

REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: **13 AUG 2024** DAY: **Tuesday**

TABLED BY: **Hon. Naomi Wazamp**
Deputy Majority Party Whip
Arushibuko

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REPORT

OF

THE AUDITOR-GENERAL

ON

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

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



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YATTA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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

I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards

PMC- Project Management Committee

FY-Financial Year

II. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Functions of NG-CDF Committee

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

(b) Key Management

The Yatta 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	Stephen Maina
2.	Sub-County Accountant	Nicholas Kimanzi Mumo
3.	Chairman NGCDFC	Josphine Munyalo
4.	Member NGCDFC	Cosmas Ngila

(c) Fiduciary Oversight Arrangements

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

P.O. Box 203-90119

Matuu

Machakos, Kenya

(e) Yatta Constituency NGCDF Contacts

Telephone: (254) 0709894000

E-mail: yatta@ngcdf.go.ke

Website: www.ngcdf.go.ke

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(f) Yatta Constituency NGCDF Bankers

Family Bank
Makongeni
P.O.Box 75145
Makongeni, kenya

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

III. NG-CDFC Chairman's Report



Josphine Munyalo
Chairperson Yatta NG-CDFC

About the constituency

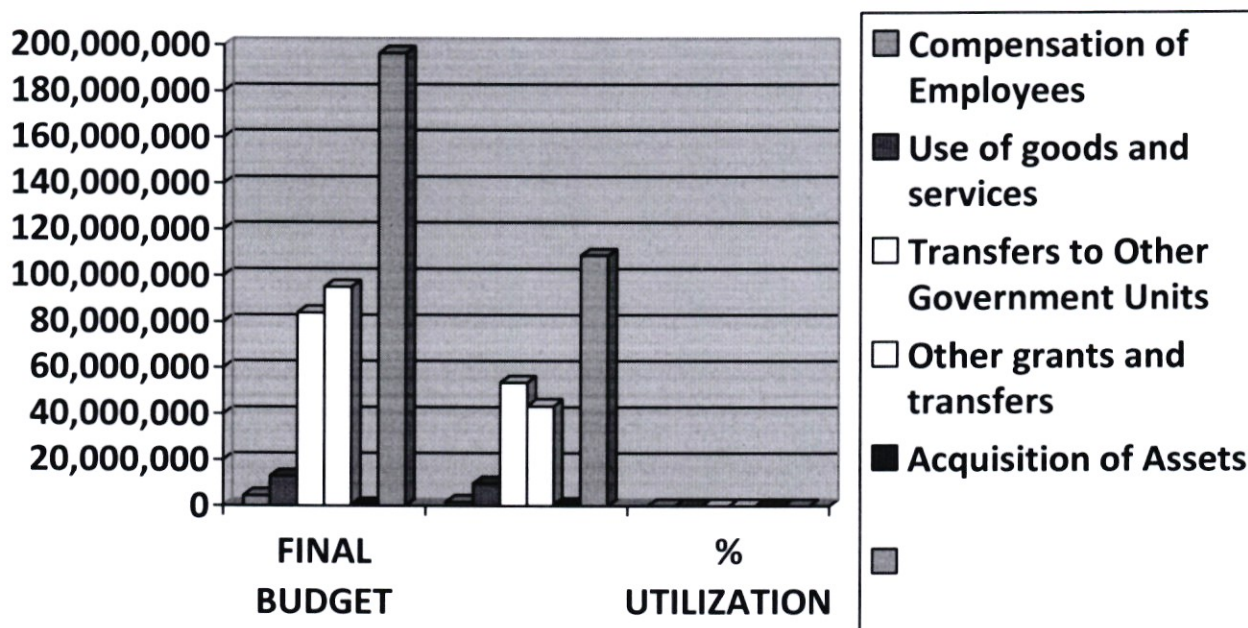
The Yatta Constituency is a vibrant region located in Machakos County. It encompasses diverse geographical, social, and economic characteristics that shape its unique identity and development potential. Yatta Constituency is a political constituency located in Machakos County, Kenya. According to the Kenya National Bureau of Statistics (KNBS), Yatta Constituency occupies a total area of approximately 1,062 square kilometres. It is one of the largest constituencies in Machakos County. Yatta Constituency is further divided into multiple wards, including Katangi, Ikombe, Matuu Kithimani, and Ndalani

Key Achievements

Yatta Constituency has had significant achievements in the financial year under review. The budget performance against actual amounts for the current year based on sectors for the financial year is as tabulated in the table below. The overall absorption of the available funds was however impressive since out of the total funds of ksh 57,000,000 received during the year, and the balance brought forward from last year of ksh 55,415,852 both totalling to ksh 112,415,852, 104,568,508 was utilized during the year under review. This translates to 52% absorption rate. The constituency has also undertaken a drastic improvement in the projects constructed as the constituency is now constructing classes that have tiles. The low absorption rate was caused by delayed disbursements of funds from the NG CDF Board Most of which came after the closure of the financial Year. The budget Execution is as tabulated below.

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Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding & Disbursements				
Transfers from NG-CDF Board	145,087,603	55,415,852		200,503,455	112,415,852	88,087,603	56%
Proceeds from Sale of Assets				-	-	-	0%
Other Receipts				-	-	-	0%
TOTAL RECEIPTS	145,087,603	55,415,852		200,503,455	112,415,852	88,087,603	56%
PAYMENTS							
Compensation of Employees	4,200,467	2,231,014		6,431,481	4,577,836	1,853,645	71%
Committee expenses	3,528,000	680,958		4,208,958	3,944,000	264,958	94%
Use of goods and services	5,329,425	797,146		6,126,571	1,340,137	4,786,434	22%
Transfers to Other Government Units	63,971,908	29,386,994		93,358,902	26,877,321	66,481,581	29%
Other grants and transfers	62,134,126	21,762,473		83,896,599	67,829,214	16,067,385	81%
Acquisition of Assets	-	557,267		557,267	-	557,267	0%
Oversight Committee Expenses	1,400,000			1,400,000	-	1,400,000	0%
Other Payments	4,523,677			4,523,677	-	4,523,677	0%
TOTAL	145,087,603	55,415,852	-	200,503,455	104,568,508	95,934,947	52%



The table above shows the percentages of budget utilisation against the final budget, the committee expenses had the highest utilization as also tabulated in the table above. The average utilization was 52% the low utilisation was caused by the long election period and a delay in disbursement of funds from the NG CDF Board that was caused by unapproved projects from the constituency.

Sample projects



Katangi TTI-Construction of classrooms

Katulani Primary-Construction of ablution block

Projects Impacts

Through construction of Katangi Technical Training Institute the constituency has been able to achieve a great milestone in ensuring that students from around the constituency benefit from technical education and also provide employment and business opportunities for the locals.

The construction of ablution block at Katulani Primary school was a great achievement as the school has been registering a huge number of pupils who were congesting at the existing facilities. The Ablution block serves over 300 pupils.

Emerging issues

Among the emerging issues negatively affecting the fund during the year under review was the election period and the change of office to the new office bearers. The deadly *Corona virus* pandemic effects were also felt though to minimal levels. The election period saw a slow absorption of the fund hence occasioned by late disbursement of the funds from the NG CDF Board.

Challenges and way forward

Yatta constituency is a vast constituency comprising of two sub counties. This has been a major challenge especially trying to access the projects as the roads are also impassable. Other challenges include inadequate resources due to the vast nature of the constituency and high number of projects proposed by the constituents in its and forums and the strategic plan. Due to this the constituency has not been in a position to achieve its strategic goals and objectives fully.

The constituency has decided to collaborate with other government agencies including the county government to ensure the challenges especially road challenges are addressed. Through a higher allocation in the following financial year the constituency intends to reach more beneficiaries in terms of bursary award.



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Josphine Munyalo
CHAIRPERSON YATTA NGCDF COMMITTEE

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

Introduction

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

The key development objectives of *Yatta Constituency 2023-2027* plan are to:

1. To improve the teaching and learning environment by implementing projects geared towards improving educational infrastructure in the Constituency
2. To strengthen the security systems in the constituency
3. Build capacity of the youth to improve on entrepreneurship, innovation, creativity and economic independence
4. Build capacity of the Persons with Disability to improve on entrepreneurship, innovation, creativity and economic independence
5. To incorporate environmental protection in socio-economic and infrastructural development projects
6. To lobby for collaborations and partnerships complement Yatta NGCDF development projects

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure built in primary secondary and tertiary institutions Number of bursary beneficiaries at all levels	In FY 22/23 -the number of renovated and newly constructed classrooms in primary schools increased from 15 to 17 classrooms Bursary beneficiaries at all levels were 16,500
Security	To have all our security personnel including chiefs and assistant chiefs in comfortable housing	Enhanced security as the security men will be in good housing conditions	Number of housing/office units built /refurbished for security personnel	The constituency increased security projects from 8 to 12
Environment	Enhancing	Enhancing	Constructed tank	The constituency has

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	better environment by carrying out constituency environmental projects that include buying of tanks and gutters in different public and primary schools	preservation of the environment	bases and installed gutters and tree planting	constructed tank bases and installed gutters and tree planting in 12 schools both primary and secondary
Sports	Enhancing talents in the constituency by carrying out sports tournaments and awarding the winning teams with trophies and sports uniforms	Enhanced talents	Tournament and sports uniforms	Through the help of FKF officials the constituency has implemented a sports tournament and bought sports uniforms and balls to all the teams
Emergency	To cater for unforeseen occurrences in the constituency	Enhanced better infrastructure	Toilets in the constituency	The constituency has constructed 9 toilets while previous year was none

V. Statement of Governance

Appointment and removal of NG CDFC Members

The Yatta National Government constituency development fund Committee is in charge of management and overseeing the implementation of the fund. The process of appointment and removal is properly outlined in the NG CDF Act of 2015 and as amended in 2022.

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

Following the above guidelines Yatta Constituency appointed new NG CDFC Members through the process guided by the NG CDF Act of 2015 and as amended in 2022. Advertisement was made, shortlisting done as per the 5 wards in the constituency. The selection panel chaired by a nominee of the deputy county commissioner spearheaded the process. After conducting interviews to the applicants the nominees of the panel were:

NAME	CATEGORY	DESIGNATION
Josphine Munyalo	Representative of Female Adult	Chairperson
Philip Wambua Nthenge	Male Youth representative	Member
Michael Muthini Ukili	Male Adult Representative	Member
Catherine Nziku Mwanzia	Female Youth Representative	Member

The constituency office nominated the following;

NAME	CATEGORY	DESIGNATION
Cosmas Mutiso Ngila	Nominee of the constituency office Male	Secretary
Pylis Wayua Kyalo	Nominee of the constituency office Female	Member

Through a forwarding letter the nominee of Persons living with disability was;

NAME	CATEGORY	DESIGNATION
Meshack Mumo Kamwana	Representative of persons living with	Member

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	disability	
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The NG CDF Board co-opted the following member to sit in the NG CDFC Committee;

NAME	CATEGORY	DESIGNATION
Evanson Koi	Co-opted Member	Member

The NG CDFC members were appointed and gazetted as follows

NAME	CATEGORY	DESIGNATION
Josphine Munyalo	Representative of Female Adult	Chairperson
Cosmas Mutiso Ngila	Nominee of the constituency office Male	Secretary
Pylis Wayua Kyalo	Nominee of the constituency office Female	Member
Philip Wambua Nthenge	Male Youth representative	Member
Michael Muthini Ukili	Male Adult Representative	Member
Catherine Nziku Mwanzia	Female Youth Representative	Member
Josphine Nduku Kioko	Female Adult Representative	Member
Meshack Mumo Kamwana	Representative of persons living with disability	Member

The NG CDF Act of 2015 and as amended in 2022 also outlines the process of removal of a member from office; a member may be removed based on 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.

Roles and functions of Yatta NG CDFC Committee

Ensure that all projects receive adequate funding and are completed within three years; where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies; (I) ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board; monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board; ensure that project reports are prepared and submitted to the Board; ensure formation of project management committees, opening of project accounts, project implementation and closure of projects; ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund; submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;

Yatta NG CDFC Meetings

The NG CDF Act of 2015 and as amended in 2022 indicates that a constituency committee should hold a maximum of 24 meetings and a minimum of 12 within a financial year. The Constituency has held a total of 15 meetings within the financial year where lots of issues have been deliberated. Among the key issues is disbursement of Funds to the PMC accounts. The constituency has made it a habit to declare conflict of interest in every meeting.

Dissolution of a Constituency Committee

The NG CDF Act of 2015 and as amended in 2022 outlines the procedures to be taken when dissolving a constituency committee. A person may present a petition to the Board for the dissolution of a Constituency Committee setting out the alleged facts constituting any one or more of the following grounds for dissolution— (a) serious violation of the Constitution or any other law including a contravention of Chapter Six; (b) gross misconduct, whether in performance of the member's or office holder's functions or otherwise; (c) incompetence; (d) bankruptcy; or (e) any other cause as may be deemed justifiable.

Yatta NG CDFC has not been dissolved for any of the above reasons.

Conflict of Interest

The NG CDF Act of 2015 regulations of 2016 states that all officers should declare conflict of interest before commencement of any meeting. Yatta NG CDFC ensures that members declare conflict of interest before start of any meeting.

Remuneration of NG CDFC Members

The NG CDF Act of 2015 regulations of 2016 indicates that members are entitled to sitting allowances once they attend meetings. Yatta NG CDFC Members are entitled to a sitting allowance once they attend meetings.

Ethics and conduct

The chapter on Leadership and Integrity requires State officers to be guided in their day-to-day conduct by principles of leadership and integrity which, among other requirements, include: being objective and impartial in ensuring that decisions are not influenced by nepotism, favouritism, and other improper motives.

The NG CDFC Members Yatta Constituency are bound by the requirements and guidelines of this chapter like other [public officers

VI. Environmental and Sustainability Reporting

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

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

Yatta National Government Constituency development Fund Committee has engaged in several projects and among them is the environment project. The environmental conservation activities include tree planting and construction of gutters for water collection. The constituency has also constructed water collection dams where water collects during rainy seasons. The constituency has also constructed water hydrams for supply of water to schools.

Other projects undertaken by the constituency are the security projects. Such projects include construction of police posts and chief camps. This has resulted to reduced crime rates in our constituency.

The constituency is also improving sporting activities by organising constituency tournaments. This has resulted to improved talent in the constituency.

3. Employee welfare

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

Yatta 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-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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



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Name

Fund Account Manager.

VII. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Yatta 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-Yatta 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- Yatta Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

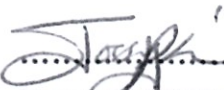
The Accounting Officer in charge of the NGCDF Yatta Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the

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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- Yatta Constituency financial statements were approved and signed by the Accounting Officer on 11th April 2024.


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Name: JOSPHINE MUNYALO
Chairperson – NGCDF Committee


.....

Name: STEPHEN MAINA
Fund Account Manager

REPUBLIC OF KENYA



Phone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Yatta Constituency set out on pages 1 to 56, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and statement of appropriation for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya

and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Inaccuracies in Financial Statements

1.1 Inaccurate Opening Balances

The summary statement of appropriation and budget execution by sectors and projects reflects unutilized funds opening balances which differ with the previous year audited financial statements as detailed in the table below.;

Item	Financial Statement Amount (Kshs.)	Audited Financial Statements Amount (Kshs.)	Variance (Kshs.)
Transfers to Other Government Units	29,386,994	20,109,458	9,277,536
Transfers to Other Grants and Transfers	21,762,473	26,747,553	4,985,080
Acquisition of Assets	557,267	Nil	557,267
Other Payments	Nil	4,849,723	4,849,723

1.2 Errors in the Summary Statement of Appropriation and Budget Execution by Sectors and Projects

The summary statement of appropriation and budget execution by sectors and projects reflects final expenditure budget amount of Kshs.200,503,455 which includes Kshs.49,873,789 for projects which had not been approved by the National Government Constituencies Development Fund Board by 30 June, 2023. However, the budget execution by sectors and projects reflected Nil amount for funds pending approval resulting to unexplained variance of Kshs.49,873,789.

Further, the statement does not reflect the amount in the original budget column. Moreover, the transfers to other Government units reflects a final budget of Kshs.43,485,113 and budget utilization difference of Kshs.66,481,581 while the recomputed amounts reflects Kshs.93,386,994 and Kshs.16,607,792 respectively, resulting to an unexplained variances of Kshs.49,901,881 and Kshs.49,873,789 respectively. Further, the budget execution by sectors and projects includes expenditure projects amounting to Kshs.49,873,789 in original and final budget columns which had

not been approved by the Board on 30 June, 2023. No reconciliations or explanation were provided for the anomalies and misstatements cited above.

In the circumstances, the accuracy of the financial statements could not be confirmed.

1.3 Errors in Presentations and Disclosures in the Financial Statements

The related party transactions have been omitted from the financial statements as reflected in Note 19.5 to the financial statements. Further, Annex 3 - Unutilised Funds reflects outstanding balance Nil and Kshs.557,267 for sub-total acquisition of assets and oversight committee expenses instead of Kshs.557,267 and Kshs.1,400,000 respectively.

In the circumstances, the accuracy of the financial statements could not be confirmed.

2. Unsupported Payments for Projects

2.1 Other Grants and Transfers

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects other grants and other transfers totalling Kshs.67,829,214 which includes an amount of Kshs.4,730,000 disbursed to two (2) projects in security institutions for construction of four (4) roomed offices. The projects included Katangi chief's office and Kiamani Assistant Chief's office constructed at contract a sum of Kshs.2,365,000 each. However, supporting documents such as bills of quantities, professional opinion, interim payment certificates, contract agreements, Project Management Committee minutes approving payments, and certificates of practical completion were not provided for audit.

In the circumstances, the accuracy and completeness of the expenditure amounting to Kshs.4,730,000 could not be confirmed.

2.2 Transfers to Other Government Units

The statement of receipts and payments and Note 7 to the financial statements reflects Kshs.26,877,321 in respect of transfers to other Government units, comprising of amounts of Kshs.13,427,321 and Kshs.13,450,000 transferred to primary schools and secondary schools respectively for implementation of various projects across the Constituency. Review of Project Management Committee records for nine (9) projects relating to either renovation of classrooms, construction of classrooms to completion, construction and equipping of science laboratories revealed that payments totalling Kshs.14,250,000 were not supported by interim payment certificates, invoices, and site inspection and acceptance reports as required.

Further, NGCDF board funded two (2) projects at Iviani Primary and Ngangani Primary schools both relating to renovation of classrooms at Kshs.900,000 each. However, project records for the two (2) projects amounting to Kshs.1,800,000 were not provided for audit.

In the circumstances, the accuracy and completeness of the expenditure amount of Kshs.14,250,000 could not be confirmed.

3. Inaccuracies in Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Note 12A to the financial statements reflects a bank balance of Kshs.7,847,344 as at 30 June, 2023. However, review of the cashbook, certificates of bank balances and bank reconciliation statements for the month of June 2023 revealed that out of the unpresented cheques totalling Kshs.2,276,515.28, cheques amounting to Kshs.6,830.28 were stale and had not been reversed back to the cash book. The cash equivalent balance is therefore, understated by the same amount.

In the circumstances, the cash and cash equivalents balance of Kshs.7,847,344 in statement of assets and liabilities could not be confirmed.

4. Misclassification of Expenditure

The statement of receipts and payments and Note 5 to the financial statements reflects committee expenses amount of Kshs.3,944,000. However, included in the amount is Kshs.19,396 incurred on fueling and servicing of Fund vehicle which should have been charged to goods and services and not committee expenses. The expenditure on committee expenses is overstated and use of goods and services is understated.

In the circumstances, the accuracy of the committee expenses amount of Kshs.3,944,000 could not be confirmed.

5. Unsupported Project Management Committee Balances

Note 19.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balance totalling Kshs.8,524,374. However, the cash books, bank reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.8,524,374 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects a final budgeted receipt amount of Kshs.200,503,455 and actual receipts on a comparable basis amount of Kshs.112,415,852 respectively resulting to under-realization of Kshs.88,087,603 or 44% of the budget. However, the Fund spent an amount of Kshs.104,568,508 against

actual receipts of Kshs.112,415,852 resulting to under-utilization of Kshs.7,847,344 or 7% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

1. Failure to Implement Projects

During the year under review, the Fund had budgeted to implement a total of seventy (70) projects worth Kshs.100,329,846. However, forty (40) projects with total allocations of Kshs.71,562,525 were not implemented and NGCDF Board did not disburse funds amounting to Kshs.88,087,603 for the implementation of projects in 2022/2023 financial year.

In the circumstances, value for money on the Kshs.71,562,525 allocated to projects that were not implemented during the year under review could not be confirmed.

2. Delayed Transfers and Receipts from NGCDF Board

The statement of receipts and payments and Note 1 to the financial statements reflects an amount of Kshs.57,000,000 for transfers from the NGCDF Board. Review of statement of appropriation and approved code list revealed that the Fund had budgeted to receive Kshs.145,087,603 in form of transfers from the NGCDF Board. Review of

Authority to Incur Expenditure (AIE) records revealed that the balance of Kshs.88,087,603 was received between 4 July, 2023 and 30 August, 2023.

Delay in fund disbursements, implies that budgeted programmes and activities of equivalent value were not implemented, thereby disadvantaging the public.

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

3. Projects Implemented without Signed Contracts

The statement of receipts and payments and Note 7 to the financial statements reflects an amount of Kshs.26,877,321 in respect of transfers to other Government units, comprising of Kshs.13,427,321 and Kshs.13,450,000 transferred to primary and secondary schools respectively for implementation of various projects across Yatta Constituency. Review of the Project Management Committee (PMC) records, revealed that six (6) projects worth Kshs.4,000,000 were implemented without signed contract agreements between the PMCs and the contractors implementing the projects. The Fund risked losing money in case of disagreements or the contractors failed to fulfill their obligations during the contract execution period. The projects included either renovation or construction of classrooms at Kalandini, Kisaani, Kyusyani and Malatani Primary Schools. Section 135(1) of the Public Procurement and Asset Disposal Act, 2015 requires that the existence of a contract shall be confirmed through the signature of a contract document.

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

4. Unsatisfactory Works by Contractors

The statement of receipts and payments and Note 7 to the financial statements reflects an amount of Kshs.26,877,321 in respect of transfers to other Government units, comprising of Kshs.13,427,321 and Kshs.13,450,000 transferred to Primary and Secondary schools respectively for implementation of various projects across Yatta Constituency. However, inspection of the projects worth Kshs.8,400,000 carried out on 14 March, 2024 revealed poor workmanship in some of the projects implemented, incomplete works and projects completed but not in use. The projects involved renovation of classrooms at Kyaani and Ngangani Primary schools at Kshs.900,000 each, and construction of science laboratories at Kwakoko, Mathingau and Muusini Secondary schools at approximately Kshs.2,000,000 each.

In the circumstances, the public may not have realized value for money on the amount of Kshs.8,400,000 spent on the five (5) construction projects.

5. Failure to File Report on Utilization of Emergency Reserves

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects an expenditure amounting to Kshs.67,829,214 under other grants and transfers. Included in the amount is Kshs.7,100,000 utilized on ten (10) emergency projects from emergency reserves. However, no documents were provided for audit to confirm if the same was reported to the NGCDF Board within thirty (30) days

of the occurrence. This was contrary to Regulation 20(2) of National Government Constituencies Development Fund Regulations, 2016 which provides that, the utilization of emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

6. Delay in Release of Funds for Emergency Projects

The statement of receipts and payments and Note 8 to the financial statements reflects emergency projects amounts totalling Kshs.7,100,000. Included in the amount is Kshs.6,700,000 released for implementation of nine (9) emergency projects in learning institutions. However, documents reviewed indicated that the NGCDF Management delayed release of the funds ranging between one (1) to six (6) months from the date of approval by the NGCDF Committee. The Fund Management did not provide a satisfactory explanation for this anomaly.

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

7. Lack of Criteria for Bursary Disbursements

The statement of receipts and payments reflects Kshs.67,829,214 in respect of other grants and transfers which as disclosed in Note 8 to the financial statements includes an amount of Kshs.30,727,646 for bursaries disbursements to secondary schools. Included in the amount is Kshs.24,514,000 being bursaries disbursed to secondary schools at the rate of Kshs.2,000 per student. However, the criteria used to disburse the funds did not consider students' fee balances, parental status and whether the beneficiaries were either in day or boarding school. Consequently, the objective and purpose of the bursary funds may not have been achieved as some students may have encountered challenges in paying school fees even after benefiting from the bursary disbursement programme.

In the circumstances, the public may not have realized value for money on the expenditure of Kshs.24,514,000 disbursed as bursaries to secondary schools.

8. Irregular Award of Contracts to Ineligible Contractors

The statement of receipts and payments reflects Kshs.67,829,214 in respect of other grants and transfers as disclosed in Note 8 to the financial statements, which includes Kshs.7,100,000 for emergency projects. Documents provided revealed that three (3) Project Management Committees of primary schools irregularly awarded and paid a total of Kshs.3,293,783 to three (3) Contractors who implemented emergency projects in three (3) primary schools. The three (3) projects included construction of emergency toilet at Katulani Primary School, refurbishment of classrooms at Nthungululu Primary School and renovation of classrooms and staffroom at Ngoliba Primary School.

Review of tender documents revealed that the contractors who were awarded these contracts operated and resided outside the Constituency. The contractors were paid Kshs.1,198,790, Kshs.998,140 and Kshs.1,096,853 respectively. However, Section 151 of the Public Procurement and Asset Disposal Regulations, 2020, among other things,

stipulate that contractors who are based and operate in the regions be given exclusive preference when participating in procurements using funds from the County Government or any devolved Fund except where it is established that local capacity is not available.

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

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

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

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gatundu, CBS
AUDITOR-GENERAL

Nairobi

03 June, 2024

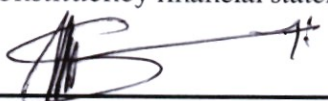
Yatta Constituency
National Government Constituencies Development Fund (NGCDF)
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IX. Statement of Receipts and Payments for the Year Ended 30th June 2023

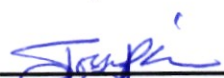
	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	57,000,000	182,177,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	7,293,170
Total Receipts			
		57,000,000	189,470,928
Payments			
Compensation Of Employees	4	4,577,836	3,337,229
Committee expenses	5	3,944,000	1,807,693
Use Of Goods and Services	6	1,340,137	4,239,962
Transfers To Other Government Units	7	26,877,321	60,189,955
Other Grants and Transfers	8	67,829,214	66,414,588
Acquisition Of Assets	9	-	-
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
Total Payments			
		104,568,508	135,989,427
Surplus/ (Deficit)			
		(47,568,508)	53,481,501

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 11th April 2024 and signed by:


 Fund Account Manager


 National Sub-County
 Accountant


 Chairperson NG-CDF
 Committee

Name: STEPHEN MAINA

Name: NICHOLAS KIMANZI
 ICPAK M/No: 4562

Name: JOSPHINE MUNYALO

Yatta Constituency
National Government Constituencies Development Fund (NGCDF)
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X. Statement Of Assets and Liabilities As At 30th June, 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	7,847,344	55,415,852
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		7,847,344	55,415,852
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		7,847,344	55,415,852
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		7,847,344	55,415,852
Represented By			
Fund Balance B/Fwd	15	55,415,852	1,934,351
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		(47,568,508)	53,481,501
Net Financial Position		7,847,344	55,415,852

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 11th April 2024 and signed by:



 Fund Account Manager

Name: STEPHEN MAINA



 National Sub-County
 Accountant

Name: NICHOLAS KIMANZI
 ICPAK M/No:4562



 Chairman NG-CDF Committee

Name: JOSPHINE MUNYALO

Yatta Constituency
National Government Constituencies Development Fund (NGCDF)
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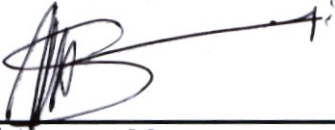
XI. Statement Of Cash Flows for The Year Ended 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	57,000,000	182,177,758
Other Receipts	3	-	7,293,170
Total Receipts		57,000,000	189,470,928
Payments			
Compensation Of Employees	4	4,577,836	3,337,229
Committee Expenses	5	3,944,000	1,807,693
Use Of Goods and Services	6	1,340,137	4,239,962
Transfers To Other Government Units	7	26,877,321	60,189,955
Other Grants and Transfers	8	67,829,214	66,414,588
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
Total Payments		104,568,508	135,989,427
Total Receipts Less Total Payments			
Adjusted For:		-	-
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		(47,568,508)	53,481,501
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		(47,568,508)	53,481,501
Cash & Cash Equivalent At Start Of The Year	12	55,415,852	1,934,351
Cash & Cash Equivalent At End Of The Year	12	7,847,344	55,415,852

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

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 11th April 2024 and signed by:



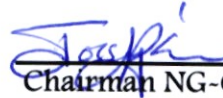
Fund Account Manager

Name: STEPHEN MAINA



National Sub-County
Accountant

Name: NICHOLAS KIMANZI
ICPAK M/No:4562



Chairman NG-CDF Committee

Name: JOSPHINE MUNYALO

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

XII. Summary Statement of Appropriation for The Year Ended 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 %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	145,087,603	55,415,852	-	200,503,455	112,415,852	88,087,603	56%
Proceeds from Sale of Assets	-	-	-	-	-	-	0%
Other Receipts	-	-	-	-	-	-	0%
TOTAL RECEIPTS	145,087,603	55,415,852	-	200,503,455	112,415,852	88,087,603	56%
PAYMENTS							
Compensation of Employees	4,200,467	2,231,014	-	6,431,481	4,577,836	1,853,645	71%
Committee expenses	3,528,000	680,958	-	4,208,958	3,944,000	264,958	94%
Use of goods and services	5,329,425	797,146	-	6,126,571	1,340,137	4,786,434	22%
Transfers to Other Government Units	63,971,908	29,386,994	-	43,485,113	26,877,321	66,481,581	29%
Other grants and transfers	62,134,126	21,762,473	-	83,896,599	67,829,214	16,067,385	81%
Acquisition of Assets	-	557,267	-	557,267	-	557,267	0%
Oversight Committee Expenses	1,400,000	-	-	1,400,000	-	1,400,000	0%
Other Payments	4,523,677	-	-	4,523,677	-	4,523,677	0%
Funds pending approval				49,873,789			
TOTAL	145,087,603	55,415,852	-	200,503,455	104,568,508	95,934,947	52%

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

Yatta National Government Constituency Development Fund did not have any AIA

- i. The underutilisation of transfers from the NG CDF Board was caused by some unapproved projects
- ii. The underutilisation of compensation of employees was caused by transition period
- iii. The underutilisation of use of goods and services was caused by some unapproved expenses
- iv. The underutilisation of transfer to other government units was caused by some unapproved projects
- v. The underutilisation of other grants and transfers was caused by some unapproved projects

The difference between the original and final budget of Kshs 55,415,852 was a result of un-utilised funds from the previous financial year 2021-2022


Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	95,934,947
Less undisbursed funds receivable from the Board as at 30 th June 2023	88,087,603
	7,847,344
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2023	7,847,344

The Constituency financial statements were approved by NG CDFC on 11th April 2023 and signed by:



 Fund Account Manager

Name: STEPHEN MAINA



 National Sub-County Accountant

Name: NICHOLAS KIMANZI
 ICPAK M/No:4562



 Chairman NG-CDF Committee

Name: JOSPHINE MUNYALO

*Yatta Constituency
National Government Constituencies Development Fund (NGCDF)
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XIII. Budget Execution by Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,200,467	2,231,014	-	6,431,481	4,577,836	1,853,645
1.2 Committee allowances	1,128,000	531,358	-	1,659,358	1,659,358	-
1.3 Use of goods and services	3,376,789	665,430	-	4,042,219	1,035,030	3,007,189
Sub-total	8,705,256	3,427,802	-	12,133,058	7,272,224	4,860,834
2.0 Monitoring and evaluation						
2.1 Capacity building	1,500,000	25,233	-	1,525,233	-	1,525,233
2.2 Committee allowances	2,400,000	149,600	-	2,549,600	2,284,642	264,958
2.3 Use of goods and services	452,636	106,483	-	559,119	305,107	254,012
Sub-total	4,352,636	281,316	-	4,633,952	2,589,749	2,044,203
3.0 Emergency						
3.1 Primary Schools	7,636,190	1,395,588	-	9,031,778	7,100,000	1,931,778
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-
3.5 Un utilized	-	7,192,207	-	7,192,207	-	7,192,207

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Sub-total	7,636,190	8,587,795	-	16,223,985	7,100,000	9,123,985
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	26,494,432	6,137,913	-	32,632,345	30,727,646	1,904,699
4.3 Tertiary Institutions	20,000,000	4,694,969	-	24,694,969	22,634,036	2,060,933
4.4 Universities	-	-	-	-	-	-
4.5 Special Needs	1,000,000	-	-	1,000,000	664,532	335,468
Sub-total	47,494,432	10,832,882	-	58,327,314	54,026,214	4,301,100
5.0 Sports						
5.1 Constituency Sports Activities	2,401,752	1,290,978	-	3,692,730	1,283,000	2,409,730
5.2 Regional Sports Tournament	500,000	-	-	500,000	-	500,000
Sub-total	2,901,752	1,290,978		4,192,730	1,283,000	2,909,730
6.0 Environment						
6.1 Environment	2,901,752	360,818	-	3,262,570	-	3,262,570
Sub-total	2,901,752	360,818	-	3,262,570	-	3,262,570
7.0 Primary Schools Projects (List all the Projects)						
7.1 Katangi special school	300,000	-	-	300,000	-	300,000
7.2 Morramuni Primary School	300,000	-	-	300,000	-	300,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.3 Ndalasyani Primary School	50,000	150,000	-	200,000	150,000	50,000
7.4 Kangemi Primary School	353,279	396,721	-	750,000	396,721	353,279
7.5 Kwakisai Primary school	450,000	-	-	450,000	-	450,000
7.6 Languni Primary School	429,564	-	-	429,564	-	429,564
7.7 Malivini Primary School	300,000	-	-	300,000	-	300,000
7.8 Uvuoni Primary School	800,000	-	-	800,000	-	800,000
7.9 ABC Makutano Primary School	200,000	-	-	200,000	-	200,000
7.10 Kithuiani Primary School	250,000	-	-	250,000	-	250,000
7.11 Iviani Primary School Acess Bridge	29,923,360	-	-	29,923,360	-	29,923,360
7.12 Kamweani Primary School	3,594,530	-	-	3,594,530	-	3,594,530
7.13 Kalandini Primary School	5,534,080	-	-	5,534,080	-	5,534,080
7.14 Ndiuni Primary School	3,964,040	-	-	3,964,040	-	3,964,040
7.15 Mutyamboo Primary School	2,932,350	-	-	2,932,350	-	2,932,350
7.16 Mukuyuni Primary School	600,000	-	-	600,000	-	600,000
7.17 Muusini Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.18 Kithuiani Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.19 Ivutu Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.20 Ivutini Primary School		-	-		-	1,200,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	1,200,000			1,200,000		
7.21 Mbembani Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.22 Uvaini AIC Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.23 Kinaka Primary School	600,000	-	-	600,000	-	600,000
7.24 Kambi ya Ndeke Primary School	600,000	-	-	600,000	-	600,000
7.25 Kamweani Primary School	600,000	-	-	600,000	-	600,000
7.26 Kaumoni Primary School	600,000	-	-	600,000	-	600,000
7.27 Kautuluni Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.28 Sofia Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.29 Maiuni Primary School	600,000	600,000	-	1,200,000	600,000	600,000
7.30 iviani Primary	-	900,000	-	900,000	900,000	-
7.31 Kalandini Primary School	-	1,050,000	-	1,050,000	1,050,000	-
7.32 kangoko primary school	-	580,600	-	580,600	230,600	350,000
7.33 katangi education office	-	500,000	-	500,000	500,000	-
7.34 Kautuluni Primary School	-	850,000	-	850,000	850,000	-
7.35 kauukuni primary school	-	850,000	-	850,000	850,000	-
7.36 kikesa primary school	-	300,000	-	300,000	-	300,000
7.37 kikule primary school	-	850,000	-	850,000	850,000	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.38 kikuyuni primary school	-	850,000	-	850,000	850,000	-
7.39 kilaatu primary school	-	600,000	-	600,000	600,000	-
7.40 kisaani primary school	-	900,000	-	900,000	900,000	-
7.41 kwa mwatu primary school	-	850,000	-	850,000	850,000	-
7.42 kyaani primary school	-	900,000	-	900,000	900,000	-
7.43 kyusyani primary school	-	850,000	-	850,000	850,000	-
7.44 malatani primary school	-	1,200,000	-	1,200,000	1,200,000	-
7.45 mombuni primary school	-	850,000	-	850,000	-	850,000
7.46 munyiiki primary school	-	600,000	-	600,000	-	600,000
7.47 ngangani primary school	-	900,000	-	900,000	900,000	-
Total	62,581,203	15,527,321	-	78,108,524	13,427,321	64,681,203
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Iviani secondary school	520,000	-	-	520,000	-	520,000
8.2 Mangweti secondary school	200,000	600,000	-	800,000	600,000	200,000
8.3 mathingau secondary school	-	2,000,000	-	2,000,000	2,000,000	-
8.4 kikesa secondary school	-	600,000	-	600,000	600,000	-
8.5 muusini secondary school	-	2,000,000	-	2,000,000	2,000,000	-
8.6 kwakoko secondary school	-	-	-	-	-	-

Yatta Constituency

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		2,600,000		2,600,000	2,600,000	
8.7 mekilingi secondary school	-	850,000	-	850,000	850,000	-
8.8 st. francis katangi boys high school	-	850,000	-	850,000	850,000	-
8.9 kaloleni secondary school	-	600,000	-	600,000	600,000	-
8.10 kwa mwatu secondary school	-	600,000	-	600,000	600,000	-
8.11 st. austin matuu day secondary sch	-	2,600,000	-	2,600,000	2,600,000	-
8.12 yumbuni secondary school	-	150,000	-	150,000	150,000	-
Sub-total	720,000	13,450,000	-	14,170,000	13,450,000	720,000
9.0 Tertiary institutions Projects (List all the Projects)						
9.1 Katangi Technical Training Institute	670,705	153,889	-	824,594	-	824,594
9.2 Katangi Technical Training Institute	-	254,305	-	254,305	-	254,305
9.3 Katangi Technical Training Institute	-	1,479	-	1,479	-	1,479
Sub-total	670,705	409,673	-	1,080,378	-	1,080,378
10.0 Security Projects						
10.1 Assistant County Commissioner Office Ikombe Division	1,200,000.00	-	-	1,200,000	4,730,000	3,530,000
10.2 kwa ndolo ass. Chiefs office	-	190,000	-	190,000	190,000	-
10.3 yatta sub county police HQ office	-	500,000	-	500,000	500,000	-
Sub-total	1,200,000	690,000	-	1,890,000	5,420,000	3,530,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	557,267	-	557,267	-	557,267
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
Sub-total	-	557,267	-	557,267	-	557,267
12.0 Oversight Committee Expenses (itemize)						
12.1 Accommodation - Domestic Travel	300,000	-	-	300,000	-	300,000
12.2 Daily Subsistence Allowance	165,000	-	-	165,000	-	165,000
12.3 COC Members Allowance	300,000	-	-	300,000	-	300,000
12.4 Refined Fuels and Lubricants for Transport	635,000	-	-	635,000	-	635,000
Sub-total	1,400,000	-	-	1,400,000	-	1,400,000
13.0 Others						
13.1 Strategic Plan	3,500,000	-	-	3,500,000	-	3,500,000
13.2 NG CDF Office	1,023,677	-	-	1,023,677	-	1,023,677
Sub-total	4,523,677	-	-	4,523,677	-	4,523,677
Funds pending approval**	-	-	-	-	-	-
Total	145,087,603	55,415,852	-	200,503,455	104,568,508	95,934,947

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

XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Yatta Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

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Significant Accounting Policies Continued

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO. B105331	-	33,000,000
AIE NO. B105587	-	44,000,000
AIE NO. B105964	-	22,000,000
AIE NO. B128741	-	5,000,000
AIE NO. B154353	-	12,000,000
AIE NO. B154247	-	15,000,000
AIE NO. B154465	-	19,000,000
AIE NO. B155518	-	20,088,879
AIE NO. B154465	-	12,088,879
AIE NO. B185298	7,000,000	-
AIE NO. B185443	6,000,000	-
AIE NO. B185818	15,000,000	-
AIE NO. B206224	5,000,000	-
AIE NO. B205641	12,000,000	-
AIE NO. B205938	12,000,000	-
TOTAL	57,000,000	182,177,758

2. Proceeds From Sale of Assets

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

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3. Other Receipts

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts Sale of Tender Documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		2,868,920
Other Receipts Not Classified Elsewhere (specify)	-	4,424,250
TOTAL	-	7,293,170

4. Compensation Of Employees

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,291,180	2,398,370
Personal allowances paid as part of salary		
House allowance	-	309,500
Transport allowance	-	391,000
Leave allowance	-	-
Gratuity-contractual employees	1,255,576	212,759
Employer Contributions Compulsory national social security schemes	31,080	25,600
TOTAL	4,577,836	3,337,229

5. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	2,589,200	356,293
Other committee expenses	1,354,800	1,451,400
Total	3,944,000	1,807,693

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Notes To the Financial Statements (Continued)

6. Use of Goods and services

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	47,595	972,495
Communication, supplies and services	25,250	18,900
Domestic travel and subsistence	50,000	200,000
Printing, advertising and information supplies & services	39,000	-
Rentals of produced assets	-	-
Training expenses	30,000	2,474,767
Hospitality supplies and services	94,600	100,000
Insurance costs	250,000	-
Specialised materials and services	-	-
Office and general supplies and services	285,434	163,800
Fuel , oil & lubricants	471,058	300,000
Other operating expenses	-	-
Bank Charges	47,200	10,000
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
Total	1,340,137	4,239,962

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Notes To The Financial Statements (Continued)

7. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	13,427,321	43,513,843
Transfers To Secondary Schools (See Attached List)	13,450,000	9,564,000
Transfers To Tertiary Institutions (See Attached List)	-	7,112,112
Total	26,877,321	60,189,955

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	30,727,646	43,263,000
Bursary – tertiary institutions (see attached list)	22,634,036	21,306,000
Bursary – special schools (see attached list)	664,532	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	5,420,000	450,000
Sports projects (see attached list)	1,283,000	-
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	7,100,000	1,395,588
Roads projects (see attached list)	-	-
Total	67,829,214	66,414,588

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9. Acquisition Of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	-	-

10. Oversight Committee Expenses

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

11. Other Payments

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

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12. Cash Book Bank Balance

12. Cash Book Bank Balance		
12A: Bank Accounts (Cash Book Bank Balance)		
Equity Bank Limited, Matuu Branch. Yatta NG-CDF Account No: 0390263964339	7,847,344	55,415,852
Total	7,847,344	55,415,852
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
	-	-

13. Outstanding Imprests

13. Outstanding Imprests				
-	-	-	-	-
Total	-	-	-	-

14. Retention and Gratuity

14. Retention and Gratuity		
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	-	-

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Notes to the Financial Statement Continued

14 B. Gratuity	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 st July (A)	-	1,284,430
Gratuity held during the year (B)	1,255,576	206,890
Gratuity paid during the Year (C)	1,255,576	1,491,320
Closing Gratuity as at 30 th June D= A+B-C	-	-

15. Fund Balance B/F

	(1st July 2022)	(1st July 2021)
	Kshs	Kshs
Bank accounts	55,415,852	1,934,351
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	55,415,852	1,934,351

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	-	-	-

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Notes to the Financial Statement Continued
17. Changes In Accounts Receivable – Outstanding Imprests

	<i>2022-2023</i>	<i>2021-2022</i>
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	4,302,000
Imprest surrendered during the Year (C)	-	4,302,000
closing accounts in account receivables D= A+B-C	-	-
Net changes in accounts Receivables D – A	-	-

18. Changes In Accounts Payable – Deposits and Retentions

	<i>2022-2023</i>	<i>2021-2022</i>
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	1,255,576	-
Deposit and Retentions paid during the Year (C)	1,255,576	-
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)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

19.2: Pending Staff Payables (See Annex 2)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NGCDFC Staff	-	1,125,109
Others (<i>specify</i>)	-	-
Total	-	-

19.3: Unutilized Fund (See Annex 3)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Compensation of employees	1,853,645	2,231,014
Committee expense	264,958	-
Use of goods and services	4,786,434	1,478,104
Amounts due to other Government entities (see attached list)	66,481,581	20,109,458
Amounts due to other grants and other transfers (see attached list)	16,067,385	26,747,553
Acquisition of assets	557,267	-
Oversight Committee Expenses	1,400,000	-
Other Payments (<i>specify</i>)	4,523,677	4,849,723
Funds pending approval		-
Total	95,934,947	55,415,852

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19.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances(see attached list)	8,524,374.17	58,425,079.00
TOTAL	8,524,374.17	58,425,079.00

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XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

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

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Compensation of employees	Payment of employee salaries	1,853,645	2,231,014	There was a delay in employment of employees caused by transition
Use of goods & services	These are for payment of utilities, hospitality, fuel, oil and lubricants	5,051,392	1,478,104	Delay in disbursement of funds from the board
Sub Total		6,905,037	3,709,118	
Amounts due to other Government entities				
Primary schools				
Katangi special school	Additional funds for completion of 1 classroom: roofing,plastering, painting and fixing of doors and windows.	300,000	-	Delayed disbursement of funds caused by unapproved code list
Morramuni Primary School	Additional funds for completion of 1 classroom: roofing,plastering, painting and fixing of doors and windows.	300,000	-	Delayed disbursement of funds caused by unapproved code list
Ndalasyani Primary School	Additional funds for completion of 6 door pit latrine: painting	50,000	-	Delayed disbursement of funds caused by unapproved code list
Kangemi Primary School	Additional funds for completion of renovation of 4 classrooms: construction of ring beams, plastering and fixing of doors and windows.	353,279	-	Delayed disbursement of funds caused by unapproved code list
Kwakisai Primary school	Additional funds for completion of 1 classroom: roofing,plastering, painting and fixing of	450,000	-	Delayed disbursement of funds caused by unapproved code list

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	doors and windows.			
Languni Primary School	Additional funds for completion of classroom: flooring,plastering, painting and fixing of doors and windows.	429,564	-	Delayed disbursement of funds caused by unapproved code list
Malivini Primary School	Additional funds for completion of classroom: plastering, painting and fixing of doors and windows.	300,000	-	Delayed disbursement of funds caused by unapproved code list
Uvuoni Primary School	Additional funds for completion of renovation of 4 classrooms: flooring, plastering, painting, roofing and fixing of doors and windows.	800,000	-	Delayed disbursement of funds caused by unapproved code list
ABC Makutano Primary School	Additional funds for completion of 4 door pit latrine: plastering, roofing, painting and fixing of doors	200,000	-	Delayed disbursement of funds caused by unapproved code list
Kithuiani Primary School	Additional funds for completion of 6 door pit latrine: plastering, roofing, painting,fixing doors and windows.	250,000	-	Delayed disbursement of funds caused by unapproved code list
Iviani Primary School Acss Bridge	Construction of Access Bridge	29,923,360	-	Delayed disbursement of funds caused by unapproved code list
Kamweani Primary School	Construction of water hynam and pipiing to scoll	3,594,530	-	Delayed disbursement of funds caused by unapproved code list
Kalandini Primary School	Construction of water hynam and pipiing to scoll	5,534,080	-	Delayed disbursement of funds caused by unapproved code list
Ndiuni Primary School	Construction of water hynam and pipiing to scoll	3,964,040	-	Delayed disbursement of funds caused by unapproved code list

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Mutyambo Primary School	Construction of water hyram and pipiing to scoll	2,932,350	-	Delayed disbursement of funds caused by unapproved code list
Mukuyuni Primary School	Construction to completion of 2 door pit latrine with urinal for boys, 2 door pit latrine for girls and 2 door pit latrine for PWD	600,000	-	Delayed disbursement of funds caused by unapproved code list
Muusini Primary School	Construction to completion of 1 classroom	1,200,000	-	Delayed disbursement of funds caused by unapproved code list
Kithuiani Primary School	Construction to completion of 1 classroom	1,200,000	-	Delayed disbursement of funds caused by unapproved code list
Ivutu Primary School	Construction to completion of 1 classroom	1,200,000	-	Delayed disbursement of funds caused by unapproved code list
Ivutini Primary School	Construction to completion of 1 classroom	1,200,000	-	Delayed disbursement of funds caused by unapproved code list
Mbembani Primary School	Construction to completion of 1 classroom	1,200,000	-	Delayed disbursement of funds caused by unapproved code list
Uvaini AIC Primary School	Construction to completion of 1 classroom	1,200,000	-	Delayed disbursement of funds caused by unapproved code list
Kinaka Primary School	Construction to completion of 2 door pit latrine with urinal for boys, 2 door pit latrine for girls and 2 door pit latrine for PWD	600,000	-	Delayed disbursement of funds caused by unapproved code list
Kambi ya Ndeke Primary School	Renovation to completion of 1 classroom: roofing, flooring, plastering, painting and fixing of windows and doors	600,000	-	Delayed disbursement of funds caused by unapproved code list
Kamweani Primary School	Construction to completion of 2 door pit latrine with urinal for	600,000	-	Delayed disbursement of funds caused by unapproved code list

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	boys, 2 door pit latrine for girls and 2 door pit latrine for FWD			
Kaumoni Primary School	Renovation to completion of 1 classroom: roofing, flooring, plastering, painting and fixing of windows and doors	600,000	-	Delayed disbursement of funds caused by unapproved code list
Kautuluni Primary School	Construction to completion of 1 classroom	1,200,000	-	Delayed disbursement of funds caused by unapproved code list
Sofia Primary School	Construction to completion of 1 classroom	1,200,000	-	Delayed disbursement of funds caused by unapproved code list
Maiuni Primary School	Renovation to completion of 1 classroom: roofing, flooring, plastering, painting and fixing of windows and doors	600,000	-	Delayed disbursement of funds caused by unapproved code list
kangoko primary school	Renovation of classrooms	350,000	-	Delayed disbursement of funds caused by unapproved code list
kikesa primary school	Renovation of classrooms	300,000	-	Delayed disbursement of funds caused by unapproved code list
mombuni primary school	Construction of one classroom	850,000	-	Delayed disbursement of funds caused by unapproved code list
munyiiki primary school	Renovation of classrooms	600,000	-	Delayed disbursement of funds caused by unapproved code list
Sub Total		64,681,203	-	
Secondary schools				
Iviani secondary school	Additional funds for completion of 1 classroom: roofing,plastering, painting and fixing of doors and windows.	520,000	-	Delayed disbursement of funds caused by unapproved code list
Mangweti secondary school	Additional funds for completion of a science laboratory with a	200,000	-	Delayed disbursement of funds caused by unapproved code list

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	capacity of 50 students, plastering, flooring, painting, fixing of windows and doors			
Sub Total		720,000		
Tertiary institutions			-	
Katangi Technical Training Institute	Renovation of office	824,594	-	Delayed disbursement of funds caused by unapproved code list
Katangi Technical Training Institute	Purchase of furniture	254,305	-	Delayed disbursement of funds caused by unapproved code list
Katangi Technical Training Institute	Purchase of furniture	1,479	-	Delayed disbursement of funds caused by unapproved code list
Sub Total		1,080,378	-	
Sub-Total		66,481,581	20,109,458	
Amounts due to other grants and other transfers				
Emergency	Payment for emergency projects for unforeseen occurrences within the financial year	4,393,985	-	Delay caused by election and transition period
Sub Total		4,393,985	-	
Bursary and social security				
Secondary Schools	Payment of bursary to needy students	1,904,699	-	Delay caused by election and transition period
Tertiary Institutions	Payment of bursary to needy students	2,060,933	-	Delay caused by election and transition period
Social Security	Payment of bursary to needy students	-	-	
Special Needs	Payment of bursary to needy students	335,468	-	Delay caused by election and transition period
Sub Total		4,301,100	-	
Sports				
Constituency Sports activities	Carry out constituency sports tournament	2,409,730	-	Delayed disbursement of funds caused by unapproved projects
Regional sports tournament	Carry out regional	500,000	-	Delayed disbursement of funds

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	sports tournament			caused by unapproved projects
Sub Total		2,909,730	-	
Environment	Construction of sand dam Ngumbulu secondary	3,262,570	-	Delayed disbursement of funds caused by unapproved projects
Sub Total		3,262,570	-	
Security	ACCs office renovation Ikombe	1,200,000	-	Delayed disbursement of funds caused by unapproved projects
Sub Total		1,200,000	-	
Sub-Total		16,067,385	26,747,553	
Acquisition of assets	Purchase of office furniture	557,267	-	Delayed disbursement of funds caused by unapproved projects
Sub Total			-	
Oversight Committee Expenses(itemize)		557,267	-	
Accommodation- Domestic travel	Payment of accommodation expenses on domestic travel	-	-	Delayed disbursement of funds caused by unapproved projects
Travel allowances	Payment of travel allowances during training for 5 members	300,000	-	Delayed disbursement of funds caused by unapproved projects
Daily subsistence allowance	Daily subsistence payment of Daily subsistence allowances	300,000	-	Delayed disbursement of funds caused by unapproved projects
Constituency Oversight allowances	Payment of sitting allowances for the COC members	165,000	-	Delayed disbursement of funds caused by unapproved projects
Accommodation allowances	Payment of accommodation allowances for 5 committee members	300,000	-	Delayed disbursement of funds caused by unapproved projects
Accommodation allowances	Payment of accommodation allowances for 5 committee members	335,000		

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Others (<i>specify</i>)	These are amounts due to other office and ICT projects		4,849,723	
Strategic plan	Preparation of constituency strategic plan		-	Delayed disbursement of funds caused by unapproved projects
NG CDF Office	Renovation of NG CDF Office	3,500,000	-	Delayed disbursement of funds caused by unapproved projects
Sub-Total		1,023,677	-	
Funds pending approval		11,210,944	-	
Grand Total		95,934,947	55,415,852	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	1,500,000	-	-	1,500,000
Buildings and structures	20,171,250	-	-	20,171,250
Transport equipment	5,069,647	-	-	5,069,647
Office equipment, furniture and fittings	1,782,300	-	-	1,782,300
ICT Equipment, Software and Other ICT Assets	351,000	-	-	351,000
Other Machinery and Equipment	497,850	-	-	497,850
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	29,372,047	-	-	29,372,047

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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
AIC KASOONI PRIMARY SCHOOL	0390280926987	EQUITY BANK	875.90	876.00
AIC KASOONI PRIMARY SCHOOL	0390282317276	EQUITY BANK	9,438.05	592,000.00
AIC KITHIMANI PRIMARY SCHOOL	0390282276339	EQUITY BANK	45,411.55	1,500,000.00
ASSISTANT CHIEF OFFICE KWANDOLO	0390281067964	EQUITY BANK	16,810.05	12,933.00
FR MAKEWA HIGH SCHOOL	0390280806748	EQUITY BANK	37,632.62	37,633.00
IANGUNI PRIMARY SCHOOL	0390280784043	EQUITY BANK	407,218.20	407,218.00
IATINENI PRIMARY SCHOOL	0390282265686	EQUITY BANK	354,390.35	1,500,000.00
IKOMBE DAY & BOARDING PRIMARY SCHOOL	0390280821827	EQUITY BANK	(821.70)	795.00
INYANZAANI PRIMARY SCHOOL	1285083644	KCB	419.00	419.00
IVIANI SECONDARY SCHOOL	0390280816875	EQUITY BANK	397,385.90	397,386.00
IVUTU PRIMARY SCHOOL	0390280731176	EQUITY BANK	15,708.85	45,587.00
KAKUMINI PRIMARY SCHOOL	0390280723893	EQUITY BANK	157.00	157.00
KALAANI PRIMARY SCHOOL	0390282273794	EQUITY BANK	47,395.90	1,200,000.00
KALANDINI PRIMARY SCHOOL	0390281985951	EQUITY BANK	120.00	120.00
KALIANI SECONDARY SCHOOL	0390282279566	EQUITY BANK	37,345.00	850,000.00
KALOLENI PRIMARY SCHOOL	0390282264101	EQUITY BANK	13,100.10	1,600,000.00
KALOLENI SECONDARY SCHOOL	1281449466	KCB	151,901.00	661,898.00
KAMBI YA NDEKE PRIMARY SCHOOL	0390280780927	EQUITY BANK	154.70	155.00
KAMBI YA NDEKE PRIMARY SCHOOL	0390282277647	EQUITY BANK	56,593.50	900,000.00
KAMUTHAMBYA PRIMARY SCHOOL	0390282289022	EQUITY BANK	99,626.90	900,000.00

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
KANGEMI PRIMARY SCHOOL	0390280788495	EQUITY BANK	592,661.05	196,060.00
KANGOKO PRIMARY SCHOOL	1285083555	KCB	267,407.65	242,095.00
KANGUMA PRIMARY SCHOOL	0390280723353	EQUITY BANK	14,060.26	74,048.00
KAONYWENI PRIMARY SCHOOL	0390280800894	EQUITY BANK	140.40	140.00
KAONYWENI PRIMARY SCHOOL	0390282266178	EQUITY BANK	4,181.35	500,000.00
KATANGI PRIMARY SCHOOL	0390280805052	EQUITY BANK	9,042.60	9,043.00
KATANGI SPECIAL SCHOOL	0390280801814	EQUITY BANK	385,760.40	385,760.00
KAUMONI PRIMARY SCHOOL	1293440221	KCB	(3,563.95)	599,644.00
KAVINGO SECONDARY SCHOOL	1285538382	KCB	170.90	297.00
KENYA MEDICAL TRAINING COLLEGE-MATUU	0390282192363	EQUITY BANK	325,568.00	325,568.00
KIIMANI PRIMARY SCHOOL	0390280825872	EQUITY BANK	147,363.35	147,364.00
KIKENEANI PRIMARY SCHOOL	0390282285979	EQUITY BANK	11,444.10	900,000.00
KIKESA PRIMARY SCHOOL	0390282260923	EQUITY BANK	151,063.93	3,000,000.00
KIMUUNI PRIMARY SCHOOL	0390280819335	EQUITY BANK	22,954.99	545,588.00
KINAKA PRIMARY SCHOOL	1293945056	KCB	32,798.00	599,634.00
KINYAATA PRIMARY SCHOOL	0390281392552	EQUITY BANK	45,969.00	599,550.00
KISAANI PRIMARY SCHOOL	0390282312758	EQUITY BANK	1,179.40	899,880.00
KISAANI PRIMARY SCHOOL	0390282312879	EQUITY BANK	18,869.25	399,880.00
KITHITO PRIMARY SCHOOL	0390280758799	EQUITY BANK	23,005.50	222,437.00
KITHUIANI PRIMARY SCHOOL	0390280815985	EQUITY BANK	461,734.05	574,088.00

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
KITOLOLO PRIMARY SCHOOL	0390280822392	EQUITY BANK	2,652.28	334,652.00
KIUSYANI PRIMARY SCHOOL	0390282285731	EQUITY BANK	15,076.60	600,000.00
KIUUKUNI PRIMARY SCHOOL	0390280798753	EQUITY BANK	22,482.50	174,171.00
KIWANZANI PRIMARY SCHOOL	0390282275346	EQUITY BANK	9,999.05	850,000.00
KMTC MATUU- DINING HALL	0390280811957	EQUITY BANK	9,553.41	792,218.00
KMTC MATUU- TUITION BLOCK	0390280811971	EQUITY BANK	468.95	148,969.00
KWA MWATU SECONDARY SCHOOL	0390282389023	EQUITY BANK	14,253.00	599,880.00
KWA KISAI PRIMARY SCHOOL	0390280780057	EQUITY BANK	445,624.75	445,625.00
KWA KISAI PRIMARY SCHOOL	0390282279243	EQUITY BANK	40,131.00	850,000.00
KWA KITEMA PRIMARY SCHOOL	1294205331	KCB	37,801.00	849,646.00
KWAKOKO PRIMARY SCHOOL	1293667935	KCB	670.20	849,770.00
KWAKULU PRIMARY SCHOOL	0390282268769	EQUITY BANK	34,830.00	900,000.00
KWAMWATU PRIMARY SCHOOL	0390282290310	EQUITY BANK	57,286.00	849,880.00
KWAMWATU SECONDARY SCHOOL	0390280820255	EQUITY BANK	71,486.05	648,158.00
KWASYOKISINGA PRIMARY SCHOOL	0390280832718	EQUITY BANK	14,447.70	133,810.00
KYAANI PRIMARY SCHOOL	0390282284461	EQUITY BANK	116,470.00	899,880.00
KYASIONI SECONDARY SCHOOL	1293484105	KCB	90,126.00	850,000.00
KYUA PRIMARY SCHOOL-CLASSES	0390282266593	EQUITY BANK	59,037.80	1,500,000.00
KYUSYANI PRIMARY SCHOOL	0390282270808	EQUITY BANK	39,990.00	849,880.00
MAIUNI PRIMARY SCHOOL	0390280723955	EQUITY BANK	31,876.10	31,876.00

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
MAKUTANO ABC PRIMARY SCHOOL	1285351762	KCB	750.30	174,688.00
MALATANI SECONDARY SCHOOL	0390280806988	EQUITY BANK	3,989.00	63,497.00
YEMWATU PRIMARY SCHOOL NG-CDF	0390280850616	EQUITY BANK	1,137.15	152,642.00
MALIVINI PRIMARY SCHOOL	0390280884103	EQUITY BANK	16,577.54	282,081.00
MAMBA PRIMARY SCHOOL	0390282275887	EQUITY BANK	34,572.80	900,000.00
MANGWETI SECONDARY SCHOOL	0390280815124	EQUITY BANK	654,737.05	654,737.00
S.A MBINGONI SECONDARY SCHOOL NG CDF PMC ACCOUNT	0390282278601	EQUITY BANK	42,548.80	850,000.00
MASEWANI PRIMARY SCHOOL	0390280811074	EQUITY BANK	15,704.96	350,926.00
MATANGINI PRIMARY SCHOOL	0390282261116	EQUITY BANK	20,255.45	900,000.00
MATUU HGM PRIMARY SCHOOL	0390282281267	EQUITY BANK	29,872.00	850,000.00
MBUINI PRIMARY SCHOOL	0390280734350	EQUITY BANK	38,202.91	38,203.00
MOMBUNI PRIMARY SCHOOL	0390282280168	EQUITY BANK	95,217.00	850,000.00
MUKALALA SECONDARY SCHOOL	1285164512	KCB	32,200.00	92,133.00
MUKALALA SECONDARY SCHOOL	1294205110	KCB	32,200.00	849,166.00
MUKUYUNI PRIMARY SCHOOL	0390282277136	EQUITY	20,180.00	900,000.00
MUUSINI PRIMARY SCHOOL	0390282269887	EQUITY	124,791.60	8,500,000.00
MYUMBUNI PRIMARY SCHOOL	1285083776	KCB	6,746.10	98,599.00
NDALANI POLICE POST	0390280313819	EQUITY BANK	94,968.00	94,968.00
NDALANI PRIMARY SCHOOL	1293306703	KCB	33,338.50	2,000,012.00
NDALASYANI PRIMARY SCHOOL	0390280723966	EQUITY	749,430.00	599,550.00

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
NGANGANI SECONDARY SCHOOL	0390282312160	EQUITY	64,615.40	850,000.00
NGOLIBA PRIMARY SCHOOL	0390280809527	EQUITY	484,428.50	187,693.00
NGUMBULU PRIMARY SCHOOL	0390282325356	EQUITY	65,349.15	600,000.00
NTHUNGULULU PRIMARY SCHOOL	0390282265922	EQUITY	111,677.05	850,000.00
SA MBINGONI SECONDARY SCHOOL	0390282278601	EQUITY	42,548.80	850,000.00
ST CHARLES UVUONI SECONDARY SCHOOL	0390280818263	EQUITY	4,782.50	4,783.00
ST FRANCIS MORRAMUNI PRIMARY SCHOOL	0390280805208	EQUITY	316,463.90	316,464.00
UVOUNI PRIMARY SCHOOL	0390282275682	EQUITY	2,308.00	900,000.00
YATTA SUCOUNTY POLICE H/QUARTER OFFICES	0390282807949	EQUITY	23,901.20	499,880.00
YEMWATU PRIMARY SCHOOL	0390280850616	EQUITY	1,137.15	82,987.00
YUMBUNI SECONDARY SCHOOL	0390281112465	EQUITY	42,807.87	95,405.00
TOTAL	-	-	8,524,374.17	58,425,079.00

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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)
4.1	<p>Errors in presentation of the financial statements</p> <p>Observation</p> <p>(i) The title “statement of Cashflows” is not numbered “IX” as per the table of contents (ii) Summary statement of appropriation appearing on page 5 to the financial statements is not titled or numbered as required in the financial reporting template</p>	<p>(i) The title “statement of Cash flows” was an omission error. It has has been numbered “IX” accordingly as per the table of contents (ii) Summary statement has been titled accordingly to comply with the standard prescribed by the Public Sector Accounting Standard Board.</p>	Resolved	
4.2	<p>Inaccuracies in the Financial statements</p> <p>Observation</p> <p>i. Incorrect Opening Balances</p> <p>Note 17.3 to the financial statements reflects Kshs.8,965,687 for opening balance for amounts due to other Government entities. However, note 17.3 audited financial statements for prior year (2020/2021) reflected a closing balance of Kshs.8,935,687 resulting to an unexplained variance of Kshs.30,000.</p> <p>In the circumstances, the totals for figures in the notes for the two financial years (opening balance for 2021/2022 and closing balance for 2020/2021) also varied by the same amount Kshs.30,000.</p> <p>ii. Variances of balances in Notes to the financial statements and annexures supporting the financial statements.</p> <p>Note 17.3 for other unutilized funds reflect Kshs.20,109,458 for amounts due to other Government entities, while Annex 3 for unitized funds reflect Kshs.15,527,321 resulting to unexplained variance of Kshs.4,582,137.</p>	<p>(i) The amount Kshs.8,965,687 was as an error in copying from previous financial statements, the correct figure for unutilized funds due to other Government entities is Ksh. 8,935,687 as per the audited financial statements, the same is also reflected correctly in Annex 3. Corrections have been done accordingly. (ii) There was no variance for under unutilized funds due to other Government entities under this case. The correct figure is Ksh. 20,109, 458 and is reflected in both note 17.3 and in Annex 3.</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																									
4.3	<p>Unsupported Receipts</p> <p>Observation</p> <p>Note 3 to the financial statements reflects Kshs.7,293,169 for other receipts which includes Kshs.4,424,250 described as other receipts not classified elsewhere. However, no analysis was provided in support of the amount.</p>	Other receipts have been explained as herein attached	Resolved																										
4.4	<p>Bursary disbursements</p> <p>Observation</p> <p>The statement of receipts and payments and as disclosed in Note 7 to the financial statements, reflects Kshs.66,414,588 in respect of other grants and transfer. included in this amount is Kshs.64,569,000 in respect of bursaries disbursements for secondary schools and tertiary during the year under review. However, the following was observed,</p> <p>(i) Reviewed documents indicated that only a Kshs.50,720,000 cheque was disbursed to schools with list of beneficiaries attached, and there was therefore a variance of Kshs.13,849,000 which was not supported. (Appendix VI)</p> <p>ii. Review of documents provided in support of the bursary disbursements revealed that, thirteen thousand, nine hundred sixty-four (13,964) students had applied for bursaries. However, a total of fourteen thousand two hundred thirty-five (14,235) bursaries were awarded for KMTC, Secondary schools, TTC, TTI and University which exceeded the number of applicants by two hundred seventy-one (271). This casts doubt on fairness and transparency in bursaries issuance process.</p> <table border="1"> <thead> <tr> <th>Sno</th> <th>Category</th> <th>No Applicants</th> <th>No Beneficiaries</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>KMTC</td> <td>118</td> <td>126</td> <td>8</td> </tr> <tr> <td>3</td> <td>Secondary schools</td> <td>12,474</td> <td>12,710</td> <td>236</td> </tr> <tr> <td>4</td> <td>University</td> <td>1,372</td> <td>1,399</td> <td>27</td> </tr> <tr> <td></td> <td>Total</td> <td>13,964</td> <td>14,235</td> <td>271</td> </tr> </tbody> </table> <p>iii. Bursaries amounting to Kshs.6,667,500 were disbursed to KMTC, Secondary schools and University without adhering to criteria and guidelines as discussed in Minute 4/04/10/2021 dated 4th October 2021. (Appendix VII)</p> <p>iv. Bursary cheques were directly addressed to the bank manager and subsequent</p>	Sno	Category	No Applicants	No Beneficiaries	Variance	1	KMTC	118	126	8	3	Secondary schools	12,474	12,710	236	4	University	1,372	1,399	27		Total	13,964	14,235	271	All bursary allocations were done as per applications, The variance of 271 beneficiaries was occasioned by prior applications not yet disbursed. There were pending applications from previous financial which had not been allocated funds.	Resolved	
Sno	Category	No Applicants	No Beneficiaries	Variance																									
1	KMTC	118	126	8																									
3	Secondary schools	12,474	12,710	236																									
4	University	1,372	1,399	27																									
	Total	13,964	14,235	271																									

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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)
	disbursement to school's accounts, therefore no acknowledgement from institutions and no evidence to show that beneficiaries were notified the amount of bursary issued by Fund.			
4.5.1	<p>Contracts not supported by professional opinions</p> <p>Observation</p> <p>The statement of receipts and payments and Note 6 to the financial statements reflects Kshs.60,189,955 in respect of Transfers to other Government Units, comprising of Kshs.43,513,843, Kshs.9,564,000 and Kshs.7,112,112 transferred to Primary Schools, Secondary Schools and Tertiary Institutions respectively for implementation of various projects across Yatta Constituency.</p> <p>Review of Project Management Committee files for fourteen (14) projects relating to either renovation of classrooms or construction of classrooms to completion valued at Kshs.15,764,000, revealed that though evaluation of tenders was done, professional opinions were not issued by the Supply chain Management officers assisting the NGCDFC and PMCs to manage the procurement process.</p> <p>It was not therefore clear what informed the awarding process through the forwarding of letter of notification of award and signing of contract agreements with the contractors. (Appendix I)</p>	<p>It is true as observed by the Auditor some of the contracts were not supported by professional opinions. The new committee is however implementing projects with all relevant officers including procurement officer involved in the procurement processes</p>	Resolved	
4.5.2	<p>Contracts not supported by signed contract agreements</p> <p>Observation</p> <p>The statement of receipts and payments and Note 6 to the financial statements reflects Kshs.60,189,955 in respect of Transfers to other Government Units, comprising of Kshs.43,513,843, Kshs.9,564,000 and Kshs.7,112,112 transferred to Primary Schools, Secondary Schools and Tertiary Institutions respectively for implementation of various projects across Yatta Constituency.</p> <p>Out of the total, general ledger and project management committee (PMC) files for 20 projects relating to implementation various projects valued at Kshs.23,149,711.</p>	<p>It is true as observed by the auditor some of the contracts in the files were not signed, however, the signed copies had been misplaced and they are herewith attached in Annex 1</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																					
	Review of the PMC files revealed that 6 projects worth Kshs.7,706,000 were implemented without signed contract agreements between the PMCs and the contractors implementing the projects. In such cases the fund risked losing money incase there were disagreements or contractor failed to fulfill their obligations during the contract execution period. Details as per Appendix II.																								
4.5.3	<p>Unsatisfactory works by contractors</p> <p>Observation</p> <p>Physical inspection conducted on 16/3/2023 for 15 projects implemented in primary, secondary schools and tertiary institutions valued at 19,999,711 revealed that in general implementation was satisfactorily done and majority of the projects are in use (Appendix III).</p> <p>The projects' scope of works included either construction of classroom to completion or renovations of classrooms, which entailed reroofing, plastering, flooring, fixing of windows and doors and extension of verandah.</p> <p>However, 3 projects worth Kshs.4,750,000 were not implemented satisfactorily or were not in use thereby casting doubt on whether the residents of the Constituency got value for money for the money invested in the projects. Details are as tabulated below;</p> <table border="1" data-bbox="416 970 1402 1453"> <thead> <tr> <th colspan="7">Contracts not satisfactorily implemented</th> </tr> <tr> <th>School/Institution</th> <th>Scope</th> <th>Contractor</th> <th>Date</th> <th>P.V NO.</th> <th>Allocation</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Kikesa Primary School</td> <td>Renovation of 11 classrooms to completion</td> <td>Demasteco Enterprises Ltd</td> <td>5/26/2021</td> <td>176</td> <td>3,000,000</td> <td>Painting work not upto standard though it had been done internally and externally due to</td> </tr> </tbody> </table>	Contracts not satisfactorily implemented							School/Institution	Scope	Contractor	Date	P.V NO.	Allocation	Remarks	Kikesa Primary School	Renovation of 11 classrooms to completion	Demasteco Enterprises Ltd	5/26/2021	176	3,000,000	Painting work not upto standard though it had been done internally and externally due to	<p>It is true as observed by the auditor some of the projects were complete and not in use. Mukalala Secondary school classroom since complete has since been handed over for use to the school. Kikesa and Kambi ya Ndeke primary school projects were completed as per the specifications in the BQs. The Completion certificates, certificates to make good defects and hand over certificates are herewith attached. Annex 2</p>	Resolved	
Contracts not satisfactorily implemented																									
School/Institution	Scope	Contractor	Date	P.V NO.	Allocation	Remarks																			
Kikesa Primary School	Renovation of 11 classrooms to completion	Demasteco Enterprises Ltd	5/26/2021	176	3,000,000	Painting work not upto standard though it had been done internally and externally due to																			

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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)
							dilapidated nature of existing structures			
	Kambi Ya Ndeke Primary School	Renovation of 5 classrooms to completion	Mawsons General Contractors	5/26/2021	180	900,000	Painting work not upto standard though it had been done internally and externally due to delapidated nature of existing structures			
	Mukalala Secondary School	Construction of 1 classroom to completion	Ziccato General Agencies	5/26/2022	150	850,000	Class not in use, and appeared to have been just completed			
		Total				4,750,000				
4.5.4	<p>Irregularities in the payments process for contractors</p> <p>Observation</p> <p>Review of Project Management Committee files for 14 projects relating to either renovation of classrooms or construction of classrooms to completion valued at Kshs.15,764,000 revealed that though majority of projects were satisfactorily implemented, there was no evidence in files to confirm that payments to contractors were supported by payment</p>							<p>It is true as observed by the auditor some payment files were missing at the time of Audit, this had been caused by the change of office bearers to the new committee and new staff. The files are however available for audit at the NG CDFC Offices in Matuu. It is true some of the documents were missing, the NG</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>certificates, invoices, certificates of practical completion and inspection and acceptance reports. There was also no evidence in the files of implemented projects like photos of completed new projects or before and after photos for projects that involved renovation of classrooms. The Sub-County Works Officer who supervision implementation of some of the projects noted that such documentations or evidence were provided at the time and it was not therefore clear why they were missing from the PMC files or the payment vouchers. Details are as per Appendix I.</p> <p>Further, for all the payments reviewed there was no evidence in the ledgers, payment vouchers or PMC files of retraining the retention before payments to contractors.</p>	<p>CDFC yatta has taken note and will ensure future payments are fully supported.</p>		
4.6	<p>Failure to Implement Projects</p> <p>Observation</p> <p>During the year under audit, the Fund had budgeted to implement a total of seventy-five (75) projects worth Kshs.68,346,587.7 and unspecified emergency projects allocation worth Kshs.7,192,207 both totaling Kshs.75,475,794. However, audit revealed that the Fund implemented only thirty-five (37) projects worth Kshs.35,877,000. The balance of 38 projects and emergency projects with combined allocations of Kshs.39,598,795 were not implemented.</p> <p>In the circumstances, it was not possible to confirm if and when the Public will obtain value for money from the Kshs.39,598,795 allocated to projects that were not implemented during the year under audit review. (Appendix IV).</p>	<p>It is true as observed by the auditor a total of Kshs 39,598,795 had been disbursed. The amount of money was disbursed at the close of the Financial Year and the projects were implemented in the year 2022/2023 this was also caused by delayed disbursement from the NG CDF Baord</p>	Resolved	
	<p>Failure to report on Emergency projects</p> <p>Observation</p> <p>Note 7 to the financial statements reflects a figure of Kshs.66,414,588 in respect to other grants and transfers which includes Kshs.1,395,588 for emergency projects. However, there was no evidence presented for audit review to show that the NGCDF reported expenditure on emergency project to the NGCDF Board within 30 days of the occurrence of Emergency further the management allocated a portion Kshs.7,192,207 against the 5%</p>	<p>The emergency projects were reported to the board. The screenshots of emails to the NG CDF Board are attached. The emergency allocation was as allocated and is set aside by the Board as per the attached circular. Annex 3</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																				
	guidelines of Kshs.6,854,443.95 of the total budget hence overstatement of Kshs.337,763.05.																							
4.6.1	<p>Unsupported Emergency project</p> <p>Note 7 to the financial statements reflects transfers of Kshs.66,414,588 in respect to other transfer and grants. However, included in this amount is a total of Kshs.1,395,588 and Kshs.450,000 transferred to Project Management Committees (PMC) for emergency and security projects. However, the following projects files were not provided for audit as detailed below:</p> <table border="1"> <thead> <tr> <th>Date</th> <th>PAYEE</th> <th>DESCRIPTION</th> <th>CHEQUE NO</th> <th>AMOUNT</th> </tr> </thead> <tbody> <tr> <td>9/27/2021</td> <td>Kithito Primary School</td> <td>Construction of 4 door toilet</td> <td>4508</td> <td>300,000</td> </tr> <tr> <td>9/27/2021</td> <td>Assitant Chiefs office Kwandolo</td> <td>Renovations of 3no roomed office</td> <td>4495</td> <td>450,000</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> <td>750,000</td> </tr> </tbody> </table>	Date	PAYEE	DESCRIPTION	CHEQUE NO	AMOUNT	9/27/2021	Kithito Primary School	Construction of 4 door toilet	4508	300,000	9/27/2021	Assitant Chiefs office Kwandolo	Renovations of 3no roomed office	4495	450,000	Total				750,000	The project files may have been missed out at the time of Audit. The files are available for audit at NG CDFC Offices Matuu	Resolved	
Date	PAYEE	DESCRIPTION	CHEQUE NO	AMOUNT																				
9/27/2021	Kithito Primary School	Construction of 4 door toilet	4508	300,000																				
9/27/2021	Assitant Chiefs office Kwandolo	Renovations of 3no roomed office	4495	450,000																				
Total				750,000																				
4.6.2	<p>Unsatisfactory Project Implementation</p> <p>The statement of receipts and payments reflects Kshs.66,414,588 in respect to expenditure on other grants and transfers as at 30 June, 2022. Included in this figure is Kshs.1,845,588 for security and emergency expenditure, However, physical verification of projects carried out on 16th March, 2023 revealed anomalies in implementation of projects worth Kshs.795,588 as detailed out below:</p> <table border="1"> <thead> <tr> <th>Project</th> <th>Activities</th> <th>Amount (Kshs)</th> <th>Anomalies Noted</th> </tr> </thead> <tbody> <tr> <td>Kithito primary</td> <td>Renovations of 4 door pit latrine, 1 PWDs</td> <td>300,000</td> <td>No pit latrines provision for PWDs, door were made of wood not steel doors as provided in BQ</td> </tr> </tbody> </table>	Project	Activities	Amount (Kshs)	Anomalies Noted	Kithito primary	Renovations of 4 door pit latrine, 1 PWDs	300,000	No pit latrines provision for PWDs, door were made of wood not steel doors as provided in BQ	It is true as observed by the auditor that some projects were not implemented as desired, this was caused by inadequate funding by the constituency committee during allocation. The constituency will however ensure projects are implemented as specified.	Resolved													
Project	Activities	Amount (Kshs)	Anomalies Noted																					
Kithito primary	Renovations of 4 door pit latrine, 1 PWDs	300,000	No pit latrines provision for PWDs, door were made of wood not steel doors as provided in BQ																					

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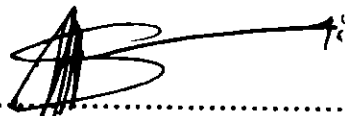
Reference No. on the external audit Report	Issue / Observations from Auditor				Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																
	Munyiiki primary	Renovations of 4 pit latrines and 1 with PWDs	495,588	Hand rails provisions were made but no seats for PWDs, doors were made of wood not steel doors as provided in BQs																			
4.6.3	<p>Irregularities in procurement of emergency projects</p> <p>Review of projects files revealed that Project Management Committees (PMCs) did not comply with the Public Procurement and Asset Disposal Act, 2015 on procurement of projects worth Kshs.1,095,588 as detailed out below:</p> <table border="1"> <thead> <tr> <th>Projects</th> <th>Activity</th> <th>Amounts</th> <th>Anomalies noted</th> </tr> </thead> <tbody> <tr> <td>Munyiiki Primary School</td> <td>Construction of 4 door pit latrine</td> <td>495,588.00</td> <td>Contract agreement had no figure indicated, no completion certificate and no professional opinion from certified supplies practioner</td> </tr> <tr> <td>Kinyaata Primary School</td> <td>construction of 6 door pit latrine</td> <td>600,000.00</td> <td>Ms Kevhammer construction quoted 568,125, but signed contract had sum of ksh 553,581 hence variance of ksh 14,544.no completion certificate and no professional opinion from certified supplies practioner.</td> </tr> <tr> <td>Total</td> <td></td> <td>1,095,588</td> <td></td> </tr> </tbody> </table>				Projects	Activity	Amounts	Anomalies noted	Munyiiki Primary School	Construction of 4 door pit latrine	495,588.00	Contract agreement had no figure indicated, no completion certificate and no professional opinion from certified supplies practioner	Kinyaata Primary School	construction of 6 door pit latrine	600,000.00	Ms Kevhammer construction quoted 568,125, but signed contract had sum of ksh 553,581 hence variance of ksh 14,544.no completion certificate and no professional opinion from certified supplies practioner.	Total		1,095,588		<p>It is true as observed by the auditor some of the procurement documents were missing. The documents had been misplaced at time of audit. The documents are herewith attached. Annex 4, Kinyaata primary school contract was signed as per the available funds.</p>	Resolved	
Projects	Activity	Amounts	Anomalies noted																				
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Total		1,095,588																					
4.7	<p>Un-updated Project implementation Status report</p> <p>Observation</p> <p>Review of project implementation status report provided for audit as at 30th June 2022 revealed that the status report is incomplete and updated. The audit reviewed project files for projects valued at Kshs.26,520,000 most of which were noted to be complete, as supported by certificates of practical completion. Most of these projects were also physically inspected on 16 March 2023 and confirmed to be complete projects. However, review of the Project Implementation Status report indicated their implementation status was at tendering stage and procurement process ongoing as shown</p>				<p>It is true as observed by the auditor the PIS had some projects not updated. The corrected PIS is herewith attached. Annex 5</p>	Resolved																	

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

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)																		
	in Appendix V.																					
4.8	<p>Lack of risk management policy and disaster recovery plan</p> <p>Observation</p> <p>Documents submitted by the Management indicated that entity lacks a Risk Management policy. The entity therefore lacks a tool for defining its risk appetite and set the risk tolerance levels by identifying boundaries against unacceptable exposure to risk because the policy is yet to be developed.</p>	It is true as observed by the auditor the constituency has not been maintaining a risk and disaster recovery plan. The constituency through the NG CDFC will ensure that it maintains such a plan immediately.	Resolved																			
4.9	<p>Late remittance of statutory deductions.</p> <p>Observation</p> <p>Reported in the statement of receipts and payments and as disclosed in note 4 to the financial statements is Kshs.3,337,229 being compensation of employees. A review of schedules for remittances of statutory deductions showed deductions were remitted to the respective statutory authorities after the set deadlines, contrary to Regulation 18 (4) of the National Government Constituency Development Fund Regulations, 2016. The late remittances were for the months as shown:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Date</th> <th>Remittance</th> </tr> </thead> <tbody> <tr> <td>Nov 2021</td> <td>21/12/2021</td> <td>5100</td> </tr> <tr> <td>July 2021</td> <td>21/12/2021</td> <td>5280</td> </tr> <tr> <td>October 2021</td> <td>21/12/2021</td> <td>4620</td> </tr> <tr> <td>December 2021</td> <td>08/04/2022</td> <td>4600</td> </tr> <tr> <td>January 2022</td> <td>08/04/2022</td> <td>4400</td> </tr> </tbody> </table>	Month	Date	Remittance	Nov 2021	21/12/2021	5100	July 2021	21/12/2021	5280	October 2021	21/12/2021	4620	December 2021	08/04/2022	4600	January 2022	08/04/2022	4400	It is true as observed they were some late remittances. The constituency will ensure that it meets deadlines for submission of returns	Resolved	
Month	Date	Remittance																				
Nov 2021	21/12/2021	5100																				
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4.10	<p>Ethnic Composition OF staff</p> <p>Observation</p>	The NG CDFC recruited staff through advertisements and the staff were picked on merit but preferably from the constituency	Resolved																			

Yatta Constituency
National Government Constituencies Development Fund (NGCDF)
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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)																																			
	Reported in the statement of receipts and payments and as disclosed in note 4 to the financial statements is Ksh.3,337,229 being compensation of employees. Review of the payroll and staff personal files revealed that the NGCDF had a workforce of Ten (10) employees as at 30 June, 2022, out of which all employees were from the dominant local ethnic community. This is contrary to the provision of Section 7(2) of the National Cohesion and Integration Act, 2008 which stipulates that no public establishment shall have more than one third of its employees from the same ethnic community																																						
4.11	<p>Budget Control and Performance</p> <p>Observation</p> <p>The summary statement of appropriation, Recurrent and Development combined for the year ended 30 June 2022, reflects final budget of Kshs.191,405,279 and actual payments of Kshs.135,989,427 resulting to an under expenditure of Kshs.55,415,852 (29%) representing funds disbursed to the Constituency Office and not utilized by 30 June 2022. This comprised money meant for implementation of various projects as follows;</p> <table border="1"> <thead> <tr> <th>Audit Components</th> <th>Current year final budget figures</th> <th>Current year actuals</th> <th>Variance</th> <th>% Difference</th> </tr> <tr> <td></td> <td>Kshs.</td> <td>Kshs.</td> <td>Kshs.</td> <td>%</td> </tr> </thead> <tbody> <tr> <td>Compensation of employees</td> <td>5,568,243</td> <td>3,337,229</td> <td>2,231,014</td> <td>40%</td> </tr> <tr> <td>Use of goods and services</td> <td>7,525,759</td> <td>6,047,655</td> <td>1,478,104</td> <td>19.6%</td> </tr> <tr> <td>Transfers to other government entities</td> <td>80,299,413</td> <td>60,189,955</td> <td>20,109,458</td> <td>25.04%</td> </tr> <tr> <td>Other grants and transfers</td> <td>93,162,141</td> <td>66,414,588</td> <td>26,747,553</td> <td>28.71%</td> </tr> <tr> <td>Other payments</td> <td>4,849,723</td> <td>0</td> <td>4,849,723</td> <td>100%</td> </tr> </tbody> </table> <p>The under-absorption of the budget may imply that some of the planned projects and programmes were not implemented and may have negatively impacted on service delivery to the public.</p>	Audit Components	Current year final budget figures	Current year actuals	Variance	% Difference		Kshs.	Kshs.	Kshs.	%	Compensation of employees	5,568,243	3,337,229	2,231,014	40%	Use of goods and services	7,525,759	6,047,655	1,478,104	19.6%	Transfers to other government entities	80,299,413	60,189,955	20,109,458	25.04%	Other grants and transfers	93,162,141	66,414,588	26,747,553	28.71%	Other payments	4,849,723	0	4,849,723	100%	The constituency has taken note and will ensure it reviews its budget making process	Resolved	
Audit Components	Current year final budget figures	Current year actuals	Variance	% Difference																																			
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STEPHEN MAINA
Fund Account Manager.