

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE **14 AUG 2024**

DAY
WEDNESDAY

TABLED
BY:

**DEPUTY MAJORITY
LEADER**

CLERK AT
THE-TABLE:

FINLAY MURIUKI

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

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

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



SOTIK CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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



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1. Acronyms and Glossary of terms

NGCDF	National Government Constituency Development Fund
PFM	Public Finance Management
IPSAS	International Public Sector Accounting Standards.
PMC	Project Management Committee
FY	Financial Year

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

- 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 Sotik Constituency NGCDF day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Huron Karanja
2.	Sub-County Accountant	Maurine Kemunto
3.	Chairman NGCDFC	Richard Kirui
4.	Member NGCDFC	Margaret Chelangat

(c) Fiduciary Oversight Arrangements

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

P.O. Box 866 Sotik
Sotik Ng-cdf Building
Next to the DC,s office
Sotik.

(e) Sotik Constituency NGCDF Contacts

Telephone: (254) 704 317 766
E-mail: cdfsotik@cdf.go.ke
Website: www.ngcdf.go.ke

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(f) Sotik Constituency NGCDF Bankers

KCB Bank
Sotik Branch
Account No. 1105583686
P.O.Box 264-20406
Sotik

(g) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser

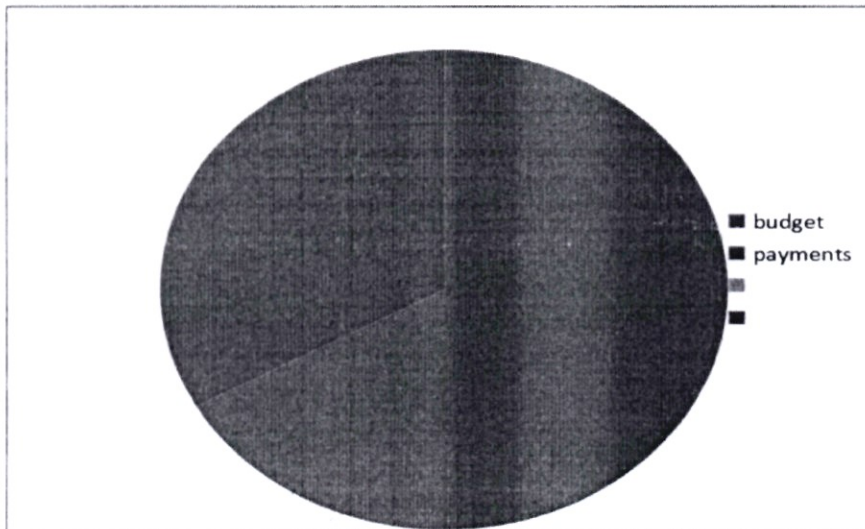
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. NG-CDFC Chairman's Report



Mr. Richard Kirui

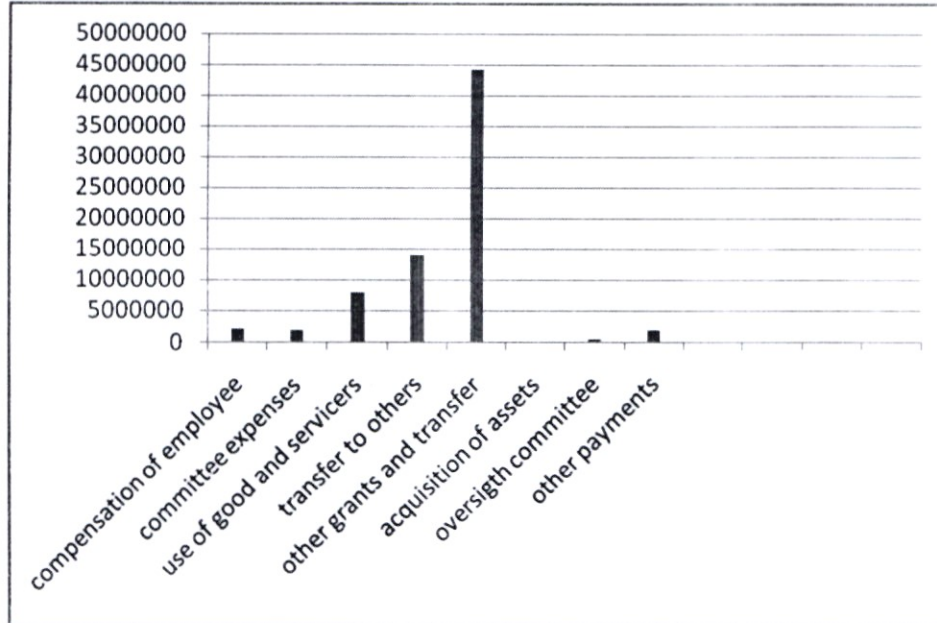
Fund in the year 2022-2023 financial years had a total receipt of Kshs. 105,874,228 which is inclusive of the balance brought forward from the financial year 2021/2022. During the financial year 2022/2023 Kshs. 72,343,429.80 was spent thus leaving a balance of Kshs. 33,530,798.80 Unspent. The undisbursed fund from the board for this financial year is Kshs. 45,185,903 Our utilization budget was at 60% which is a drop from the previous years which was at 85% this was mainly contributed by the late disbursement of funds from NGCDF Board. The NG- CDF has been able to give bursary to more than six thousand four hundred Students in Secondary and tertiary institutions. The fund also was disbursed to various development works in the constituency in the education and security sector



Budget against Expenditure

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By the close of financial year the graph below explain how we were able to utilize the funds in the different sector



The committee ensures that all the development projects are to completion and those that are incomplete are given priority in funding. Some of the project s implemented in the year are shown below.

.....
(Signature)
 Name: Richard Kirui
 CHAIRMAN NGCDF COMMITTEE

4. Statement of Performance against Predetermined Objectives for FY2022/23

Introduction

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

The key development objectives of *Sotik Constituency 2022-2028* plan are to:

In underscoring the planning of the constituency, the Sotik National Government Constituency Development Fund Committee (NG-CDFC) in its strategic plan outlined key strategic objectives that were to be used to spur development in the constituency. The plan sort to contribute towards the identification of how and where development programmes identified will be implemented especially in the economic activities with special focus on marketing and value addition, improved social infrastructure, better education and improved governance. It was anticipated that this will help in achieving food security, improved quality of education, health care for all, expanded access to ICT and environmental conservation among others.

Key development objectives of NG-CDF Sotik Constituency

To achieve the above, key development objectives of NG-CDFC-Sotik Constituency's strategic plans included but not limited to;

I. Strategic Area One: Education.

Objective: Become a national model of education by improving schools infrastructure, Improving performance, reducing dropout rates and increasing primary, secondary and 100% education transition rates.

Initiative 1: Develop and enhance schools infrastructure to enhance facilities and provide Conducive learning environment for children.

Initiative 2: Enhance and develop social programmes that support education within the Constituency.

II. Strategic Area Two: Water and Environment.

Objective: Improve access to clean water and a more sustainable and conserved environment in Sotik constituency through natural resource conservation initiatives.

Initiative 1: Initiate and enhance conservation programs within the constituency.

Initiative 2: Water and Sanitation: To ensure water sustainability in the Constituency, and better sanitation facilities in learning institution in Sotik Constituency.

III. Strategic Area Three: Security

Objective: Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure.

Initiative: Improving infrastructure and service delivery

IV. Strategic Area Four: Sports.

Objective: Empower and develop youth and special groups to reduce dependence and spur economic growth through sports

Initiative: Develop and empower youth and special groups through sports activities in the constituency.

V. Strategic Area Five: Information Communication and Technology (ICT)

Objective: Enhance access to information and technology of Sotik residents and use ICT to enhance service delivery and spurring development.

Initiative: Enhancement of infrastructure and accessibility of ICT resources in the constituency.

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:

sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school and reduce dropout rates and increase primary, secondary and higher education transition rates	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	Constructed 19 new classrooms, 1 administration block and renovation 10 Primary Schools, 14 new classrooms to secondary schools. 1 bus of 51 seater for secondary school. 6,070 students benefited from bursaries
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Increased Chiefs camps, ACCs offices, police stations	Number of usable physical infrastructure built in locations, sub locations and police stations	Funded 4 security projects (2 Assistant county commissioners offices, 1 chiefs office and Kipkomo DCC office)

Environment	Improve conservation of environment through natural resources conservation initiatives	Equip schools, security projects and public facilities with sanitation facilities	Number of sanitation facilities built in primary, secondary and security	Implemented 5 environmental activities (3 Pit latrines and 2 water conservation activities)
Sports	Empower and develop youth and special groups in sports	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Funded constituency and regional sports activities
Emergency	Timely response to an emergency/unforeseen occurrences	Uninterrupted learning in learning institutions and smooth service delivery	Number of projects urgently responded to without causing interruptions to the end user	Implemented 7 emergency projects

5. Governance Statement

1 Appointment of NGCDF Members

The formation of the NG-CDFC Members is guided by the NG-CDF Act Section 43(1) (2) (3) & (4).

- i. This procedure shall start upon receipt of the guidelines on formation of NG CDFC from the NG CDF Board,
- ii. 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
- iii. The DCC shall nominate in writing an officer or his/her representative who will be the chairperson to the NG CDFC selection panel.
- iv. The Constituency Office Manager shall nominate in writing two persons of either gender to be members of the selection panel.
- v. 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).
- vi. 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
- vii. The Constituency Office Manager shall then nominate in writing the two members to the NG-CDFC.
- viii. 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
- ix. The PWD organization shall nominate in writing a member to the NG-CDFC.
- x. Applications are received at the NG-CDF office and recorded in the application register.

xi. 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.

xii. 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.

xiii. 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.

xiv. 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

The selected members are forwarded to parliament through CEO of the board for purpose of gazettelement

Upon gazettelement the DCC or the FAM shall for the first meeting where the chairperson and secretary are elected

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.

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 Roles and function of the committee

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

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 the training plan

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.

6. Environmental and Sustainability Reporting

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

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

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

3. Employee welfare

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

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

4. Market place practices-

Sotik 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-

Sotik 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.

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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.

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



.....
**Name: Huron Karanja
Fund Account Manager.**

7. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Sotik 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-Sotik 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- Sotik 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.

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The Accounting Officer in charge of the NGCDF Sotik 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- Sotik Constituency financial statements were approved and signed by the Accounting Officer on 22nd September, 2023.



.....
Name: Richard Kirui
Chairman – NGCDF Committee



.....
Name: Huron Karanja
Fund Account Manager

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 - SOTIK CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution 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

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Sotik Constituency set out on pages 1 to 41, which

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

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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund - Sotik 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 do not comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

1.1 Summary Statement of Appropriation

The summary statement of appropriation reflects an amount of Kshs.178,655,190 in respect of final revenue budget which includes adjustments of Kshs.18,378,708 and Kshs.15,188,879 in respect of opening balance (cash book and AIA) and the previous year's outstanding disbursements totalling to Kshs.33,567,587 which is at variance with the previous year's audited balance of Kshs.33,726,106 in respect of unutilized funds by an unexplained and unreconciled balance of Kshs.158,519.

In the circumstances, accuracy and completeness of the respective balances in the summary statement of appropriation could not be confirmed.

1.2 Cash and Cash Equivalents Balance

The statement of assets and liabilities reflects a balance of Kshs.33,508,994 in respect of cash and cash equivalents and as disclosed in Note 12A to the financial statements. However, review of the supporting documents revealed the following unsatisfactory matters:

- i. The cash book balance of Kshs.33,530,798 as at 30 June, 2023 differed with the balance as per cash book of Kshs.33,544,798 reflected in the bank reconciliation statement for the month of June, 2023 by an and unreconciled variance of Kshs.14,000.
- ii. The bank reconciliation statement for the month of June, 2023 reflects a balance as per bank certificate of Kshs.35,574,244 which differs with the balance of Kshs.35,418,244 by an unreconciled variance of Kshs.156,000.

- iii. The bank reconciliation statements revealed payments in cash book not in bank statement (un-presented cheques) totalling Kshs.2,077,777 out of which Kshs.178,635 were stale and should have been reversed in the cash book.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.33,508,994 could not be confirmed.

2. Unsupported Expenditure

2.1 Compensation of Employees

The statement of receipts and payments reflects an amount of Kshs.1,584,968 in respect of compensation of employees as disclosed in Note 4 to the financial statements. However, the supporting schedules reflected a balance of Kshs.448,470 occasioning an unexplained variance of Kshs.1,136,498.

In the circumstances, the accuracy and completeness of the expenditure in respect of compensation of employees amount of Kshs.1,584,968 could not be confirmed.

2.2 Committee Expenses

The statement of receipts and payments reflects an amount of Kshs.3,551,440 in respect of committee expenses and as disclosed in Note 5 to the financial statements. However, supporting documents including expenditure schedules, payment vouchers, notice of meetings approval from the National Government Constituencies Development Fund Committee, itinerary, attendance registers, work tickets and reports for the meetings were not provided.

In the circumstances, the accuracy and completeness of the expenditure in respect of committee expenses of Kshs.3,551,400 could not be confirmed.

2.3 Oversight Committee Expenses

The statement of receipts and payments reflects an amount of Kshs.915,400 in respect of oversight committee expenses and as disclosed in Note 10 to the financial statements. However, supporting documents including expenditure schedules, payment vouchers, notice of meetings approval from the National Government Constituencies Development Fund Committee, itinerary, attendance registers, work tickets and reports for the meetings were not provided for review.

In the circumstances, the accuracy and completeness of the expenditure in respect of oversight committee expenses of Kshs.915,400 could not be confirmed.

2.4 Transfers to Other Government Units

The statement of receipts and payments reflects transfers to other Government units of Kshs.6,321,868 which includes amounts of Kshs.2,281,868 and Kshs.4,040,000 in respect of transfers to primary schools and secondary schools, respectively as disclosed in Note 7 to the financial statements. However, review of the supporting

documents including cash book and bank statements revealed transfers of amounts of Kshs.19,690,000, Kshs.6,611,868 and Kshs.3,240,000 in respect of primary schools, secondary schools and unidentified projects, respectively all totalling Kshs.29,541,868 resulting to an unexplained and unreconciled variance of Kshs.23,220,000. Further, expenditure returns for the projects were not provided for audit review.

In the circumstances, the accuracy and completeness of the respective balances could not be confirmed.

2.5 Emergency Projects Expenses

The statement of receipts and payments reflects other grants amount of Kshs.43,822,926 which includes expenses on emergency projects of Kshs.900,000 as disclosed in Note 8 to the financial statements. However, there was no proof to ascertain that said projects were related to emergency expenditure. In addition, no evidence was provided to confirm that the utilization of the emergency funds was reported to the Board within thirty (30) days of the occurrence.

In the circumstances, the accuracy and completeness of the amount of Kshs.900,000 in respect of emergency expenses could not be confirmed.

2.6 Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.43,822,926 which includes amounts of Kshs.27,177,826, Kshs.15,322,100 and Kshs.306,000 in respect of bursaries to secondary schools, tertiary institutions and special schools respectively as disclosed in Note 8 to the financial statements all totalling Kshs.42,805,926. However, the bursaries disbursed were not supported with Bursary Vetting Committee minutes, vetting records by the ward committees and Constituency Development Committee (CDFC), approved list of all the beneficiaries and acknowledgment of the receipts from the beneficiary institutions.

In the circumstances, the accuracy and completeness of the bursary disbursements of Kshs.42,805,926 could not be confirmed.

2.7 Construction of ICT Hubs

The statement of receipts and payments reflects other payments of Kshs.7,576,000 which includes an amount of Kshs.600,000 in respect of ICT Hubs as disclosed in Note 11 to the financial statements. However, supporting documents including tender evaluation, contract agreements, certificates of work done and payment vouchers were not provided for audit review. Audit verification carried on 13 March, 2024 at Ndanai and Kamureito revealed that the constructed ICT Hub were not equipped with internet connectivity, computers and other ICT accessories for operation.

In the circumstances, the accuracy and completeness of the expenditure of an amount of Kshs.600,000 for the year could not be confirmed.

3. Undisclosed Expenditure

3.1 Security Projects

The statement of receipts and payments reflects other grants and transfers amount of Kshs.43,822,926 which includes Nil amount in respect of security projects and as disclosed in Note 8 to the financial statements. However, review of the supporting documents including cash book and bank statements revealed that amounts totalling Kshs.1,250,000 were transferred to four (4) Project Management Committee (PMC) accounts in respect of security projects which were not disclosed in the financial statements. Further, review of the approved project code lists for the year under review and the previous year 201/2022 revealed that the projects were not approved in the respective years.

In the circumstances, the accuracy and completeness of Kshs.43,822,926 in respect of other grants and transfers could not be confirmed.

3.2 Accrued Gratuity

The statement of assets and liabilities reflects a net financial assets balance of Kshs.33,508,994 which excludes staff gratuity as disclosed in Note 14B and Annex 2 to the financial statements. However, review of human resource records revealed that although staff were engaged on contractual terms, the accrued gratuity was not disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the Nil balance in respect of gratuity could not be confirmed.

4. Unsupported Project Management Committee Bank Balances

Note 19.4 to the financial statements reflects a balance of Kshs.3,047,525 in respect of PMC bank balances as detailed in Annex 5 to the financial statements. However, review of the bank statements revealed that funds totalling Kshs.29,791,868 were transferred to thirty-six (36) PMC bank accounts during the year whose residual balances were not included in the Note to the financial statements. Further, supporting documents including certificate of bank balance as at 30 June, 2023 were not provided for audit review.

In the circumstances, the accuracy and completeness of the balance Kshs.3,047,525 in respect of PMC Bank Balances could not be confirmed.

5. Undisclosed Fixed Assets

Annex 4 reflects fixed asset balance of Kshs.17,499,975 which includes balances of Kshs.7,500,000, Kshs.9,450,000 and Kshs.500,000 in respect of buildings and structures, transport equipment and other machinery and equipment, respectively. However, the fixed assets register did not include the balance of land while ownership documents in respect of land were not provided for audit review. Further, there was no valuation report for the assets maintained and balances and nature of the fixed assets disclosed were not supported with sufficient evidence.

In the circumstances, the accuracy, completeness and fair disclosure of the value of fixed assets 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 - Sotik 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 adverse opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual receipts on comparable basis of Kshs.178,655,190 and Kshs.87,504,481 respectively, resulting in an under-funding of Kshs.91,150,709 or 51% of the budget. However, the Fund spent a balance of Kshs.72,369,714 against actual receipts of Kshs.87,504,481 resulting to an under-utilization of Kshs.15,134,767 or 17% of the actual receipts.

The under-funding and under-performance 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 paragraphs were raised under the report on Financial Statements, and Report on Lawfulness and Effectiveness in Use of Public Resources which remained unresolved. However, Management has not resolved the issues or given any explanation for failure to resolve them.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that public resources were not applied lawfully and in an effective way.

Basis for Conclusion

1. Irregular Procurement

The statement of receipts and payments reflects other payments of Kshs.7,576,000 which includes an amount of Kshs.1,976,000 in respect of strategic plan and as disclosed in Note 11 to the financial statements. Review of the supporting documents including procurement details revealed that the preparation and development of a five-year (2023-2028) strategic plan was awarded to a local company. However, further review of procurement documents revealed that the evaluation committee did not provide individual ratings or score sheets taken during procurement proceedings. This was contrary to the provisions of Regulation 31(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that, each individual member of the evaluation committee shall evaluate independently from the other members prior to sharing his or her analysis questions and evaluation including his or her rating with the other members of the technical evaluation committee and individual score sheets shall be kept as records of a procurement proceeding.

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

1. Deficiencies in Transfers to Other Government Units

The statement of receipts and payments reflects transfer to other Government units of an amount of Kshs.6,321,868, as disclosed in Note 7 to the financial statements. However, the following anomalies were noted.

1.1 Tembwo Girls Secondary School

The transfers include an amount of Kshs.1,500,000 transferred to Tembwo Girls Secondary School for the construction of three (3) classrooms block during the financial year ended 30 June, 2021. Although, the contract was awarded to a local company on 24 June, 2022, physical inspection done in March, 2024, revealed that the project had not started and funds allocated for the project remained unutilized. Further, supporting documents including certificate of bank balance and bank statements were not provided for review. No reason was provided for the failure to utilize the money as approved.

1.2 Chesilyot Primary School

The transfers include an amount of Kshs.1,000,000 transferred to Chesilyot Primary School for proposed erection and completion of 1 No. classroom block each. However, physical inspection done in March, 2024 revealed that the projects was complete however, with poor workmanship including cracks on the floor and walls.

In the circumstances, the public may have not obtained value for money and the expected benefits from the projects may not be realized.

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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 June, 2024

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

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

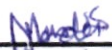
	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	87,500,000	170,088,879
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	4,481	163,000
TOTAL RECEIPTS		87,504,481	170,251,879
PAYMENTS			
Compensation of employees	4	1,584,968	1,853,087
Committee expenses	5	3,551,400	2,859,120
Use of goods and services	6	8,597,152	11,056,787
Transfers to Other Government Units	7	6,321,868	93,530,000
Other grants and transfers	8	43,822,926	57,871,853
Acquisition of Assets	9	-	-
Oversight Committee Expenses	10	915,400	-
Other Payments	11	7,576,000	1,100,000
TOTAL PAYMENTS		72,369,714	168,270,847
SURPLUS/DEFICIT		15,134,767	1,981,032

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

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


 Fund Account Manager

Name: Huron Karanja


 National Sub-County
 Accountant

Name: Maurine Kemunto
 ICPAK M/No:


 Chairman NG-CDF Committee

Name: Richard Kirui

Sotik Constituency

National Government Constituencies Development Fund (NGCDF)

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

10. Statement of Assets and Liabilities as At 30th June, 2023


	Note	FY 2022/2023 Kshs	FY 2021/2022 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	33,508,994	18,374,227
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		33,508,994	18,374,227
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		33,508,994	18,374,227
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
NET FINANCIAL SSETS		33,508,994	18,374,227
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	18,374,227	16,393,195
Prior year adjustments	16	-	-
Surplus/Defict for the year		15,134,767	1,981,032
NET FINANCIAL POSITION		33,508,994	18,374,227

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 2nd September, 2023 and signed by:


Fund Account Manager

Name: Huron Karanja


National Sub-County
Accountant

Name: Maurine Kemunto
ICPAK M/No:


Chairman NG-CDF Committee

Name: Richard Kirui

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

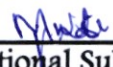
11. Statement Of Cash Flows for The Year Ended 30th June 2023


	Notes	Insert Current FY	Insert Previous FY
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	87,500,000	170,088,879
Other Receipts	3	4,481	163,000
Total Receipts		87,504,481	170,251,879
Payments for operating activities			
Compensation of Employees	4	1,584,968	1,853,087
Committee expenses	5	3,551,400	2,859,120
Use of goods and services	6	8,597,152	11,056,787
Transfers to Other Government Units	7	6,321,868	93,530,000
Other grants and transfers	8	43,822,926	57,871,853
Oversight Committee Expenses	10	915,400	-
Other Payments	11	7,576,000	1,100,000
Total payments		72,369,714	168,270,847
Total receipts less total payments		15,134,777	1,981,032
Adjusted for:			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	-	-
No Net Adjustments		-	-
Net cash flow from operating activities		15,134,767	1,981,032
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		15,134,767	1,981,032
Cash and cash equivalent at start of the year	12	18,374,227	16,393,195
Cash and cash equivalent at end of the year		33,508,994	18,374,227

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 22nd September, 2023 and signed by:


 Fund Account Manager


 National Sub-County
 Accountant


 Chairman NG-CDF
 Committee

Name: Huron Karanja

Name: Maurine Kemunto
 ICPAK M/No:

Name: Richard Kirui

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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
RECEIPTS							
Transfers from NG-CDF Board	145,087,603	18,374,227	15,188,879	178,650,709	87,500,000	91,150,709	49%
Proceeds from Sale of Assets				-	-	-	0%
Other Receipts		4,481		4,481	4,481	-	0%
TOTAL RECEIPTS	145,087,603	18,378,708	15,188,879	178,655,190	87,504,481	91,150,709	49%
PAYMENTS							
Compensation of Employees	2,430,000	654,977	-	3,084,977	1,584,968	1,500,009	51%
Committee expenses	1,400,000	1,080,184	779,571	3,259,755	3,551,400	(291,645)	109%
Use of goods and services	9,227,850	(893,980)	-	8,333,870	8,597,152	(263,282)	103%
Transfers to Other Government Units	68,200,000	9,790,000	5,920,000	83,910,000	6,321,868	77,588,132	8%
Other grants and transfers	58,878,953	2,580,046	569,308	62,028,307	43,822,926	18,205,381	71%
Acquisition of Assets		-	-	-	-	-	
Oversight Committee Expenses	1,450,800	-	-	1,450,800	915,400	535,400	63%
Other Payments	3,500,000	5,000,000	1,200,000	9,700,000	7,576,000	2,124,000	78%
Unallocated Funds		-	6,720,000	6,720,000		6,720,000	0%
AIA		163,000		163,000		163,000	0%
Unknown deposits		4,481		4,481		4,481	0%

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
		a	b				
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
TOTAL	145,087,603	18,378,708	15,188,879	178,655,190	72,369,714	106,285,476	41%

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

Explanatory Notes.


- (a) The brought forward balance had Kshs. 163,000 for AIA from sale of tenders being part of it. There was a Kshs. 4,480.60 received as unknown deposit.
- (b) Committee expenses and goods and services were spend above 100% being a strain from the previous overexpenditure being worked on to ensure we return to normalcy.
- (c) Due to delay in disbursement of funds, we were unable to generally carry out the general implementation of most programs especially on projects leading to below 90% utilisation.

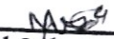
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	106,285,476
Less undisbursed funds receivable from the Board as at 30th June 2023	72,776,482
	33,508,993
Add Accounts payable	-
Less Accounts Receivable	-


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

Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the FY 2022/2023	33,508,993

The Constituency financial statements were approved by NG CDFC on 22nd September, 2023 and signed by:


 Fund Account Manager
 Name: Huron Karanja


 National Sub-County Accountant
 Name: Maurine Kemunto
 ICPAK M/No:


 Chairman NG-CDF Committee
 Name: Richard Kirui

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA				
	Kshs	Kshs		Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,430,000					
1.2 Committee allowances	1,400,000	654,977			3,084,977	1,584,968
1.3 Use of goods and services	4,875,250	384,728		779,571	2,564,299	2,855,944
Total	8,705,250	(2,958,944)		-	1,916,306	2,366,368
2.0 Monitoring and evaluation		(1,919,239)		779,571	7,565,582	6,807,280.0
2.1 Capacity building	2,900,000					
2.2 Committee allowances	-	302,400			3,202,400	3,015,620
2.3 Use of goods and services	1,452,600	695,456			695,456	695,456
Total	4,352,600	1,762,564		-	3,215,164	3,215,164
3.0 Emergency		2,760,420		-	7,113,020	6,926,240
3.1 Primary Schools						
3.1.1 Kapcherire Primary School	450,000					
					450,000	450,000

Sotik Constituency

National Government Constituencies Development Fund (NGCDF)

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

3.1.2 Abosi Hill View Primary School	450,000			450,000	450,000
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
3.5 Unutilised	6,736,190		-	-	
Total	7,636,190	2,580,046	78,220	9,394,456	-
4.0 Bursary and Social Security		2,580,046	78,220	10,294,456	900,000
4.1 Secondary Schools	21,000,000			-	
4.2 Tertiary Institutions	22,000,000		351,155	21,351,155	27,177,826
4.3 Social Security	-			22,000,000	15,322,100
4.4 Special Needs	639,363			-	-
Total	43,639,363	-	351,155	639,363	306,000
5.0 Sports				43,990,518	42,805,926
5	2,901,700			-	
Total	2,901,700	-	131,354	3,033,054	117,000
			131,354	3,033,054	117,000
6.0 Environment					
6	2,901,700		8,579	2,910,279	-
Total	2,901,700	-	8,579	-	-
7.0 Primary Schools Projects				2,910,279	-
Kimolwet Primary School	1,000,000			1,000,000	
Kambira Primary School	1,000,000			1,000,000	
Koitab Sawe Primary School	600,000			600,000	
Cherumbas Primary School	1,000,000			1,000,000	
Kaptilolwo Primary School	1,000,000			1,000,000	
Kiptenden Tach Asis Primary School	1,000,000			1,000,000	
Chepkalwal Primary School	500,000			500,000	
Kapkoitim Primary School	1,000,000			1,000,000	
Chesilyot Primary School	1,000,000			1,000,000	
Kinyelwet Primary School	1,200,000		500,000	1,500,000	500,000
Sosur Primary School	1,200,000			1,200,000	
Kamabwai Primary School	1,200,000			1,200,000	
Sisei Primary School	1,200,000			1,200,000	
Kapkelei Primary School	700,000			700,000	
Kipketii Primary School	1,000,000			1,000,000	

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

Koita Primary School	1,200,000			1,200,000
Sosik Primary School	1,200,000			1,200,000
Kapkures Primary School	700,000			700,000
Kaplekwa Primary School	1,200,000			1,200,000
Kamirai Primary School	600,000			600,000
Kapletundo Primary School	600,000			600,000
Chebilat Primary School	600,000			600,000
Kipajit Primary School	1,000,000			1,000,000
Kuryot Primary School	1,200,000			1,200,000
Emityot Primary School	1,000,000			1,000,000
Yaganek Primary School	600,000			600,000
Nyatembe Primary School	1,000,000			1,000,000
Kimase Primary School	600,000			600,000
Kimoso Primary School	1,000,000			1,000,000
Mosonik Primary School	700,000			700,000
Kinyelwet Primary School	1,200,000			1,200,000
Moita Primary School	700,000			700,000
Moriko Primary School	700,000			700,000
Jubilee Amani Primary School	1,200,000			1,200,000
Kapolesobei Primary School	1,200,000			1,200,000
Tuiyotic hPrimary School	1,200,000			1,200,000
Koiyet Primary School	1,000,000			1,000,000
Somoe Primary School	1,200,000			1,200,000
Kaplomboi Primary School	1,000,000			1,000,000
Kelonget Valley Primary School	1,000,000			1,000,000
Lalwat Primary School	1,000,000			1,000,000
Sertwet Primary School	600,000		300,000	900,000
Chebugon Primary School	1,200,000			1,200,000
Kokwon Primary School	1,200,000			1,200,000
Saruchat Primary School	1,200,000			1,200,000
Chepkebit Primary School	1,200,000			1,200,000
Mabwaita Primary School	1,200,000			1,200,000
Manaret Primary School	700,000			700,000
Burgesi Primary School	1,200,000			1,200,000
Kimugul Primary School	1,000,000		300,000	1,300,000
Tonongoi Primary School	1,200,000			1,200,000
Tabeituk Primary			600,000	600,000
Kipsingei Primary			400,000	400,000

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

Kapolesobei Primary		400,000		400,000	
Kapcheboroyt Primary		600,000		600,000	
Chemogoi Primary School		600,000		600,000	
Ngamiarian Primary		200,000		200,000	
Sasita Primary School		730,000		730,000	
Ndanai Primary		400,000		400,000	400,000
Rotik Primary Sch		1,000,000		1,000,000	981,868
Lelechwet Primary Sch		400,000		400,000	400,000
Total	49,900,000	4,330,000	2,100,000	56,330,000	2,281,868
8.0 Secondary Schools Projects					
Kamungei Secondary School	1,000,000	1,000,000		2,000,000	1,000,000
Ngariet Secondary School	1,200,000		-	1,200,000	
Kipsimbol Secondary School	1,000,000			1,000,000	
Kimawit Secondary School	1,000,000			1,000,000	
Keronjo Day Secondary School	1,000,000	1,000,000		2,000,000	-
Oldebesi Secondary School	1,200,000			1,200,000	
Chepkosiom Secondary School	1,000,000	820,000		1,820,000	820,000
Kameswon Secondary School	1,000,000			1,000,000	
Tumbelyon Secondary School	1,000,000			1,000,000	
Kiptapsir Secondary School	1,000,000			1,000,000	
Tembwo Girls Secondary School	1,500,000			1,500,000	
Cheptebe Secondary School	1,400,000			1,400,000	
Kiricha Secondary School	1,000,000			1,000,000	-
Sironet Secondary School			820,000	820,000	
Siroin Secondary School	1,000,000			1,000,000	400,000
Sotik Day Secondary School	1,500,000		1,000,000	2,500,000	1,000,000
Togomin Secondary School	1,500,000		1,000,000	2,500,000	
Kipsonoi Sec Sch		820,000		820,000	
Kamureito Secondary Sch		-		-	
kinyelwet sec sch		820,000		820,000	820,000
Kaptulwa Secondary			1,000,000	1,000,000	
Kagasik Secondary			-	-	
Gorgor Secondary		1,000,000		1,000,000	
Lorna Girls Secondary			-	-	
				-	
Total	18,300,000	5,460,000	3,820,000	27,580,000	4,040,000
9.0 Tertiary institutions Projects					

Sotik Constituency

National Government Constituencies Development Fund (NGCDF)

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

Total	-			-	-
10.0 Security Projects					
Ndanai Chiefs Office				600,000	
Sotik administrative post				400,000	
Kaplong Location Chiefs Office				150,000	
Kaplong Location Chiefs Office				100,000	
11.0 Acquisition of assets					
Total	-			-	-
12.0 Oversight Committee Expenses (itemize)					
COC Members Allowance	300,000			300,000	202,800
COC other Committee expenses	1,150,800			1,150,800	712,600
Total	1,450,800	-	-	1,450,800	915,400
13.0 Other payments					
13. 1.1 ICT Hubs				600,000	
13.2 Sotik NG-CDF Strategic plan	3,500,000			3,500,000	1,976,000
Total	3,500,000	5,000,000	1,200,000	4,100,000	1,976,000
14.0 unallocated fund					
Unapproved projects	-	-	6,720,000	6,720,000	-
AIA		163,000		163,000	
PMC savings				-	
Unknown deposits		4,481		4,481	
Total	-	167,481	6,720,000	6,887,481	-
	145,087,603	18,378,708	15,188,879	178,655,190	72,369,714
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,430,000	654,977		3,084,977	1,584,968
1.2 Committee allowances	1,400,000	384,728	779,571	2,564,299	2,855,944
1.3 Use of goods and services	4,875,250	(2,958,944)	-	1,916,306	2,366,368
Total	8,705,250	(1,919,239)	779,571	7,565,582	6,807,280.0

Sotik Constituency

National Government Constituencies Development Fund (NGCDF)

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

2.0 Monitoring and evaluation				-	
2.1 Capacity building	2,900,000	302,400		3,202,400	3,015,620
2.2 Committee allowances	-	695,456		695,456	695,456
2.3 Use of goods and services	1,452,600	1,762,564	-	3,215,164	3,215,164
Total	4,352,600	2,760,420	-	7,113,020	6,926,240
3.0 Emergency					
3.1 Primary Schools					
3.1.1 Kapcherire Primary School	450,000			450,000	450,000
3.1.2 Abosi Hill View Primary School	450,000			450,000	450,000
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects			-	-	
3.5 Unutilised	6,736,190	2,580,046	78,220	9,394,456	-
Total	7,636,190	2,580,046	78,220	10,294,456	900,000
4.0 Bursary and Social Security					
4.1 Secondary Schools	21,000,000		351,155	21,351,155	27,177,826
4.2 Tertiary Institutions	22,000,000			22,000,000	15,322,100
4.3 Social Security	-			-	-
4.4 Special Needs	639,363			639,363	306,000
Total	43,639,363	-	351,155	43,990,518	42,805,926
5.0 Sports					
5	2,901,700		131,354	3,033,054	117,000
Total	2,901,700	-	131,354	3,033,054	117,000
6.0 Environment					
6	2,901,700		8,579	2,910,279	-
Total	2,901,700	-	8,579	2,910,279	-
7.0 Primary Schools Projects					
Kimolwet Primary School	1,000,000			1,000,000	
Kambira Primary School	1,000,000			1,000,000	
Koitas Sawe Primary School	600,000			600,000	
Cherumbas Primary School	1,000,000			1,000,000	
Kaptilolwo Primary School	1,000,000			1,000,000	
Kiptenden Tach Asis Primary School	1,000,000			1,000,000	
Chepkalwal Primary School	500,000			500,000	
Kapkoitim Primary School	1,000,000			1,000,000	
Chesilyot Primary School	1,000,000		500,000	1,500,000	500,000
Kinyelwet Primary School	1,200,000			1,200,000	
Sosur Primary School	1,200,000			1,200,000	

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

Kamabwai Primary School	1,200,000		1,200,000
Sisei Primary School	1,200,000		1,200,000
Kapkelei Primary School	700,000		700,000
Kipketii Primary School	1,000,000		1,000,000
Koita Primary School	1,200,000		1,200,000
Sosik Primary School	1,200,000		1,200,000
Kapkures Primary School	700,000		700,000
Kaplekwa Primary School	1,200,000		1,200,000
Kamirai Primary School	600,000		600,000
Kapletundo Primary School	600,000		600,000
Chebilat Primary School	600,000		600,000
Kipajit Primary School	1,000,000		1,000,000
Kuryot Primary School	1,200,000		1,200,000
Emityot Primary School	1,000,000		1,000,000
Yaganek Primary School	600,000		600,000
Nyatembe Primary School	1,000,000		1,000,000
Kimase Primary School	600,000		600,000
Kimoso Primary School	1,000,000		1,000,000
Mosonik Primary School	700,000		700,000
Kinyelwet Primary School	1,200,000		1,200,000
Moita Primary School	700,000		700,000
Moriko Primary School	700,000		700,000
Jubilee Amani Primary School	1,200,000		1,200,000
Kapolesobei Primary School	1,200,000		1,200,000
Tuiyotic hPrimary School	1,200,000		1,200,000
Koiyet Primary School	1,000,000		1,000,000
Somoe Primary School	1,200,000		1,200,000
Kaplomboi Primary School	1,000,000		1,000,000
Kelonget Valley Primary School	1,000,000		1,000,000
Lalwat Primary School	1,000,000		1,000,000
Sertwet Primary School	600,000	300,000	900,000
Chebugon Primary School	1,200,000		1,200,000
Kokwon Primary School	1,200,000		1,200,000
Saruchat Primary School	1,200,000		1,200,000
Chepkabit Primary School	1,200,000		1,200,000
Mabwaita Primary School	1,200,000		1,200,000
Manaret Primary School	700,000		700,000
Burgesi Primary School	1,200,000		1,200,000
Kimugul Primary School	1,000,000	300,000	1,300,000
Tonongoi Primary School	1,200,000		1,200,000
Tabaituk Primary		600,000	600,000
Kipsingei Primary		400,000	400,000

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

Kapolesobei Primary		400,000		400,000	
Kapcheboroyt Primary		600,000		600,000	
Chemogoi Primary School		600,000		600,000	
Ngamiarian Primary		200,000		200,000	
Sasita Primary School		730,000		730,000	
Ndanai Primary		400,000		400,000	400,000
Rotik Primary Sch		1,000,000		1,000,000	981,868
Lelechwet Primary Sch		400,000		400,000	400,000
Total	49,900,000	4,330,000	2,100,000	56,330,000	2,281,868
8.0 Secondary Schools Projects					
Kamungei Secondary School	1,000,000	1,000,000		2,000,000	1,000,000
Ngariet Secondary School	1,200,000		-	1,200,000	
Kipsimbor Secondary School	1,000,000			1,000,000	
Kimawit Secondary School	1,000,000			1,000,000	
Keronjo Day Secondary School	1,000,000	1,000,000		2,000,000	-
Oldebesi Secondary School	1,200,000			1,200,000	
Chepkosiom Secondary School	1,000,000	820,000		1,820,000	820,000
Kameswon Secondary School	1,000,000			1,000,000	
Tumbelyon Secondary School	1,000,000			1,000,000	
Kiptapsir Secondary School	1,000,000			1,000,000	
Tembwo Girls Secondary School	1,500,000			1,500,000	
Cheptebe Secondary School	1,400,000			1,400,000	
Kiricha Secondary School	1,000,000			1,000,000	-
Sironet Secondary School			820,000	820,000	
Siroin Secondary School	1,000,000			1,000,000	400,000
Sotik Day Secondary School	1,500,000		1,000,000	2,500,000	1,000,000
Togomin Secondary School	1,500,000		1,000,000	2,500,000	
Kipsonoi Sec Sch		820,000		820,000	
Kamureito Secondary Sch		-		-	
kinyelwet sec sch		820,000		820,000	820,000
Kaptulwa Secondary			1,000,000	1,000,000	
Kagasik Secondary			-	-	
Gorgor Secondary		1,000,000		1,000,000	
Lorna Girls Secondary			-	-	
Total	18,300,000	5,460,000	3,820,000	27,580,000	4,040,000
9.0 Tertiary institutions Projects					
Total	-			-	-
10.0 Security Projects					
Chebilat Junction Road	200,000			200,000	
Chebilat Centre	200,000			200,000	

Sotik Constituency

National Government Constituencies Development Fund (NGCDF)

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

Togomin Centre	200,000			200,000	
Daraja Sita Centre	200,000			200,000	
Chesilyot Junction	200,000			200,000	
Sotik DC and NG-CDF Road	200,000			200,000	
Sigorian Centre	200,000			200,000	
Kinyinyil Centre	200,000			200,000	
Kapchumbe Centre	200,000			200,000	
Total	1,800,000			1,800,000	
11.0 Acquisition of assets					
	-			-	
Total	-			-	
12.0 Oversight Committee Expenses (itemize)					
COC Members Allowance	300,000			300,000	202,800
COC other Committee expenses	1,150,800			1,150,800	712,600
Total	1,450,800			1,450,800	915,400
13.0 Other payments					
13.1 Rural Electrification Authority					
13.1.1 Ndanai Chief Office		400,000		400,000	400,000
13.1.2 Sotik Police Station		600,000		600,000	600,000
13.1.3 Kamureito Primary School		850,000		850,000	850,000
13.1.4 Cheserton Primary School		900,000		900,000	900,000
13.1.5 Sigorian Primary School		850,000		850,000	850,000
13.1.6 Kapkelei Primary School		500,000		500,000	500,000
13.1.7 Burgei Primary School		900,000		900,000	900,000
13.2 ICT Hubs					
13.2.1 Ndanai Secondary School			600,000	600,000	600,000
13.2.2 Kamureito Secondary School			600,000	600,000	
13.2.3 ICT Hubs				-	
13.2 Sotik NG-CDF Strategic plan	3,500,000			3,500,000	1,976,000
Total	3,500,000	5,000,000	1,200,000	9,700,000	7,576,000
14.0 unallocated fund					
Unapproved projects	-		6,720,000	6,720,000	-
AIA		163,000		163,000	
PMC savings				-	
Unknown deposits		4,481		4,481	
Total	-	167,481	6,720,000	6,887,481	-
	145,087,603	18,378,708	15,188,879	178,655,190	72,369,714

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

14. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF- Sotik 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

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Significant Accounting Policies continued

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalent.

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

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 fulfillment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

Significant Accounting Policies continued

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Prior period 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.

Sotik Constituency

National Government Constituencies Development Fund (NGCDF)

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

15. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2023	2022
NGCDF Board	Kshs	Kshs
Description	2022-2023	2021-2022
Normal Allocation	Kshs	Kshs
AIE NO. B 005108		33,000,000
AIE NO. B 030184		44,000,000
AIE NO. B 030428		22,000,000
AIE NO. B 006370		5,000,000
AIE NO. B 042761		12,000,000
AIE NO. B 047007		12,000,000
AIE NO. B 041083		18,000,000
AIE NO. B 041083		24,088,879
AIE NO. B 0185252	7,000,000	
AIE NO. B 185780	21,000,000	
AIE NO. B 206182	5,000,000	
AIE NO. B 205894	12,000,000	
AIE NO. B 205654	500,000	
AIE NO. B 205599	12,000,000	
AIE NO. B 207915	15,000,000	
AIE NO. B 207680	15,000,000	
TOTAL	87,500,000	170,088,879

2. Proceeds From Sale of Assets

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

3. Other Receipts

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	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	-	163,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere (specify)	4,480.60	-
TOTAL	4,480.60	163,000

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Notes To the Financial Statements (Continued)

4. Compensation of Employees

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Description	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,431,288	1,291,219
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	-	408,508
Employer Contributions Compulsory national social security schemes	153,680	153,360
TOTAL	1,584,968	1,853,087

5. Committee Expenses

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Sitting allowance	2,251,400	1,100,000
Other committee expenses	1,300,000	1,759,120
TOTAL	3,551,400	2,859,120

6. Use of Goods and services

	<i>2023</i>	<i>2022</i>
	Kshs	Kshs
Utilities, supplies and services	114,400	54,455
Communication, supplies and services	172,200	276,830
Domestic travel and subsistence	1,746,400	-
Printing, advertising and information supplies & services	692,750	1,150,890
Rentals of produced assets	-	-
Training expenses	3,015,620	1,282,000
Hospitality supplies and services	296,200	-
Insurance costs	40,250	-
Specialised materials and services	-	-
Office and general supplies and services	1,279,300	500,000
Fuel , oil & lubricants	1,017,066	923,484
Other operating expenses	-	6,422,500
Bank Charges	26,285	20,000
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	196,681	426,628
Routine maintenance- other assets	-	-
TOTAL	8,597,152	11,056,787

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7. Transfer To Other Government Units

Description	2023	2022
	Kshs	Kshs
Transfers to Primary Schools	2,281,868	45,110,000
Transfers to Secondary Schools	4,040,000	48,420,000
Transfers to Tertiary Institutions	-	
TOTAL	6,321,868	93,530,000

8. Other Grants and Other transfers

	2023	2022
	Kshs	Kshs
Bursary - Secondary (see attached list)	27,177,826	22,144,845
Bursary -Tertiary (see attached list)	15,322,100	13,000,000
Bursary- Special Schools	306,000	-
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	
Security Projects (see attached list)	-	3,590,044
Sports Projects (see attached list)	117,000	5,069,630
Environment Projects (see attached list)	-	5,557,334
Emergency Projects (see attached list)	900,000	8,510,000
Roads Projects	-	-
TOTAL	43,822,926	57,871,853

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9. Acquisition Of Assets

	2023	2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	-	-

10. Oversight Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
COC Members allowance	202,800	-
Other COC expenses	712,600	-
TOTAL	915,400	-

11. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic Plan	1,976,000	-
ICT Hubs	600,000	1,100,000
Rural Electrification	5,000,000	-
TOTAL	7,576,000	1,100,000

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Kenya Commercial Bank ,A/C no. 1105583686, Sotik Branch . (main account)</i>	33,508,994	18,374,227
Kenya Commercial Bank,A/C no. Branch. (deposit account)	-	-
	-	-
TOTAL	33,508,994	18,374,227
12B: CASH IN HAND)		
	2022-2023	2021-2022
	Kshs	Kshs
	(30/6/2023)	(30/6/2022)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
TOTAL	-	-

13. Outstanding Imprests

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

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Notes to the Financial Statement Continued

14. Retention and Gratuity

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

14 B. Gratuity	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)		408,508
Gratuity paid during the Year (C)		408,508
Closing Gratuity as at 30 th June D= A+B-C	-	-

15. Fund Balance B/F

	(1 st July 2023-1)	(1 st July 2023-2)
	Kshs	Kshs
Bank accounts	18,374,227	16,393,195
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less		
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	18,374,227	16,393,195

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16. Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	(-)	-	(-)
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

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

17. Changes In Accounts Receivable – Outstanding Imprests

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

18. Changes In Accounts Payable – Deposits and Retentions

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

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19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

19.2: Pending Staff Payables (See Annex 2)

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

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	1,500,009	226,469
Use of goods and services	(554,927)	1,237,329
Amounts due to other Government entities (see attached list)	77,588,132	24,504,266
Amounts due to other grants and other transfers (see attached list)	18,205,381	491,042
Acquisition of assets		-
Oversight Committee Expenses	535,400	-
Others (<i>specify</i>)	2,124,000	7,104,000
Funds pending approval	6,887,481	163,000
Total	106,285,476	33,726,106

19.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	3,047,525.35	24,460,334
Total	3,047,525.35	24,460,334

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16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2023	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
		1,500,009	654,977	
Compensation of employees		(554,927)	965,775	
Use of goods & services				
Sub-Total		945,082	1,620,752	
Amounts due to other Government entities				
7.0 Primary Schools Projects				
Kimolwet Primary School		1,000,000		
Kambira Primary School		1,000,000		
Koitab Sawe Primary School		600,000		
Cherumbas Primary School		1,000,000		
Kaptilolwo Primary School		1,000,000		
Kiptenden Tach Asis Primary School		1,000,000		
Chepkalwal Primary School		500,000		
Kapkoitim Primary School		1,000,000		
Chesilyot Primary School		1,000,000	500,000	
Kinyelwet Primary School		1,200,000		
Sosur Primary School		1,200,000		
Kamabwai Primary School		1,200,000		
Sisei Primary School		1,200,000		
Kapkelei Primary School		700,000		
Kipketii Primary School		1,000,000		
Koita Primary School		1,200,000		
Sosik Primary School		1,200,000		
Kapkures Primary School		700,000		
Kaplekwa Primary School		1,200,000		
Kamirai Primary School		600,000		
Kapletundo Primary School		600,000		
Chebilat Primary School		600,000		
Kipajit Primary School		1,000,000		
Kuryot Primary School		1,200,000		

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Emityot Primary School		1,000,000		
Yaganek Primary School		600,000		
Nyatembe Primary School		1,000,000		
Kimase Primary School		600,000		
Kimoso Primary School		1,000,000		
Mosonik Primary School		700,000		
Kinyelwet Primary School		1,200,000		
Moita Primary School		700,000		
Moriko Primary School		700,000		
Jubilee Amani Primary School		1,200,000		
Kapolesobei Primary School		1,200,000		
Tuiyotic hPrimary School		1,200,000		
Koiyet Primary School		1,000,000		
Somoe Primary School		1,200,000		
Kaplomboi Primary School		1,000,000		
Kelonget Valley Primary School		1,000,000		
Lalwat Primary School		1,000,000		
Sertwet Primary School		900,000	300,000	
Chebugon Primary School		1,200,000		
Kokwon Primary School		1,200,000		
Saruchat Primary School		1,200,000		
Chepkebit Primary School		1,200,000		
Mabwaita Primary School		1,200,000		
Manaret Primary School		700,000		
Burgei Primary School		1,200,000		
Kimugul Primary School		1,300,000	300,000	
Tonongoi Primary School		1,200,000		
Tabeituk Primary		600,000	600,000	
Kipsingei Primary		400,000	400,000	
Kapolesobei Primary		400,000	400,000	
Kapcheboroyt Primary		600,000	600,000	
Chemogoi Primary School		600,000	600,000	
Ngamiarian Primary		200,000	200,000	
Sasita Primary School		730,000	730,000	

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Ndanai Primary			400,000	
Rotik Primary Sch		18,132	1,000,000	
Lelechwet Primary Sch			400,000	
8.0 Secondary Schools Projects		-		
Kamungei Secondary School		1,000,000	1,000,000	
Ngariet Secondary School		1,200,000		
Kipsimbor Secondary School		1,000,000		
Kimawit Secondary School		1,000,000		
Keronjo Day Secondary School		2,000,000	1,000,000	
Oldebesi Secondary School		1,200,000		
Chepkosiom Secondary School		1,000,000	820,000	
Kameswon Secondary School		1,000,000		
Tumbelyon Secondary School		1,000,000		
Kiptapsir Secondary School		1,000,000		
Tembwo Girls Secondary School		1,500,000		
Cheptebe Secondary School		1,400,000		
Kiricha Secondary School		1,000,000		
Sironet Secondary School		820,000	820,000	
Siroin Secondary School		600,000	-	
Sotik Day Secondary School		1,500,000	1,000,000	
Togomin Secondary School		2,500,000	1,000,000	
Kipsonoi Sec Sch		820,000	820,000	-
kinyelwet sec sch		-	820,000	
Kaptulwa Secondary		1,000,000	1,000,000	-
Gorgor Secondary		1,000,000	1,000,000	
Sub-Total		77,588,132	15,710,000	
Amounts due to other grants and other transfers				
3.0 Emergency		9,394,456	2,658,266	
4.0 Bursary and Social Security				
4.1 Secondary Schools		(5,826,671)	351,155	
4.2 Tertiary Institutions		6,677,900		
4.4 Special Needs		333,363		
5.0 Sports		2,916,054	131,354	

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
6.0 Environment		2,910,279	8,579	
10.0 Security Projects		-		
Chebilat Junction Road		200,000		
Chebilat Centre		200,000		
Togomin Centre		200,000		
Daraja Sita Centre		200,000		
Chesilyot Junction		200,000		
Sotik DC and NG-CDF Road		200,000		
Sigorian Centre		200,000		
Kinyinyil Centre		200,000		
Kapchumbe Centre		200,000		
	Sub-Total	18,205,381	3,149,354	
Acquisition of assets				
Oversight Committee Expenses(itemize)				
COC Members Allowance		97,200		
COC other Committee expenses		438,200		
	Sub-Total	535,400	-	
Others (specify)				
ICT Hubs		-	600,000	
Kamureito Secondary School		600,000	600,000	
Rural Electrification			5,000,000	
13.2 Sotik NG-CDF Strategic plan		1,524,000		
	Sub-Total	2,124,000	6,200,000	
14.0 unallocated fund				
Unapproved projects		6,720,000	6,720,000	
AIA		163,000	163,000	
PMC savings		-		
Unknown deposits		4,481		
	Sub-Total	6,887,481	6,883,000	
	Grand Total	106,285,476	33,563,106	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021/2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End 2022/2023
Land				
Buildings and structures	7,500,000			7,500,000
Transport equipment	9,450,000			9,450,000
Office equipment, furniture and fittings	49,975			49,975
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment	500,000			500,000
Heritage and cultural assets				
Intangible assets				
Total	17,499,975			17,499,975

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

PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
NYATEMBE PRY SCH	KCB	1262123771	132,924	602,102.20
ROTIK DAY SEC SCH	KCB	1110924070	65,266.25	540,120.50
NGARIET PRY SCH	KCB	1116220415	4,627.50	405,321
NDANAI PRY SCH	KCB	1135079307	212,454.70	700,450
MOSONIK PRY SCH	KCB	112228525	3,008.50	230,214.30
MOITA PRY SCH.	KCB	1116267047	70,811.85	-
MABWAITA PRY SCH	KCB	1160929998	14,395	214,530.30
KIPTENDEN PRY SCH	KCB	1130249212	400,908	720,210.21
LELECHWET PRY SCH	KCB	1170901557	2,988.25	125,312
KISABEI DAY SEC SCH	KCB	1166700275	2,553.50	187,520
KAPLEKWA PRY SCH	KCB	1132124719	730,840	23,100.25
KAPKELEI PRY SCH	KCB	1108311075	796.85	89,230.50
KAMUREITO PRY SCH	KCB	1180247353	14,878.75	162,500.20
KAMUREITO HIGH SCH	KCB	1107777752	66.20	178,200.30
KAMENES SEC SCH	KCB	1167831314	86,073.25	389,420.85
KABURGEI PRY SCH	KCB	1119789176	632	145,611.55
GORGOR SEC SCH	KCB	1116019116	468	44,150.25
GORGOR PRY SCH	KCB	1176225480	785.50	425,200.30
CHEPTEBE PRY SCH	KCB	1157833918	442,667.20	658,342.85
CHESERTON PRY SCH	KCB	1156775132	860,380.05	42,123.55
Total			3,047,525.35	5,883,661.11

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	<p>Unsupported Training Expenses The statement of receipts and payments reflects use of goods and services of Kshs.13,915,907. The amount includes training expenses of Kshs.1,282,000 as disclosed in Note 5 to the financial statement. However, the expenditure was not supported with invitation letters, signed attendance list and training needs assessment report. Further, the expenditure includes hire of conference facility expenditure of Kshs.575,000 was not supported with procurement records such as user requisition, register of suppliers and quotations. In the circumstances, the accuracy and propriety of training expenses of Kshs.1,282,000 for the year ended 30 June, 2022 could not be confirmed.</p>	<p>In order to enhance performance and to capacity build both the staff and the NG-cdf committee the National government constituency development board promotes trainings for its members. The amount quoted as Kshs.1,282,000 was spent to train the committee in the financial year 2021/2022. The attendance schedules and tender documents for the conference hall have been attached for your perusal.</p>	Unresolved	
2.	<p>Unsupported Transfers to Primary Schools The statement of receipts and payments reflects transfer to other government entities totaling to Kshs.93,530,000. The amount includes transfers to Primary Schools amounting to Kshs.45,110,000 as reflected in Note 6 to the financial statements for construction or renovation of classrooms and purchase of desks, and purchase of land of Kshs.41,310,000 and Kshs.2,850,000 and respectively. However, the transfers for the construction works and purchase of desks were not supported with procurement records such as bills of quantities from</p>	<p>All projects under transfer to Primary schools were done in consultation with the public works engineer and the sub county procurement officer. Attached are the bills of quantities advertisement, tender evaluation minutes, inspection certificates and completion certificates from the</p>	Unresolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>qualified quantity surveyor, tender advertisements, tender evaluation minutes, signed contract, inspection and acceptance committee reports, interim/completion certificates, Project Management Committee (PMC) accounting records such as cashbooks, bank statements and expenditure returns and evidence that the projects were implemented in consultation with relevant Government Departments. Further, the transfers for the purchase of land were not supported with PMC bank cashbooks, bank statements, expenditure returns, valuation reports and land title deeds.</p> <p>In addition, expenditure amount of Kshs.45,110,000 differed with the supporting schedule amount of Kshs.45,210,00 resulting to unexplained variance of Kshs.100,000.</p> <p>In the circumstances, the accuracy, propriety and completeness of transfers to Primary School expenditure totaling to Kshs.45,110,000 for the year ended 30 June, 2022 could not be confirmed.</p>	<p>engineer to confirm the same.</p>		
3.	<p>Unsupported Transfers to Secondary Schools</p> <p>The statement of receipts and payments reflects transfer to other government entities amounting to Kshs.93,530,000. The amount includes transfers to Secondary Schools amounting to Kshs.48,420,000 as reflected in Note 6 to the financial statements for construction works and purchase of buses of Kshs.32,320,000 and Kshs.15,312,000 respectively. However, the transfers for the construction works and purchase of buses were not supported with procurement records such as Bill of Quantities from qualified quantity surveyor, tender advertisements, tender evaluation minutes, signed contract, inspection and acceptance committee reports, interim/completion certificates, Project Management</p>	<p>Management Response</p> <p>All projects under transfer to secondary schools were done in consultation with the public works engineer and the sub county procurement officer. Attached are the bills of quantities advertisement, tender evaluation minutes, inspection certificates and completion certificates from the engineer to confirm the same.</p>	<p>Unresolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Committee (PMC) accounting records such as cashbooks, and expenditure returns and evidence that the projects were implemented in consultation with relevant government departments. Further, the expenditure includes Kshs.788,000 of which the purpose of payment was not disclosed.</p> <p>In the circumstances, the validity, accuracy and propriety of transfers to secondary Schools amounting to Kshs.48,420,000 for the year ended 30 June, 2022 could not be confirmed.</p>			
4.	<p>Unsupported Project Management Committee (PMC) Account Balances</p> <p>Other Important Disclosures Note 17.4 reflects Project Management Committee (PMC) account balance totaling to Kshs.24,460,334 for projects implemented during the year under review. However, cash books, confirmation certificates and bank reconciliation statements were not provided for audit. Further, Project Management Committee (PMC) bank account balances since inception of the Fund have not been disclosed. It was also not confirmed whether the bank account balances for completed projects have been surrendered to the main Constituency Fund bank account in compliance with Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which requires all unutilized funds of the Project Management Committee to be returned to the Constituency account.</p> <p>In the circumstances, the accuracy and completeness of the PMC account balance of Kshs.24,460,334 as at 30 June, 2022 could not be confirmed.</p>	<p>The Project Management Committee (PMC) account balance totalling to Kshs.24,460,334 for projects which have since been completed. The bank statements have been provided for perusal.</p>	Unresolved	
5.	<p>Inaccuracy of the Summary of Fixed Asset Register</p> <p>Annex 4 to the financial statements reflects summary of fixed</p>	Management Response	Unresolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Asset register balance of Kshs.17,499,97. The balance includes buildings and structures, and transport equipment -Toyota Land Cruiser valued at Kshs.7,500,000 and Kshs.9,450,000. However, the register reflects nil value of land and the title deed for the land was not provided for audit verification. The ownership of buildings and structures is therefore doubtful. The ownership of the transport equipment has also not been confirmed in the absence of the vehicle registration logbook. Further, the fixed assets register was not provided for audit verification and the annex does not reflect the opening balances.</p> <p>In the circumstances, the accuracy, ownership of the fixed assets balance of Kshs.17,499,975 as at 30 June, 2022 could not be confirmed.</p>	<p>Sotik NG-CDF has a Toyota Land Cruiser valued at Kshs.9,450,000. A copy of the logbook has been attached for your perusal.</p> <p>On the matter of title deed the committee will follow up with the deputy county commissioner so as he can facilitate issuance of allotment letter.</p>		

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Name: Huron Karanja
Fund Account Manager.