                         |   | 1,405,897        | 1,396,647                  | 9,250                         |
| 2.2 Committee allowances                | 2,558,000        | 194.00                         |   | 2,558,194        | 2,000,600                  | 557,594                       |
| 2.3 Use of goods and services           | 566,628          |                                |   | 566,628          | 551,032                    | 15,596                        |
| <b>Sub-total</b>                        | <b>4,530,000</b> | <b>719</b>                     | <b>-</b>                                  | <b>4,530,719</b> | <b>3,948,279</b>           | <b>582,440</b>                |
| <b>3.0 Emergency</b>                    |                  |                                |   |                  |                            |                               |
| 3.1 Primary Schools                     | 7,636,190        | 977,787.00                     |   | 8,613,977        | 7,168,254                  | 1,445,723                     |
| 3.2 Secondary schools                   |                  |                                |   |                  |                            |                               |
| 3.3 Tertiary institutions               |                  |                                |   |                  |                            |                               |
| 3.4 Security projects                   |                  |                                |   |                  |                            |                               |
| <b>Sub-total</b>                        | <b>7,636,190</b> | <b>977,787.00</b>              |   | <b>8,613,977</b> | <b>7,168,254</b>           | <b>1,445,723</b>              |
| <b>4.0 Bursary and Social Security</b>  |                  |                                |   |                  |                            |                               |
| 4.1 Primary Schools                     |                  |                                |   |                  |                            |                               |
| 4.2 Secondary Schools                   | 22,000,000       | 902,162.00                     |   | 22,902,162       | 22,667,100                 | 235,062                       |
| 4.3 Tertiary Institutions               | 15,000,000       | 1,900.00                       |   | 15,001,900       | 11,391,569                 | 610,331                       |
| 4.4 Universities                        |                  |                                |   |                  |                            |                               |
| 4.5 Social Security                     |                  |                                |   |                  |                            |                               |
| <b>Sub-total</b>                        |                  |                                |   |                  |                            | <b>845,393</b>                |

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| Programme/Sub-programme   | Original Budget  | Adjustments                    |   | Final Budget     | Actual on comparable basis | Budget utilization difference |
|---|------------------|--------------------------------|---|------------------|----------------------------|-------------------------------|
|   |                  | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements |                  |                            |                               |
|   | 37,000,000       | 904,062                        | -   | 37,904,062       | 37,058,669                 |                               |
| <b>5.0 Sports</b>   |                  |                                |   |                  |                            |                               |
| Constituency sports tournament                                  | 2,439,203        | 273,533.00                     |   | 2,712,736        | 2,400,000                  | 312,736                       |
| Regional sports   | 300,000          |                                |   | 300,000          | 200,000                    | 100,000                       |
| <b>Sub-total</b>  | <b>2,739,203</b> | <b>273,533</b>                 |   | <b>3,012,736</b> | <b>2,600,000</b>           | <b>412,736</b>                |
| <b>6.0 Environment</b>  |                  |                                |   |                  |                            |                               |
| Handindi primary school   | 800,000          |                                |   | 800,000          |                            | 800,000                       |
| Ivui primary school   | 800,000          |                                |   | 800,000          |                            | 800,000                       |
| Wakukha primary school  | 1,073,942        |                                |   | 1,073,942        | 1,073,942                  | -                             |
| Singila primary school  | 91,314           |                                |   | 91,314           |                            | 91,314                        |
| Ebukaburu primary school  | 91,314           |                                |   | 91,314           |                            | 91,314                        |
| Shilongo primary school   | 91,314           |                                |   | 91,314           |                            | 91,314                        |
| Shamiloli primary school  | 91,314           |                                |   | 91,314           |                            | 91,314                        |
|   |                  |                                |   | -                |                            | -                             |
| <b>Sub-total</b>  | <b>3,039,198</b> |                                |   | <b>3,039,198</b> | <b>1,073,942</b>           | <b>1,965,256</b>              |
| <b>7.0 Primary Schools Projects<br/>(List all the Projects)</b> |                  |                                |   |                  |                            |                               |
| Buyangu primary school  | 6,000,000.00     |                                |   | 6,000,000        |                            | 6,000,000                     |
| Chilobani primary school  | 3,600,000.00     |                                |   | 3,600,000        | 3,600,000.00               | -                             |
| Ileho primary school  | 5,000,000        |                                |   | 5,000,000        | 1,500,000.00               | 3,500,000                     |
| Iloro primary school  | 1,500,000        |                                |   | 1,500,000        |                            | 1,500,000                     |
| Lubao primary school  | 2,000,000        |                                |   | 2,000,000        |                            | 2,000,000                     |
| Mukulusu primary school   | 6,000,000        |                                |   | 6,000,000        | 1,100,000.00               | 4,900,000                     |
| Munasio primary school  | 6,000,000        |                                |   | 6,000,000        | 3,000,000.00               | 3,000,000                     |



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| Programme/Sub-programme                                       | Original Budget   | Adjustments                    |   | Final Budget      | Actual on comparable basis | Budget utilization difference |
|---|-------------------|--------------------------------|---|-------------------|----------------------------|-------------------------------|
|   |                   | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements |                   |                            |                               |
|   |                   |                                |   |                   | 0                          |                               |
| Shitochi primary school                                       | 6,000,000         |                                |   | 6,000,000         | 1,100,000.00               | 4,900,000                     |
| Solyo primary school  | 6,000,000         | 600,000.00                     |   | 6,600,000         | 3,000,000.00               | 3,600,000                     |
| Wakukha primary school  | 2,154,555         |                                |   | 2,154,555         | 2,154,555.00               |                               |
| Khayega primary school  | 10,981,599        | 8,266,330.00                   | 5,988,879.00                              | 25,236,808        | 9,161,928.00               | 16,074,880                    |
| Ingolomosio primary school                                    | 4,537,700         |                                |   | 4,537,700         |                            | 4,537,700                     |
| Buhunyilu primary school                                      | 3,000,000         |                                |   | 3,000,000         |                            | 3,000,000                     |
| Shihuli primary school  | 3,000,000         |                                |   | 3,000,000         |                            | 3,000,000                     |
| Mashindu primary school                                       | 3,000,000         |                                |   | 3,000,000         |                            | 3,000,000                     |
| Ihondolo primary school                                       |                   |                                | 1,000,000                                 | 1,000,000         | 1,000,000.00               | -                             |
| Mukumu primary school   |                   |                                | 2,000,000                                 | 2,000,000         |                            | 2,000,000                     |
| Ikuywa primary school   |                   | 288,880                        |   | 288,880           |                            | 288,880                       |
| St Kizito Bukusi primary school                               |                   |                                | 300,000                                   | 300,000           |                            | 300,000                       |
| Shihumbu primary school                                       |                   |                                | 2,000,000                                 | 2,000,000         |                            | 2,000,000                     |
| Mukango primary school  |                   |                                | 600,000                                   | 600,000           |                            | 600,000                       |
| <b>Sub-total</b>  | <b>68,773,854</b> | <b>9,155,210</b>               | <b>11,888,879</b>                         | <b>89,817,943</b> | <b>25,616,483</b>          | <b>64,201,460</b>             |
| <b>8.0 Secondary Schools Projects (List all the Projects)</b> |                   |                                |   |                   |                            |                               |
| Shabwali secondary school                                     | 9,762,300.00      |                                |   | 9,762,300         |                            | 9,762,300                     |
| St Gerald Mundulu   |                   |                                | 1,600,000.00                              | 1,600,000         |                            | 1,600,000                     |
| St Philips mukomari   |                   |                                | 1,500,000.00                              | 1,500,000         | 1,500,000                  | -                             |
| St Philips mukomari   |                   |                                |   |                   |                            | 800,000                       |

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| Programme/Sub-programme   | Original Budget | Adjustments                     |   | Final Budget | Actual on comparable basis | Budget utilization difference |
|---|-----------------|---------------------------------|---|--------------|----------------------------|-------------------------------|
|   |                 | Opening Balance (C/Blk) and AIA | Previous Years' Outstanding Disbursements |              |                            |                               |
|   |                 |                                 | 800,000.00                                | 800,000      |                            |                               |
|   |                 |                                 | 1,500,000.00                              | 1,500,000    |                            | 1,500,000                     |
| <b>Sub-total</b>  | 9,762,300       | -                               | 5,400,000                                 | 15,162,300   | 1,500,000                  | 13,662,300                    |
| <b>9.0 Tertiary institutions Projects (List all the Projects)</b> |                 |                                 |   |              |                            |                               |
| 9.1   |                 |                                 |   |              |                            |                               |
| 9.2   |                 |                                 |   |              |                            |                               |
| 9.3   |                 |                                 |   |              |                            |                               |
| <b>Sub-total</b>  |                 |                                 |   |              |                            |                               |
| <b>10.0 Security Projects</b>                                     |                 |                                 |   |              |                            |                               |
| Virhembe police post  |                 |                                 | 200,000                                   | 200,000      |                            | 200,000                       |
| Mukhonje Police Post  |                 |                                 | 200,000.00                                | 200,000      |                            | 200,000                       |
| Shinyalu police post  |                 |                                 | 300,000.00                                | 300,000      |                            | 300,000                       |
| Mukhonje Assistant chief  |                 |                                 | 200,000.00                                | 200,000      |                            | 200,000                       |
| <b>Sub-total</b>  |                 |                                 | 900,000                                   | 900,000      | -                          | 900,000                       |
| <b>11.0 Acquisition of assets</b>                                 |                 |                                 |   |              |                            |                               |
| 11.1 Motor Vehicles (including motorbikes)                        |                 |                                 |   |              |                            |                               |
| 11.2 Construction of CIDF office                                  | 3,000,000       |                                 |   | 3,000,000    |                            | 3,000,000                     |
| 11.3 Purchase of furniture and equipment                          | -               |                                 | 1,337,738                                 | 1,337,738    | -                          | 1,337,738                     |
| 11.4 Purchase of computers  | -               |                                 | -   | -            | -                          | -                             |
| 11.5 Purchase of land   | -               |                                 | -   | -            | -                          | -                             |
| <b>Sub-total</b>  | 3,000,000       |                                 | 1,337,738                                 | 4,337,738    |                            | 4,337,738                     |
| <b>12.0 Oversight Committee Expenses (itemize )</b>               | 1,361,819       |                                 |   | 1,361,819    | 1,280,000                  | 81,819                        |
|   | -               |                                 | -   | -            | -                          | -                             |
|   | -               |                                 | -   | -            | -                          | -                             |
|   | -               |                                 | -   | -            | -                          | -                             |

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| Programme/Sub-programme      | Original Budget | Adjustments                    |   | Final Budget | Actual on comparable basis | Budget utilization difference |
|------------------------------|-----------------|--------------------------------|---|--------------|----------------------------|-------------------------------|
|                              |                 | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements |              |                            |                               |
|                              |                 |                                |   |              |                            |                               |
| <b>Sub-total</b>             | 1,361,819       |                                |   | 1,361,819    | 1,280,000                  | 81,819                        |
| <b>13.0 Others</b>           |                 |                                |   |              |                            |                               |
| 13.1 Strategic Plan          | 2,000,000       |                                |   | 2,000,000.00 |                            | 2,000,000.00                  |
| 13.2 NG edfc Social security | 3,000,000       |                                |   | 3,000,000.00 |                            | 3,000,000.00                  |
| 13.2                         |                 |                                |   |              |                            |                               |
| <b>Sub-total</b>             | 5,000,000       |                                |   | 5,000,000    |                            | 5,000,000                     |
| Funds pending approval**     |                 |                                |   |              |                            |                               |
| <b>Total</b>                 | 151,960,174     | 11,924,755                     | 19,526,617                                | 183,411,546  | 88,875,364                 | 94,536,182                    |

#### **XIV .Significant Accounting Policies**

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

##### **1. Statement of Ccompliance 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-SHINYALU Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

##### **3. Reporting Currency**

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

##### **4. Significant Accounting Policies**

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

###### **a) Recognition of Receipts**

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

**Significant Accounting Policies continued**

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

**Unutilized Funds from PMCs.**

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

**External Assistance**

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

**b) Recognition of payments**

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

*Significant Accounting Policies continued*

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

*Significant Accounting Policies continued*

**6. Cash and Cash Eequivalent.**

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

*Significant Accounting Policies continued*

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

*Significant Accounting Policies continued*

**9. Pending Bills**

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

**10. Unutilized Fund**

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

1. Transfers from NGCDF Board

| Description      | 2022/2023         | 2021/2022          |
|------------------|-------------------|--------------------|
|                  | Kshs              | Kshs               |
| NGCDF Board      |                   | 33,000,000         |
| AIE NO. B 105281 |                   | 44,000,000         |
| AIE NO. B 105558 |                   | 22,000,000         |
| AIE NO. B 105928 |                   | 5,000,000          |
| AIE NO. B 128695 |                   | 12,000,000         |
| AIE NO. B 163857 |                   | 15,000,000         |
| AIE NO. B 154202 |                   | 19,000,000         |
| AIE NO. B 154425 |                   | 20,088,879         |
| AIE NO. B 154481 |                   | 6,200,000          |
| AIE NO. B 895037 |                   |                    |
| AIE NO. B 185247 | 7,000,000.00      |                    |
| AIE NO. B 185415 | 15,000,000.00     |                    |
| AIE NO. B 185777 | 6,000,000.00      |                    |
| AIE NO. B 206097 | 5,000,000.00      |                    |
| AIE NO. B 205595 | 12,000,000.00     |                    |
| AIE NO. B 205890 | 12,000,000.00     |                    |
| AIE NO. B 207676 | 15,000,000.00     |                    |
| AIE NO. B 207911 | 15,000,000.00     |                    |
| <b>TOTAL</b>     | <b>87,000,000</b> | <b>176,288,879</b> |

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*Notes To the Financial Statements (Continued)*

**2. Compensation Of Employees**

|  | <b>2022/2023</b>    | <b>2021/2022</b> |
|--|---------------------|------------------|
|  | <b>Kshs</b>         | <b>Kshs</b>      |
| NG-CDFC Basic staff salaries                                       | 3,365,756.75        | 2,343,560        |
| Employer Contributions Compulsory national social security schemes | 116,640.00          |                  |
| <b>Total</b>   | <b>3,482,396.75</b> | <b>2,343,560</b> |

**3. Committee Expenses**

|                          | <b>2022/2023</b>    | <b>2021/2022</b> |
|--------------------------|---------------------|------------------|
|                          | <b>Kshs</b>         | <b>Kshs</b>      |
| Sitting allowance        | 2,340,600.00        |                  |
| Other committee expenses | 600,932.00          |                  |
| <b>Total</b>             | <b>2,941,532.00</b> |                  |

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4. Use of Goods and services

|  | 2022/2023           | 2021/2022            |
|--|---------------------|----------------------|
|  | Kshs                | Kshs                 |
| Utilities, supplies and services                             | 44,350.00           | 28,350.00            |
| Courier and postal services                                  | 20,588.00           |                      |
| Gas Expenses   | 3,600.00            |                      |
| Sanitary and cleaning  | 13,800.00           |                      |
| Communication, supplies and services                         | 7,000.00            | -                    |
| Domestic travel and subsistence                              | 217,600.00          | -                    |
| Office rent  | 1,000,000.00        | 1,200,000.00         |
| Committee expenses   |                     | 1,999,000.00         |
| Hire of training facilities                                  | -                   | 1,542,000.00         |
| Training expenses  | 752,033.00          | 1,799,000.00         |
| Hospitality supplies and services                            | 250,100.00          | -                    |
| Specialised materials and services                           | 55,600.00           | 1,118,665.00         |
| Office and general supplies and services                     | 934,703.00          | 1,471,999.00         |
| Fuel, oil & lubricants                                       | 411,392.00          | 737,081.00           |
| Other operating expenses                                     | 1,973,490.00        | -                    |
| Bank Charges   | -                   | 16,460.00            |
| Routine maintenance - vehicles and other transport equipment | 383,682.00          | 700,123.00           |
| <b>Total</b>   | <b>6,067,938.00</b> | <b>10,612,678.00</b> |

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*Notes To The Financial Statements (Continued)*

5. Transfer To Other Government Units

| Description  | 2022/2023            | 2021/2022          |
|--|----------------------|--------------------|
|  | Kshs                 | Kshs               |
| Transfers To Primary Schools (See Attached List)   | 25,616,482.00        | 114,474,675        |
| Transfers To Secondary Schools (See Attached List) | 1,500,000.00         | 7,000,000          |
| <b>Total</b>                                       | <b>27,116,482.00</b> | <b>121,474,675</b> |

6. Other Grants and Other transfers

|   | 2022/2023            | 2021/2022         |
|---|----------------------|-------------------|
|   | Kshs                 | Kshs              |
| Bursary – secondary schools (see attached list)     | 22,667,100.00        | 23,469,613        |
| Bursary – tertiary institutions (see attached list) | 14,391,569.00        | 6,173,670         |
| Social Security programmes (NIIIF)                  | 86,150.00            | 100,610           |
| Sports projects (see attached list)                 | 2,600,000.00         | 2,483,555         |
| Environment projects (see attached list)            | 1,073,942.00         | 1,801,759         |
| Emergency projects (see attached list)              | 7,168,254.00         | 7,418,307         |
| <b>Total</b>  | <b>47,987,015.00</b> | <b>41,447,514</b> |

7. Oversight Committee Expenses

|                        | 2022-2023        | 2021/2022 |
|------------------------|------------------|-----------|
|                        | Kshs             | Kshs      |
| Coc Members allowances | 1,280,000        |           |
| <b>TOTAL</b>           | <b>1,280,000</b> |           |

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8. Cash Book Bank Balance

| Name Of Bank, Account No. & Currency        | 2022/2023            | 2021/2022         |
|---|----------------------|-------------------|
|   | Kshs                 | Kshs              |
| 12A: Bank Accounts (Cash Book Bank Balance) |                      |                   |
| EQUITY BANK, 0500279933658                  | 10,049,391.25        | 11,924,755        |
| <b>Total</b>                                | <b>10,049,391.25</b> | <b>11,924,755</b> |

9. Fund Balance B/F

|                              | (1 <sup>st</sup> July 2022-23) | (1 <sup>st</sup> July 2021-22) |
|------------------------------|--------------------------------|--------------------------------|
|                              | Kshs                           | Kshs                           |
| Bank accounts                | 11,924,755.00                  | 10,361,371                     |
| Fund Balance Brought Forward | 11,924,755                     | 10,361,371                     |

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**10: Unutilized Fund (See Annex 3)**

|   | <b>2022/2023</b>  | <b>2021/2022</b>  |
|---|-------------------|-------------------|
|   | <b>Kshs</b>       | <b>Kshs</b>       |
| Compensation of employees   | 1,094,709         | 172,461           |
| Committee expense   | 2,595,187         |                   |
| Use of goods and services   | 80,010            | 435,983           |
| Amounts due to other Government entities (see attached list)        | 78,763,761        | 26,450,808        |
| Amounts due to other grants and other transfers (see attached list) | 7,582,958         | 3,055,382         |
| Acquisition of assets   | 4,337,738         | 1,337,738         |
| Oversight Committee Expenses  | 81,819            |                   |
| <b>Total</b>  | <b>94,536,182</b> | <b>31,451,372</b> |

**11: PMC account balances (See Annex 5)**

|  | <b>2022/2023</b>    | <b>2021/2022</b> |
|--|---------------------|------------------|
|  | <b>Kshs</b>         | <b>Kshs</b>      |
| PMC account balances (see attached list) | 1,638,687.82        | 8,916,232        |
| <b>Total</b>                             | <b>1,638,687.82</b> | <b>8,916,232</b> |





XV. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

| Name of Staff | Designation | Date employed | Outstanding Balance<br>30 <sup>th</sup> June 2023 | Comments |
|---------------|-------------|---------------|---|----------|
| NG-CDFC Staff |             |               |   |          |
| 1.            |             |               |   |          |
| 2.            |             |               |   |          |
| 3.            |             |               |   |          |
| Sub-Total     |             |               |   |          |
| Grand Total   |             |               |   |          |

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**Annex 3 – Unutilized Fund**

| <b>Name</b>                              | <b>Brief Transaction Description</b>  | <b>Outstanding Balance Current FY</b> | <b>Outstanding Balance Previous FY</b> | <b>Comments</b> |
|--|---|---------------------------------------|--|-----------------|
| Compensation of employees                | Payment of staff salaries, NSSF and gratuity  | 1,101,317                             | 172,461                                |                 |
| Use of goods & services                  | Purchase of fuel, repairs and maintenance, purchase of a photocopier, office furniture, stationery, telephone, travel and subsistence, office tea and office rent | 582,440                               | 434,983                                |                 |
| <b>Sub Total</b>                         |   | <b>1,683,757</b>                      | <b>607,444</b>                         |                 |
| Amounts due to other Government entities |   |                                       |  |                 |
| <b>PRIMARY SCHOOL</b>                    |   |                                       |  |                 |
| Buyangu primary school                   | Construction of one storey block of 8 classrooms  | 6,000,000                             |  |                 |
| Ileho primary school                     | Construction to ground floor Of 8 classrooms storey building  | 3,500,000                             |  |                 |
| Iloro primary school                     | Construction to completion of 1 classrooms  | 1,500,000                             |  |                 |
| Lubao primary school                     | Completion of 8 classrooms and administration block   | 2,000,000                             |  |                 |
| Mukulusu primary school                  | Construction to ground floor walling of 8   | 4,900,000                             |  |                 |

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| Name                       | Brief Transaction Description   | Outstanding Balance Current FY | Outstanding Balance Previous FY | Comments |
|----------------------------|---|--------------------------------|---------------------------------|----------|
|                            | classrooms storey building  |                                |                                 |          |
|                            | Construction to ground floor walling of 8 classrooms storey building    | 3,000,000                      |                                 |          |
| Munasio primary school     | Construction to ground floor walling of 8 classrooms storey building    | 4,900,000                      |                                 |          |
| Shitochi primary school    | Construction to ground floor walling of 8 classrooms storey building    | 3,600,000                      |                                 |          |
| Selyo primary school       | Construction of 32 classrooms with administration block storey building | 16,074,880                     | 8,016,928                       |          |
| Khavesga primary school    | Completion of 8 classrooms and administration block                     | 4,537,700                      |                                 |          |
| Ingolomosio primary school | Purchase of land and processing of title deed                           | 3,000,000                      |                                 |          |
| Ruhunyilu primary school   | Purchase of land and processing of title deed                           | 3,000,000                      |                                 |          |
| Shihuli primary school     | Purchase of land processing of title deed                               | 3,000,000                      |                                 |          |
| Mashindu primary school    | Construction of 2 number classrooms                                     | 2,000,000                      | 2,000,000                       |          |
| Mukumu primary school      | Renovation os classrooms  | 288,880                        | 300,000                         |          |
| Ikuywa primary school      |   |                                |                                 |          |

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| Name  | Brief Transaction Description   | Outstanding Balance Current FY | Outstanding Balance Previous FY | Comments |
|---|---|--------------------------------|---------------------------------|----------|
| St Kizito Bukusi primary school                 | Renovation of classrooms  | 300,000                        | 300,000                         |          |
| Shihumbu primary school                         | Purchase of 2 acre of land  | 2,000,000                      | 2,000,000                       |          |
| Mukango primary school                          | Construction of pit latrines  | 600,000                        | 600,000                         |          |
| Khayega primary school                          | Construction of 32 number classrooms                                      |                                | 6,200,000                       |          |
| <b>Sub total</b>                                |   | <b>64,201,460</b>              | <b>21,050,808</b>               |          |
| <b>SECONDARY SCHOOL</b>                         |   |                                |                                 |          |
| Shabwali secondary school                       | One off Purchase of 51 seater Isuzu FSR90 school bus                      | 9,762,300.00                   |                                 |          |
| St Gerald Mundulu secondary school              | Completion of two number classrooms                                       | 1,600,000                      | 1,600,000                       |          |
| St Ann Munasio Secondary school                 | Construction of Administration block                                      | 1,500,000                      | 1,500,000                       |          |
| St Philips Mugomari secondary school            | Sinking of bore hole and construction of the Administration block         | 800,000                        | 800,000                         |          |
| St Philips Mugomari Secondary school            | Construction of the Administration block                                  | 1,500,000                      | 1,500,000                       |          |
| <b>SUB TOTAL</b>                                |   | <b>13,662,300</b>              | <b>5,400,000</b>                |          |
| Amounts due to other grants and other transfers |   |                                |                                 |          |
| BURSARY SECONDARY SCHOOL                        | To cater for paying school fees to the needy students in the constituency | 235,062                        | 1,148,162                       |          |
| BURSARY TERTIARY                                | To cater for paying school  | 610,331                        | 1,900                           |          |

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| Name                                    | Brief Transaction Description                            | Outstanding Balance Current FY | Outstanding Balance Previous FY | Comments |
|---|--|--------------------------------|---------------------------------|----------|
|   | fees to the needy students in the constituency           |                                |                                 |          |
| EMERGENCY                               | To cater for un-predicted activities in the constituency | 1,445,723                      | 977,787                         |          |
| ENVIRONMET                              |  | 1,965,256                      | 27,533                          |          |
| SPORTS                                  | For organising sports in the constituency                | 412,736                        |                                 |          |
| <b>SECURITY</b>                         |  |                                |                                 |          |
| Virhembe police post                    | Completion of 2 police houses                            | 200,000                        | 200,000                         |          |
| Mukhonje ileho police                   | Completion of 2 police houses                            | 200,000                        | 200,000                         |          |
| Shinyalu police post                    | Completion of 2 police houses                            | 300,000                        | 300,000                         |          |
| Mukhonje Assistant Chiefs Office        | Completion of chief office                               | 200,000                        | 200,000                         |          |
| <b>Sub total</b>                        |  | <b>5,569,108</b>               | <b>3,055,382</b>                |          |
| Sub-Total                               |  |                                |                                 |          |
| <b>Acquisition of assets</b>            |  |                                |                                 |          |
| Purchase of office furniture            | Purchase of office furniture                             | 1,337,738                      | 1,337,738.14                    |          |
| Construction of NG CDF Office           | Construction of NG CDF office                            | 3,000,000                      |                                 |          |
| <b>Sub total</b>                        |  | <b>4,337,738</b>               | <b>1,337,738.14</b>             |          |
| Oversight Committee Expenses (itemize ) | Allowances for constituency oversight committee          | 81,819                         |                                 |          |
| <b>Sub total</b>                        |  | <b>81,819</b>                  |                                 |          |

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| Name                      | Brief Transaction Description | Outstanding Balance Current FY | Outstanding Balance Previous FY | Comments |
|---------------------------|-------------------------------|--------------------------------|---------------------------------|----------|
| Others ( <i>specify</i> ) |                               |                                |                                 |          |
| Strategic plan            |                               | 2,000,000                      |                                 |          |
| NG CDFC social security   |                               | 3,000,000                      |                                 |          |
| <b>Sub-Total</b>          |                               | 5,000,000                      |                                 |          |
| Funds pending approval    |                               |                                |                                 |          |
| <b>Grand Total</b>        |                               | 94,536,182                     | 31,451,372                      |          |

Annex 4 – Summary of Fixed Asset Register

| Asset class                                  | Historical Cost<br>b/f<br>(Kshs) | Additions during<br>the year (Kshs) | Disposals during<br>the year (Kshs) | Historical Cost<br>(Kshs)<br>At Year End |
|--|----------------------------------|-------------------------------------|-------------------------------------|--|
| Transport equipment                          | 11,702,190                       |                                     |                                     | 11,702,190                               |
| Office equipment, furniture and fittings     | 18,600                           |                                     |                                     | 18,600                                   |
| ICT Equipment, Software and Other ICT Assets | 797,540                          |                                     |                                     | 797,540                                  |
| Other Machinery and Equipment                | 47,000                           |                                     |                                     | 47,000                                   |
| <b>Total</b>                                 | <b>12,565,330</b>                |                                     |                                     | <b>12,565,330</b>                        |



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Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023**

| PMC                             | Bank        | Account number | Date account opened | Bank Balance Current FY | Bank Balance Previous FY |
|---------------------------------|-------------|----------------|---------------------|-------------------------|--------------------------|
| Ingolomosio Primary School      | Cooperative | 1139804278500  | 03/07/2018          | 653,140                 | 653,140                  |
| Magakha Primary School          | Cooperative | 1139632654400  | 05/01/2017          | 522.90                  | 522.90                   |
| Shanda Primary School           | Cooperative | 1139166529300  | 25/02/2011          | 750.00                  | 750.00                   |
| Bukhaywa Primary School         | Cooperative | 1139165020600  | 25/10/2012          | 2,673.75                | 2,673.75                 |
| Khayega Primary School          | Equity      | 0500279036834  | 12/07/2019          | 7812                    | 797,724.5                |
| Muraka Primary School           | Equity      | 0500279026025  | 09/07/2019          | 15131.7                 | 15,131.70                |
| St Pauls Shibuye Primary School | Equity      | 0500279026117  | 09/07/2019          | 4024                    | 3,530.353                |
| Lirhanda Girls Primary School   | Equity      | 0500279036361  | 12/07/2019          | 673,435.06              | 673,435.06               |
| Shilongo Primary School         | Equity      | 05002790259939 | 09/07/2019          | 12480                   | 12,480.05                |
| Makuehi primary school          | Equity      | 0500279106780  | 08/08/2019          | 80                      | 51,000                   |
| Lunyu Primary School            | Equity      | 0500279658461  | 18/02/2019          | 1940.78                 | 482,120.78               |
| Ebukaburu Primary School        | Equity      | 0500279758253  | 31/03/2020          | 2,514                   | 2,514.44                 |
| Iloro Secondary School          | Equity      | 0500279760879  | 01/04/2020          | 7065.94                 | 7,065.94                 |
| Singila Primary School          | Equity      | 0500279865136  | 09/06/2020          | 6,699                   | 626,878.80               |
| Ihondolo Primary School         | Equity      | 0500279299657  | 07/10/2019          | 1,180                   | 65,300                   |
| Wakukha Primary School          | Equity      | 0500279780192  | 17/04/2020          | 1,047                   | 1,513                    |
| Rev Kisia Secondary School      | Equity      | 0500279599437  | 30/01/2020          | 687                     |                          |
| Ivakale Secondary School        | Equity      | 0500279026068  | 09/07/2019          | 9,674                   | 9,674.01                 |

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| PMC                                | Bank        | Account number | Date account opened | Bank Balance Current FY | Bank Balance Previous FY |
|------------------------------------|-------------|----------------|---------------------|-------------------------|--------------------------|
| Wakukha primary school             | Equity      | 0500279780192  | 17/04/2020          | 1,047                   | 1,513                    |
| Mukhonje Primary School            | Equity      | 0500279519096  | 06/01/2020          | 4,128                   | 4,127.50                 |
| Shanderema Secondary School        | Equity      | 0500279276833  | 28/09/2019          | 1,942                   | 1,941.70                 |
| Shamiloli Secondary School         | Equity      | 0500279774314  | 14/04/2020          | 176,321                 | 176,321                  |
| Mukhonje Primary School            | Equity      | 0500279519096  | 06/01/2020          | 4,128                   | 4,127.50                 |
| Bishop Sulumeti Mukomari           | Equity      | 0500280883766  | 13/05/2021          | 534                     | 549,472.90               |
| Shihuli primary school             | Equity      | 0500280757172  | 29/03/2021          | 9,190                   | 9,190                    |
| Ibukaburu primary school           | Equity      | 0500279758253  | 31/03/2020          | 2,514                   | 2,514.44                 |
| Lubao primary school               | Equity      | 0500280842605  | 29/04/2021          | 9,070                   | 379,070                  |
| Singila primary school             | Equity      | 0500279865136  | 09/06/2020          | 6,699                   | 626,878                  |
| St Ignatius Mukumu boys            | Equity      | 0500280787434  | 10/04/2021          | 3,525                   | 168,525                  |
| Shilongo primary school            | Equity      | 05002790259939 | 09/07/2019          |                         | 12,480.05                |
| Friends School Shilalayo Secondary | Cooperative | 1139165359202  | 29/08/2017          |                         | 2,736.91                 |
| Irobo Primary School               | Cooperative | 1139632241100  | 11/02/2016          |                         | 117.50                   |
| Itenyi Primary School              | Cooperative | 1141165048100  | 05/06/2017          |                         | 0                        |
| Ivakale Primary School             | Cooperative | 1139165107100  | 18/01/2017          | 1,000                   | 1,000                    |
| Lirihanda Mixed Primary School     | Cooperative | 1139167559901  | 18/01/2017          | 22,232.50               | 22,232.50                |
| Lugango Primary School             | Cooperative | 1109023471300  | 13/11/2018          |                         | 0.00                     |
| Lwanda Secondary School            | Cooperative | 1139167256501  | 07/12/2016          |                         | 0.00                     |

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| PMC                               | Bank        | Account number | Date account opened | Bank Balance Current FY | Bank Balance Previous FY |
|-----------------------------------|-------------|----------------|---------------------|-------------------------|--------------------------|
| Madioli Primary School            | Cooperative | 1139165659001  | 22/12/2016          | 3,022.75                | 3,022.75                 |
| Madioli Primary School            | Cooperative | 1139165666900  | 23/10/2012          |                         |                          |
| Muleche Primary School            | Cooperative | 1139165051000  | 23/10/2012          |                         | 2,362.25                 |
| Mundulu Primary School            | Cooperative | 1139165050601  | 07/11/2012          | 4,341                   | 4,341                    |
| Shanda Primary School             | Cooperative | 1139166529300  | 31/10/2012          | 630                     | 750                      |
| Shavirotsi Primary School         | Cooperative | 1139165058101  | 31/10/2012          | 849.50                  | 0.00                     |
| Shitochi Primary School           | Cooperative | 1139167563200  | 02/11/2012          |                         | 0.00                     |
| Solyo Primary School              | Cooperative | 1139167557200  | 29/10/2012          |                         | 1,100                    |
| St Albert Shanjero Primary School | Cooperative | 1139023579001  | 29/10/2012          |                         | 3,795                    |
| St. Gerald Shanjero Secondary     | Cooperative | 1139165032901  | 01/11/2012          |                         | 1,330                    |
| St. Joseph Mukulusu Secondary     | Cooperative | 1139165082400  | 27/11/2012          |                         | 0.00                     |
| Virhembe Police Post              | Cooperative | 1120009847130  | 12/06/2008          |                         | 0                        |
| Wanzalala Primary School          | Cooperative | 1139632628100  | 22/12/2016          |                         | 0.00                     |
| Shagungu primary school           | Cooperative | 1139165034901  | 18/10/2012          |                         | 840                      |
| Musanyi Primary school            | Cooperative | 1139166961900  | 29/11/2011          |                         | 3,300                    |
|                                   |             |                |                     | 1,638,687.82            | 8,916,232                |

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 Annex 6: Progress On Follow Up of Auditor Recommendations

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

| Reference No. on the external audit Report | Issue / Observations from Auditor  | Management comments  | Status:<br>(Resolved / Not Resolved) | Timeframe:<br>(Put a date when you expect the issue to be resolved) |
|--|--|--|--------------------------------------|---|
| 4.1 Budgetary Control and performance      | The summary statement of appropriation reflects approved final receipts budget and actual on comparable basis of kshs 219,605,955 and kshs 161,479,338 respectively resulting to an under funding of kshs 58,126,617 or 26% of the budget, similarly, the fund expended kshs 151,310,866 against an approved budget of kshs 219,605,955, resulting to an under expenditure of kshs 68,295,089 or 31% of the budget as analysed | The overall under expenditure in the budget is as a result of piece-meal funding from the NGCDF Board due to some pending project issues that have since been cleared. | Resolved                             |   |
| 4.13 Cash and cash Equivalent              | The cash and bank balance of kshs 9,832,371 at note 10 A and statement of assets and liabilities as at 30 <sup>th</sup> June 2021 agree as stated, however excluded from this amount is a balance of kshs 1,248,651 held at the Equity bank A/C 0500279933658. The NGCDF had closed an account with cooperative bank   |  |                                      |   |

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| Reference No. on the external audit Report | Issue / Observations from Auditor   | Management comments  | Status:<br>(Resolved / Not Resolved) | Timeframe:<br>(Put a date when you expect the issue to be resolved) |
|--|---|--|--------------------------------------|---|
|  | 01120098471300 as stated on later reference TNT/KKE/BRN/VOL1(1100 dated 5 <sup>th</sup> august 2021 and opened new account with Equity bank   |  |                                      |   |
| 4.17 Lack of an updated Imprest Register   | Shinyalu constituency NGCDF failed to maintained an updated imprest register detailing, payee, imprest warrant number, date of issue, due date and date of surrender, contrary to provisions of 93(4) © of the public Finance Management (National Government) Regulations 2015 | The management has created an Imprest register detailing the payee, Imprest warranty number, date of issue and date of surrender | Resolved                             |   |

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Name: JULIUS EZEKIEL OKETCH  
Fund Account Manager.