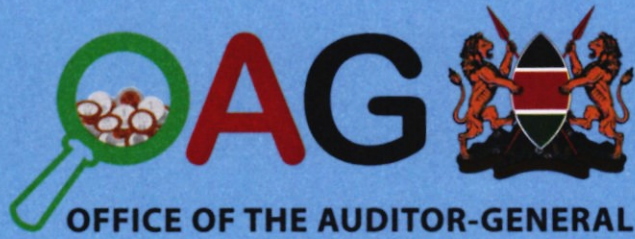


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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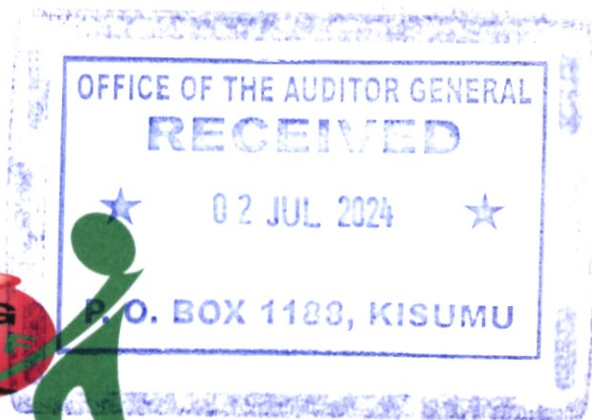
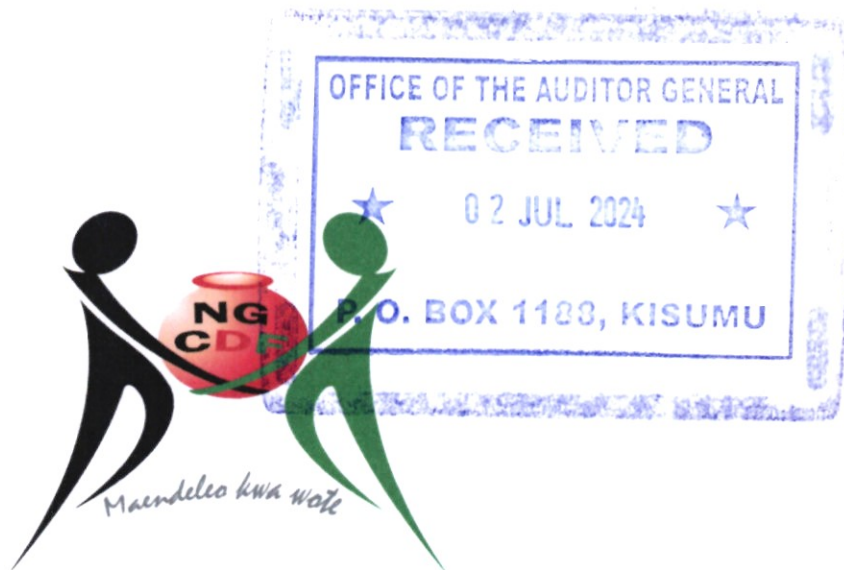
A. Shibuska

THE AUDITOR-GENERAL

ON

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

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



SABATIA 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)

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

Table of Content	Page
I. Acronyms and Abbreviations.....	ii
II. Key Constituency Information and Management.....	iii
III. NG-CDFC Chairman’s Report	vii
IV. Statement Of Performance Against Predetermined Objectives for FY2022/23	xii
V. Statement of Governance	xiv
VI. Environmental and Sustainability Reporting.....	xix
VII. Statement Of Management Responsibilities	xxiii
VIII. Report Of the Independent Auditors On The NGCDF- Sabatia Constituency.....	xxv
IX. Statement Of Receipts and Payments for the Year Ended 30th June 2023	1
X. Statement Of Assets and Liabilities As At 30 th June, 2023	2
XI. Statement Of Cash Flows for The Year Ended 30th June 2023	3
XII. Summary Statement of Appropriation for The Year Ended 30 th June 2023	5
XIII. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2023	7
XIV. Significant Accounting Policies	13
XV. Notes To the Financial Statements	19
XVI. Annexes.....	30

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

I. Acronyms and Abbreviations

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

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS - International Public Sector Accounting Standards.

PMC- Project Management Committee

FY-Financial Year

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;

SABATIA Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Sabatia 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	Gimonge M. Tom
2.	Sub-County Accountant	Philip Kilaka
3.	Chairman NGCDFC	Wycliffe Muzozo Volemi
4.	Member NGCDFC	Noel Kelonye

(c) Fiduciary Oversight Arrangements

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

P.O. Box 260-50311
Chavakali – Kapsabet Highway
Wodanga, KENYA

(e) Sabatia Constituency NGCDF Contacts

Telephone: (254) 722358998
E-mail: cdfsabatia@ngcdf.go.ke
Website: www.ngcdfsabatia.go.ke

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

(f) Sabatia Constituency NGCDF Bankers

Sabatia Constituency Development Fund KCB Account
Mbale Branch
P.O.Box 1102377678
Maragoli.

(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



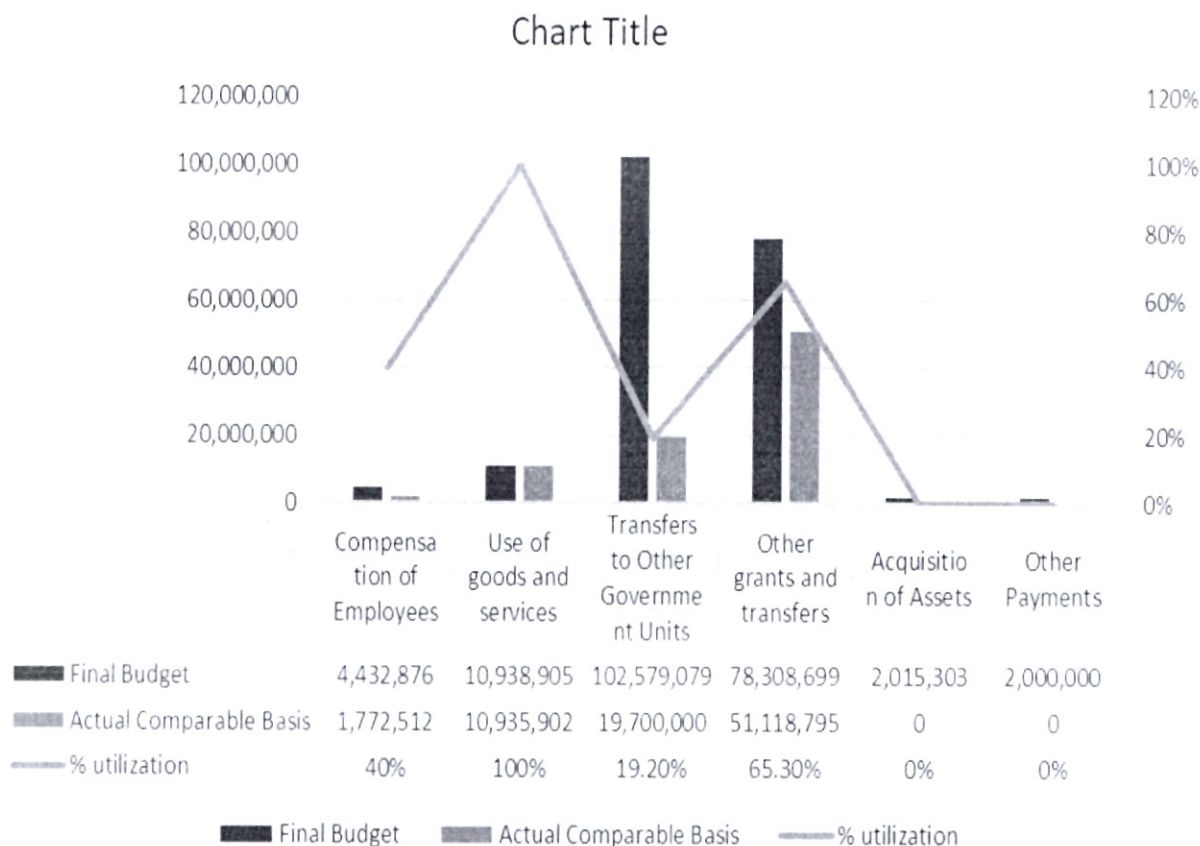
Mr. Wycliffe Muzozo Volemi – Chairman NG-CDF Sabatia

I am pleased to provide an insightful summary of Sabatia NG-CDF financial performance, focusing on the comparison between budgeted allocations and actual expenditures. In the financial year 2022-2023, under compensation of Employees category, we budgeted for Kshs, 4,432,876 with the actual spending of 1,772,512 leading to budget utilisation difference of Kshs. 2, 660,364, and percentage utilisation of 40.00%. Under Goods and Services, we budgeted for Kshs. 10,938,905 with an actual expense of 10,935,902 leading to budget utilisation difference 3,003 and percentage utilisation of 100 %. Transfer to Other Government Units the Constituency budgeted for Kshs. 102,579,079 with actual expenditure of kshs.19, 700,000, leading to budget utilisation difference of Kshs 82,879,079 equivalent to 19.2%. In other grants and transfers, the budget was Kshs. 78,308,699 while actual expenditure amounted to Kshs. 27,189,904 reflecting 65.3%, both Acquisition of assets and other payments recorded no actual spending against a budget of Kshs. 2,015,303 and 2,000,000 respectively, resulting in 100% under spending. These insights underscore the need for nuanced analysis, strategic recalibration, and resource optimisation to ensure effective budget utilization.

Summary of Budget performance against Actual amount for the current year 2022-2023

PAYMENTS	Final Budget	Actual Comparable Basis	% utilization
Compensation of Employees	4,432,876	1,772,512	40%
Committee Expenses	6,548,000	6,548,000	100%
Use of goods and services	2,865,402	2,862,902	99%
Transfers to Other Government Units	101,988,879	19,700,000	19.3%
Other grants and transfers	78,308,699	51,089,138	65.2%
Acquisition of Assets	2,015,303	-	0%
Oversight Committee expenses	1,525,503	1,525,000	100%
Other Payments	2,000,000	-	0%
Unallocated Funds AIA	590,200	-	0%

Graphical illustration of Budget performance against Actual amount financial year 2022-2023



I. key achievements for the entity for the financial year 2022-2023



Image 1: Complete construction of ablution block at Mwilitsa Primary School



Image 2: Complete Renovation of Wodanga Chief 's office



Image 3: On-going construction at KMTTC – Vihiga



Image 4: Complete Renovation of Classroom at Mudete Primary

II. Emerging issues related to Sabatia NG - CDF

- i. Covid- 19 pandemic.** The declining economic environment occasioned by the Covid 19 pandemic has led to an increase in needy students. To this effect, there's need for additional funding to support the recovery of schools, including addressing learning gaps and providing mental help support for students.
- ii. Climate change.** Harsh environmental conditions such as drought and floods caused by climate change have severely affected school infrastructure. Building schools that are resilient to climate change effects, such as flooding or extreme weather events, is becoming increasingly important to ensure the safety of students and the longevity of the infrastructure.
- iii. Evolving education models.** Exploring and funding alternative education models, including Competency- based Curriculum, Junior Secondary School and online education, to adapt to the changing educational needs is an ongoing consideration.
- iv. Digital education infrastructure.** The need for digital infrastructure in schools, including providing students with devices and improving internet access for online learning, has become more pressing due to the increasing reliance on technology in education.
- v. Insecurity.** Given the ongoing security challenges in some regions, there's a growing need for additional resources to improve security measures in schools, such as the installation of surveillance systems and training for security personnel.

III. The implementation challenges and recommended way forward.

- 1. Digital education infrastructure.** Sabatia NG- CDF is investing in providing schools with digital devices such as laptops and building computer laboratories. This is to enhance the current trend of digitization in learning.
- 2. Post- pandemic recovery.** Sabatia NG- CDF has continuously allocated funds to support Covid 19 recovery in schools by issuing bursaries to needy and vulnerable students.
- 3. Insecurity.** Sabatia NG- CDF is actively involved in mitigating the insecurity challenges within the constituency. This has been achieved by ensuring there is a swift security measure such as construction of Chiefs', Assistant Chiefs' and Police Stations across the constituency.
- 4. Climate change.** Sabatia NG- CDF has continuously adopted climate resilient construction practices. This has been achieved through collaborating with experts to design infrastructure that can withstand climate related challenges and is considering future climate change projections in planning.

IV. *Successfully implemented projects during the year to underscore the performance of the constituency.*



Complete construction of Lusengeli Assistant chief's office



Complete Renovation 3 No. classrooms at Mulundu Primary School.



Name: Wycliffe Muzozo Volemi
CHAIRMAN NGCDF COMMITTEE

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

Introduction

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

The key development objectives of *Sabatia Constituency 2018-2023* plan are to:

Progress on attainment of Strategic development objectives

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

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	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary’s beneficiaries at all levels 	<p>In FY 2022/23</p> <ul style="list-style-type: none"> -we increased number of classrooms from 10 to 18 and renovated classrooms from 24 to 49. - During the year, 13,644 students benefitted from bursary for tertiary, secondary and special schools.
Security	To ensure all Ass. chiefs, chiefs and the Ass. County Commissioners’ have an office	Access to quality services	<ul style="list-style-type: none"> - number of usable physical infrastructure build at the locational levels 	-Sabatia NG- CDFC increased construction of Chiefs’ offices from 7 to 10 during the year under review.
	To have modern police stations and posts at the	Reduced crime rate	<ul style="list-style-type: none"> - Number of crimes 	

SABATIA Constituency

National Government Constituencies Development Fund (NGCDF)

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

	Constituency		reported	
Environment	To have health and clean environment	Access to good health and sanitation	<ul style="list-style-type: none">- Number of Indigenous trees planted- Number of sanitary facilities constructed	During the financial year 2022-2023, Sabatia NGCDFC increased the number of sanitation facilities from 3 to 5.
Sports	Harnessing youth and women talent	Increased youth and women talents	<ul style="list-style-type: none">- Numbers of tournaments held	Sabatia NG-CDF normally holds sports activities in the month of December
Emergency	Catering for any unforeseen occurrences in the Constituency	Preparedness to unforeseen occurrences	<ul style="list-style-type: none">- Number of unforeseen occurrences in the constituency	Sabatia NGCDF committee allocated Kshs. 7.6 million under the emergency kitty to cater for the same

V. Statement of Governance

Process of appointment of NG-CDF Member

1. Members of the Constituency committee are selected under section 43(2) (b), (c) and (d) of the Act.
2. The constituency committee members are selected by a constituency selection panel established under paragraph (4) in the event of vacancy.
3. A vacancy occurs in the constituency upon the
 - ❖ Commencement of a new parliamentary term
 - ❖ Dissolution of the committee
 - ❖ Removal of a member
 - ❖ Or occurrence of a vacancy
4. The selection panel reviews applications and selects 5 applicants based on various factors, including age, gender, special interest group and regional balance.
5. The officer seconded to the constituency submits selected candidates' names and the selection panel's report the board.
6. The board co-opts a person to ensure equitable representation in the committee's membership.
7. The board request the National assembly's clerk to nominate 2 individuals of either gender for the committee.
8. The board submits the names of 7 selected persons to the national assembly for approval, in accordance with the Act provisions.
9. After approval, the board appoints Constituency Committee members within 14 days through gazettes notice.

Qualifications of an NG-CDF Member

1. Is a citizen of Kenya
2. Ordinarily a resident and a voter within the constituency
3. Able to read and write and communicate in English and Kiswahili
4. Meets the requirement of chapter 6 of the constitution
5. Available to participate in the activities of constituency committee
6. Persons who served in constituency committee constituted under fund manager or served in leadership position in the community will have and added advantage.

NG-CDF Committees, Composition and roles

Section 43 of the NG-CDF Act establishes the NG-CDF Committee (NG- CDFC) for every constituency, composed of: -

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

NB: The "youth" as per Section 2 of the Act means a person who has attained the age of 18 years but has not attained the age of thirty-five years.

Roles of the NG-CDF Committee

1. Capacity build Project Management Committees and sensitize the Community on the operations of the Fund
2. Consider all project proposals from all wards in the constituency and any other projects which the Committee considers beneficial to the constituency
3. Ensure that all projects proposed and approved for funding meets the requirements of Section 24 of the Act.
4. Ensure Project proposals submitted to the Board include detailed budget proposal, procurement and work plans
5. Consult with relevant government departments to ensure that cost estimates for the projects are realistic
6. Monitor the implementation of projects as per the Monitoring and Evaluation framework prescribed by the Board
7. Receive and address complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level
8. Ensure labelling of projects as per guidelines issued by the Board
9. Recruit staff as per Section 45 of the Act.

Meetings:

The committee is required to convene a minimum of six meetings and a maximum of twenty-four, including sub-committee meetings.

Member Removal:

Grounds for removing a committee member include:

- i. lack of integrity
- ii. gross misconduct
- iii. embezzlement of public funds
- iv. bringing disrepute to the committee through unethical practices or unbecoming personal conduct
- v. Causing disharmony within the committee, or physical or mental infirmity.

Policy on Conflict of Interest

Sabatia NG- CDF is dedicated to upholding the highest standards of integrity and accountability in all its operations. To this end, we maintain a robust conflict of interest policy that obliges all NG-CDFC members, employees and stakeholders to declare any potential conflicts of interest promptly. We emphasize that the fundamental principle of this policy is to avoid conflict of interest all together, thus ensuring that decisions and actions are made solely in the best interest of our community and without any personal gain. We are proud to report that, to date, no conflict of interest has been identified, affirming our commitment to transparency and ethical conduct in the pursuit of our development goals.

Risk management

IMPORTANT CONCEPTS

SABATIA Constituency

National Government Constituencies Development Fund (NGCDF)

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

Risk Management - Is the process of dealing with uncertainty and trying to achieve the best outcome possible for the organization. This process includes:

Risk Analysis - Identifying risks, analysing potential consequences, and setting priorities for action.

Risk Response

- Developing and implementing an action plan to address risk

Risk Assessment - Is the methodology of determining the nature and extent of risk by analysing potential hazards and evaluating existing conditions of vulnerability that together could potentially harm exposed people, property, services, livelihoods and the environment on which they depend.

Risk Reduction - Is the concept and practice of reducing disaster risks through systematic efforts to analyse and manage the casual factors of disasters, including though reduced exposure to hazards, lessened vulnerability of people and property, wise management of land and the environment, and improved preparedness for adverse events

PURPOSE OF Sabatia NG- CDF RISK MANAGEMENT POLICY

The purpose of this is to outline the procedures and organizational arrangements that will embed/establish and maintain risk management at Sabatia NG-CDF so as to address unanticipated and unintended losses to Sabatia NG-CDF human resources, financial assets, and property without unnecessarily limiting the activities that advance the mission and goals. Some level of risk is not only expected in normal everyday activities but can be beneficial

The risk management policy is built on the premise of continual improvement in order to facilitate prudent assessment and treatment of risks that the office may encounter in the pursuit of its mandate.

However, acceptance of risk shall not include:

1. Wilful exposure of projects, employees' assets to unsafe environments or activities
2. Intentional violation of law
3. Wilful violation of contractual obligations
4. Unethical behaviour.

Categories of risks managed through the Risk Management Policy Framework include:

- Compliance Risk - Affect compliance with laws and regulations, staff safety, environmental issues, litigation, conflicts of interest etc.
- Reputational Risks - Affect reputation, public perception
- Political Risks – Affect stability of political structure and policies
- Financial Risk - Affect loss of funds and inability to account for the funds
- Operational Risk - Affect on-going management processes and procedures
- Environmental Risk - Affect air, water, soil or biological food chains to man

INTENT

The Sabatia NG-CDF Risk Management Policy shall provide a commitment to a culture in which opportunities may be seized and risks taken, in a risk aware manner across the entire Authority, with risk management being fundamental/deep seated to management practice.

SCOPE

This policy shall apply to all NG-CDF stakeholders and also apply strategic and operational activities.

OBJECTIVES

The objectives of the Sabatia NG- CDF Risk Management Policy are to provide a strategy against which:

1. The NG-CDF team leads by example with sound risk management practice
2. All NG-CDF staff support a risk aware culture
3. All the high inherent risk are identified, analysed, managed, monitored and reported on continuously.

4 Sabatia NG-CDF RISK MANAGEMENT (RM) PRINCIPLES. The aim of Risk Management Policy is to strengthen the proper management of risks through proactive risk identification, risk management, and risk acceptance pertaining to all activities carried out by Sabatia NG-CDF.

The Risk Management Policy is intended to:

1. Ensure that major risks are reported to the NG-CDFC and the NG-CDF board for review and acceptance
2. Result in the management of those risks that may significantly affect the pursuit of the stated strategic goals and objectives.
3. Embed a culture of evaluating and identifying risks at multiple levels
4. Provide a consistent risk management framework in which the risks pertaining to NG-CDF activities and functions are identified, considered, and addressed in key approval, review and control processes
5. Inform and improve on timely decision-making
6. Meet legal and regulatory requirements
7. Assist in safeguarding NG-CDF assets to include people, finance, property and reputation
8. Ensure that existing and emerging risks are identified and managed within acceptable risk tolerances
9. To establish a policy/legal and institutional framework for management of disasters, including promotion of a culture of disaster risk reduction, at all levels
10. To ensure that the institutions and activities for disaster risk management are coordinated, focused to foster participatory partnerships between the government and other stakeholders at all levels.
11. To promote linkage between risk management and sustainable development for reduction of vulnerability to hazards and disasters.
12. To mobilise resources, including establishment of specific funds for disaster risk reduction strategies and programs like the emergency reserve fund

IMPLEMENTATION FRAMEWORK S AND PROCEDURES

It is expected that risk management processes will be embedded into the NGCDF's management systems and processes.

All risk management efforts will be focused on supporting the institution's objectives. Therefore the risk management framework and associated procedures will include:

1. Formal and on-going identification of risk that impact the institution's goals
2. Development of risk management plans
3. Monitoring the progress of managing risk
4. Periodic updates of risk management plans
5. An organization process for risk analysis and response
6. Assignment of specific risk responsibilities and performance accountability.
7. A workplace culture where every employee understands risk and their role in addressing it. RISK

MANAGEMENT METHODOLOGY

SABATIA Constituency

National Government Constituencies Development Fund (NGCDF)

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

Risk may be managed by using one or more of the following methods:

1. Avoid (eliminate, withdraw from or do not become involved in an activity creating risk)
2. Retain (accept the risk and plan for the expected impact creating risk)
3. Transfer/share (move the risk to another party by hedging against undesired outcome or reduce the risk through processes such as insurance) and,
4. Reduce (control the risk through additional or optimized controls)

OVERSIGHT

The risk management ad hoc subcommittee shall have sufficient authority to ensure high-level management of the institution's risk management efforts and shall provide oversight to implementation of the risk management policy and review major risks on behalf of the NG-CDF

ACCOUNTABILITY

The NG-CDF management framework and procedures shall be reviewed annually. Periodic reviews for compliance with the system wide guidelines shall also be conducted by the district internal audit, Kenya National Audit Office and NG-CDF Board Internal Audit or a similar accountability responsibility

COMMITMENT TO EFFECTIVE RISK AT Sabatia NG-CDF

Sabatia NG-CDF is committed to building an organisational culture where risk awareness and active and effective risk management form an integral part of NGCDFC's activities and a core management responsibility

Effect risk management requires: }

- A strategic focus }
- Forwarding thinking and proactive approaches to management }
- Adequate consideration of the cost of managing risk with the expected benefits }
- Contingency planning for the eventually in case the threats materialize

REPORTING TO THE NG-CDF

The NG-CDF shall submit reports on risk management to the NG-CDF Board on quarterly basis on the risk management process, in order to seek the boards ' ' concurrence on action taken or further guidance.

VI. Environmental and Sustainability Reporting

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

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

- In line with our commitment to holistic community development, NG- CDF Sabatia has undertaken initiatives that extend beyond infrastructure support. These activities include: -

- ❖ **Construction of Assistant Chief's office**

The construction of assistant Chief's offices, supported by NG- CDF Sabatia, has significantly improved community security. Enhanced security indirectly contributes to environmental conservation by reducing criminal activities that may harm the environment, such as deforestation.

- ❖ **Sponsorship of sports activities and tournaments.**

NG- CDF Sabatia's sponsorship of sports activities and tournaments serves as a platform for community cohesion and awareness. These events are utilized to educate the community, particularly the youth, on the importance of environmental conservation and sustainable practices.

- ❖ **Sensitization efforts on the impact of drug abuse and environmental conservation matters.**

Our efforts in sensitizing the youth and the broader community on the impact of drugs through ward forums, sporting activities, bursary presentation, training forums for staff and PMC's addresses critical social issues with potential environmental repercussions. Substance abuse often leads to environmental degradation, particularly through illegal drug cultivation, which can harm the local ecosystem.

3. Employee welfare

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

Sabatia 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-

Sabatia 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.

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

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.

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



Name: Gimonge M. Tom

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-Sabatia 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-Sabatia 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- Sabatia 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.

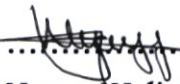
The Accounting Officer in charge of the NGCDF Sabatia Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for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

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


form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Sabatia Constituency financial statements were approved and signed by the Accounting Officer on 28/09 2023.


.....

Name: Wyliciffe Muzozo Volemi
Chairman – NGCDF Committee


.....

Name: G. M. Tom
Fund Account Manager



REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, 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 - Sabatia Constituency set out on pages 1 to 44, 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 summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unsupported Project Management Committee Bank Balances

Note 19.4 to the financial statements reflects Project Management Committee (PMC) bank balance of Kshs.1,205,973 in respect of nineteen (19) bank accounts as disclosed in Annex 5 to the financial statements. However, cashbooks, bank reconciliation statements, certificates of bank balance and bank statements for the stated bank accounts were not provided for audit.

In the circumstances, the accuracy and completeness of Project Management Committee bank accounts balance of Kshs.1,205,973 could not be confirmed.

2. Incomplete Fixed Assets Register

Annex 4 to the financial statements reflects fixed assets with historical cost of Kshs.33,759,125. However, the fixed asset register did not have information such as tag or serial number, make or model, suppliers name, original location, current location and the officer responsible for each asset. Further, physical inspection of the assets conducted in the month of March, 2024 revealed that they were not tagged, and ownership and value of the land with Nil balance could not be confirmed.

In the circumstances, the accuracy, completeness, valuation and ownership of the fixed assets balance of Kshs.33,759,125 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Sabatia Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits

of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.200,274,862 and Kshs.122,635,609 respectively resulting to an under-funding of Kshs.77,639,253 or 39% of the budget. Similarly, the Fund spent a balance of Kshs.83,497,552 against actual receipt of Kshs.122,635,609 resulting to an under-utilization of Kshs.39,138,057 or 32% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were reported under Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, these issues were not fully addressed in the year under review. 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.

Basis for Conclusion

1. Unsupported Construction Works at a Medical Training College

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects transfers to other Government units amounting to Kshs.19,700,000,

which includes an amount of Kshs.7,500,000 transferred to a Medical Training College. Review of records provided for audit on the construction of Phase II of the project revealed that the contract was awarded to a contractor at a contract sum of Kshs.17,578,742. The project was to start on 28 January, 2022 for a period of thirty-two (32) weeks ending 09 August, 2022. The Bills of Quantities were not provided for audit. Physical inspection carried out in the month of March, 2024 revealed that the project was still ongoing, fifteen (15) months after the scheduled completion date as electrical works had not been done. Further, the contractor received an amount of Kshs.7,500,000 in May, 2023 without being supported by an interim completion certificate. In addition, the project was branded to have been commissioned and opened by the Area Member of Parliament on 30 July, 2022, yet it had not been completed.

In the circumstances, regularity and value for money amounting to Kshs.7,500,000 could not be confirmed.

2. Unsupported Emergency Projects

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects an amount of Kshs.51,089,138 in respect of other grants and transfers, which includes an expenditure on emergency projects amounting to Kshs.2,156,400. However, there was no evidence provided to confirm that the expenditure related to urgent and unforeseen need that could not be delayed until the subsequent financial year as provided for under Section 8(3) of National Government Constituencies Development Fund Act, 2015 (Amended 2022). In addition, there was no evidence provided to confirm that the use of emergency reserves was reported to the Board within 30 days of occurrence as required by the Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Internal Audit Review

Review of the Fund's operations indicated that no internal audit reviews were performed on the Funds internal processes and no risk assessment was carried out to identify and address key areas of concern and document specific controls in response to identified risks, contrary to Regulation 160(1)(a) and (b) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the effectiveness of internal controls, risk management and governance of the Fund could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

07 June, 2024

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


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


	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	87,000,000	173,338,879
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		87,000,000	173,338,879
Payments			
Compensation Of Employees	4	1,772,512	3,025,292
Committee expenses	5	6,548,000	11,536,250
Use Of Goods and Services	6	2,862,902	6,041,043
Transfers To Other Government Units	7	19,700,000	111,684,000
Other Grants and Transfers	8	51,089,138	68,896,088
Acquisition Of Assets	9	-	-
Oversight Committee Expenses	10	1,525,000	-
Other Payments	11	-	-
Total Payments		83,497,552	201,182,673
Surplus/(Deficit)		3,502,448	(27,843,794)

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 _____ 2024 and signed by:


Fund Account Manager


National Sub-County Accountant

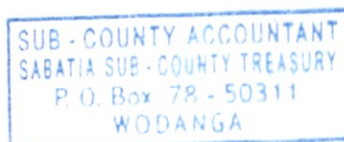

Chairman NG-CDF Committee

Name: Gimonge M Tom

Name: Philip Kilaka

Name: Wycliffe Muzozo Volemi

ICPAK M/No:



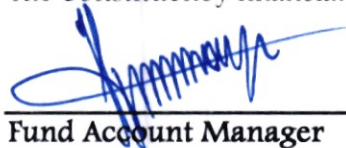
SABATIA Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

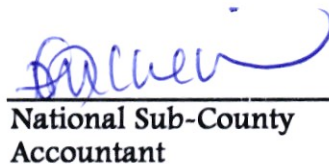
X. Statement Of Assets and Liabilities As At 30th June, 2023

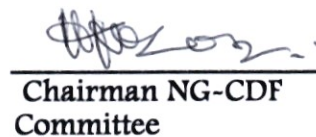
	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	39,138,057	35,635,609
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		39,138,057	35,635,609
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		39,138,057	35,635,609
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		39,138,057	35,635,609
Represented By			
Fund Balance B/Fwd	15	35,635,609	63,069,403
Prior Year Adjustments	16		410,000
Surplus/Deficit for The Year		3,502,448	(27,843,794)
Net Financial Position		39,138,057	35,635,609

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 _____ 2024 and signed by:


Fund Account Manager


National Sub-County Accountant

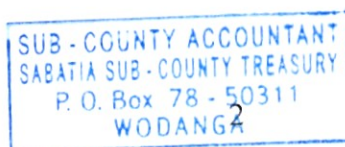

Chairman NG-CDF Committee

Name: Gimonge M. Tom

Name: Philip Kilaka

Name: Wycliffe Muzozo Volemi

ICPAK M/No:



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


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

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	87,000,00	173,338,879
Other Receipts	3	-	-
Total Receipts		87,000,000	173,338,879
Payments			
Compensation Of Employees	4	1,772,512	3,025,292
Committee Expenses	5	6,548,000	11,536,250
Use Of Goods and Services	6	2,862,902	6,041,043
Transfers To Other Government Units	7	19,700,000	111,684,000
Other Grants and Transfers	8	51,089,138	68,896,088
Oversight committee expenses	10	1,525,000	-
Other Payments	11	-	-
Total Payments		83,497,552	201,182,673
Total Receipts Less Total Payments		3,502,448	(27,843,794)
Adjusted For:			
Prior Year Adjustments	16	-	410,000
Decrease/ (Increase) In Accounts Receivable	17	-	-
Increase/ (Decrease) In Accounts Payable	18	-	410,000
Net Cash Flow from Operating Activities		3,502,448	(27,433,794)
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		3,502,448	(27,433,794)
Cash & Cash Equivalent At Start Of The Year	12	35,635,609	63,069,403
Cash & Cash Equivalent At End Of The Year		39,138,057	35,635,609

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 28/09 2023 and signed by:


Fund Account Manager

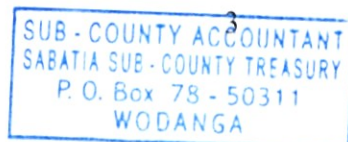

National Sub-County Accountant


Chairman NGCDF Committee

Name: Gimonge M. Tom

Name: Philip Kilaka

Name: Wycliffe Muzozo Volemi



*SABATIA 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 %
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022/2023	2022/2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers From NGCDF Board	151,960,174	35,635,609	12,088,879	199,684,662	122,635,609	77,049,053	61.4%
Proceeds From Sale of Assets	590,200	-	-	590,200	-	590,200	
Other Receipts	-	-	-	-	-	-	
Totals	152,550,374	35,635,609	12,088,879	200,274,862	122,635,609	77,639,253	61.2%
Payments							
Compensation Of Employees	4,350,000	82,876	-	4,432,876	1,772,512	2,660,364	40.0%
Committee Expenses	6,450,000	98,000	-	6,548,000	6,548,000	-	100%
Use Of Goods and Services	2,852,977	12,425	-	2,885,402	2,862,902	2,500	99.9%
Transfers To Other Government Units	68,300,000	21,600,000	12,088,879	101,988,879	19,700,000	82,788,879	19.3%
Other Grants and Transfers	66,481,694	11,827,005	-	78,308,699	51,089,138	27,219,561	65.2%
Acquisition Of Assets	-	2,015,303	-	2,015,303	-	2,015,303	0.0%
Oversight Committee Expenses	1,525,503	-	-	1,525,503	1,525,000	503	100%
Other Payments	2,000,000	-	-	2,000,000	-	2,000,000	0.0%
Funds Pending Approval AIA	590,200	-	-	590,200	-	590,200	0%
Totals	152,550,374	35,635,609	12,088,879	200,274,862	83,497,552	116,777,310	41.7%

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

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

Explanatory Notes.

- (a) The underutilization was as a result of late disbursement of funds to the Constituency.
- (b) The adjustment column is the opening balance of Ksh. 35, 635, 609.00 as at 1st July, 2022 plus amount owing to the constituency as at 30th June 2022 of Ksh. 12, 088, 879.00 during the year under review.
- (c) The utilization difference of Ksh. 116,777,310.00 is the closing cashbook balance of Ksh. 39, 138, 057.00 as at 30th June, 2023 plus the amount owing to the Constituency as at 30th June, 2023 of Ksh. 77, 639, 253.00.

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


Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	116,777,310
Less undisbursed funds receivable from the Board as at 30 th June 2023	77,639,253
	39,138,057
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	39,138,057

The Constituency financial statements were approved by NG CDFC on _____ 2024 and signed by:

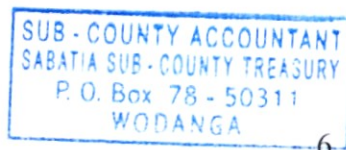

 Fund Account Manager

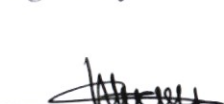
Name: Gmonge M. Tom




 National Sub-County Accountant

✓ Name: Philip Kilaka
 ICPAK M/No:




 Chairman NGCDF Committee

Name: Wycliffe Muzozo Volemi

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
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2022-2023	30/06/2023	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,350,000	82,876	-	4,432,876	1,772,512	2,660,364
1.2 Committee allowances	2,750,000	50,000	-	2,800,000	2,800,000	-
1.3 Use of goods and services	2,052,977	12,425	-	2,065,402	2,065,402	-
	9,152,977	145,301	-	9,298,278	6,637,914	2,660,364
2.0 Monitoring and evaluation						
2.1 Capacity building	1,700,000	10,500	-	1,710,500	1,710,500	-
2.2 Committee allowances	2,000,000	37,500	-	2,037,500	2,037,500	-
2.3 Use of goods and services	800,000	-	-	800,000	797,500	2,500
3.0 Emergency	7,636,190	92,607	-	7,728,797	2,156,400	5,572,397
3.1 Primary Schools						
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
4.0 Bursary and Social Security						
4.1 Bursary Special	3,000,000	-	-	3,000,000	2,583,000	417,000
4.2 Secondary Schools	26,400,000	224	-	26,400,224	26,365,000	35,224
4.3 Tertiary Institutions	11,494,497	55,063	-	11,549,560	11,500,538	49,022
4.4 Universities						
4.5 Social Security						
5.0 Sports	3,051,007	7,760	-	3,058,767	2,674,200	384,567

Programme/Sub-programme	Original Budget 2022-2023	Adjustments		Final Budget 2022-2023	Actual on comparable basis 30/06/2023	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
5.1						
5.2						
5.3						
6.0 Environment						
Chavogere Primary School	-	1,200,000	-	1,200,000	1,200,000	-
Chugi Primary School	-	1,200,000	-	1,200,000	1,200,000	-
Kigama Primary School	1,500,000	0	-	1,500,000	-	1,500,000
Walodeya Primary School	1,500,000	0	-	1,500,000	-	1,500,000
7.0 Primary Schools Projects (List all the Projects)						
Maganyi Primary School		800,000	-	800,000	-	800,000
Chavakali Primary School		800,000	-	800,000	-	800,000
Endeli Primary School		800,000	-	800,000	-	800,000
Hamadira Primary School		800,000	-	800,000	-	800,000
Digula Primary School		800,000	-	800,000	-	800,000
Inyali Primary School		800,000	-	800,000	-	800,000
Mutambi Primary School		1,200,000	-	1,200,000	1,200,000	-
Mulundu Primary School		1,600,000	-	1,600,000	1,600,000	-
Mwilitsa Primary School		800,000	-	800,000	-	800,000
Mulele Primary School		1,200,000	-	1,200,000	-	1,200,000
Keveye Primary School		1,200,000	-	1,200,000	1,200,000	-
Selelwe Primary School		800,000	-	800,000	-	800,000
Mago Primary School		800,000	-	800,000	800,000	-
Sabatia Primary School		800,000	-	800,000	-	800,000
itegero primary school		1,000,000	-	1,000,000	-	1,000,000
Chatamilu Primary School		700,000	-	700,000	700,000	-

SABATIA Constituency

National Government Constituencies Development Fund (NGCDF)

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

Programme/Sub-programme	Original Budget 2022-2023	Adjustments		Final Budget 2022-2023	Actual on comparable basis 30/06/2023	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Chamakanga Special School		1,500,000	-	1,500,000	1,500,000	-
Wasundi Primary School		2,500,000	-	2,500,000	-	2,500,000
Mudete Primary School		1,200,000	-	1,200,000	1,200,000	-
Lusengeli Primary School.	1,500,000		-	1,500,000	-	1,500,000
Ellongo Primary School	1,500,000		-	1,500,000	-	1,500,000
Mwilitsa Primary School.	1,500,000		-	1,500,000	-	1,500,000
Wandega Primary School.	1,500,000		-	1,500,000	-	1,500,000
Lotego Primary School.	1,000,000		-	1,000,000	-	1,000,000
Bo Yusuf Primary School	1,000,000		-	1,000,000	-	1,000,000
Chamasilihi Primary School.	1,000,000		-	1,000,000	-	1,000,000
Chavakali Primary School.	1,000,000		-	1,000,000	-	1,000,000
Elwunza Primary School.	1,500,000		-	1,500,000	-	1,500,000
Evojo Primary School	1,000,000		-	1,000,000	-	1,000,000
Gaigedi Primary School.	1,500,000		-	1,500,000	-	1,500,000
Galoni Primary School.	1,000,000		-	1,000,000	-	1,000,000
Itegero Primary School.	1,500,000		-	1,500,000	-	1,500,000
Kapsambo Primary School.	1,500,000		-	1,500,000	1,500,000	-
Mudungu Primary School	1,000,000		-	1,000,000	1,000,000	-
Mululu Primary School.	3,000,000		-	3,000,000	-	3,000,000
Mulundu Primary School.	1,000,000		-	1,000,000	-	1,000,000
Selelwe Primary School	2,000,000		-	2,000,000	-	2,000,000
Vohovole Primary School.	1,000,000		-	1,000,000	-	1,000,000
Wangu Primary School	1,000,000		-	1,000,000	-	1,000,000
Sub-Total Primary						36,400,000
8.0 Secondary Schools Projects (List all the Projects)						

Programme/Sub-programme	Original Budget 2022-2023	Adjustments		Final Budget 2022-2023	Actual on comparable basis 30/06/2023	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Moi Girls Vokoli	-	-	12,088,879	12,088,879	-	12,088,879
Chamakanga Secondary School	1,500,000	-	-	1,500,000	-	1,500,000
Bugina Secondary School	2,600,000	-	-	2,600,000	-	2,600,000
Bukulunya Secondary School.	2,000,000	-	-	2,000,000	-	2,000,000
Chandumba Secondary School..	3,500,000	-	-	3,500,000	-	3,500,000
Digula Secondary School.	2,000,000	-	-	2,000,000	-	2,000,000
Evojo P.A.G Secondary School	1,500,000	-	-	1,500,000	-	1,500,000
Gaigedi Secondary School..	2,000,000	-	-	2,000,000	-	2,000,000
Jemovo Secondary School	2,000,000	-	-	2,000,000	-	2,000,000
Kegondi Secondary School	2,000,000	-	-	2,000,000	-	2,000,000
Nabwani Secondary School	2,000,000	-	-	2,000,000	-	2,000,000
Munoywa Secondary School	2,200,000	-	-	2,200,000	-	2,200,000
Wangulu Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
Ellongo Secondary School		1,500,000				1,500,000
Sub-Total Secondary						37,888,879
9.0 Tertiary institutions Projects (List all the Projects)						
Kenya Medical Training College - Vihiga.	15,000,000	-	-	15,000,000	7,500,000	7,500,000
9.2						
9.3						
10.0 Security Projects						
Lunyerere Administration Police Camp		15,179		15,179	-	15,179
Kedoli Assistant Chiefs Office		1,000,000	-	1,000,000	1,000,000	-
Chavakali Police Station		6,000,000	-	6,000,000	-	6,000,000
Kilingili Police Station		256,172	-	256,172	-	256,172

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

Programme/Sub-programme	Original Budget 2022-2023	Adjustments		Final Budget 2022-2023	Actual on comparable basis 30/06/2023	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Izava North Chiefs Office		700,000	-	700,000	700,000	-
Wodanga Chiefs Office		1,300,000	-	1,300,000	1,300,000	-
Budaywa Assistant Chiefs Office.	700,000		-	700,000	-	700,000
Hamuyundi Assistant Chiefs Office.	1,000,000		-	1,000,000	-	1,000,000
Kedoli Assistant Chiefs Office	700,000		-	700,000	-	700,000
Mulundu Assistant Chiefs Office	1,000,000		-	1,000,000	-	1,000,000
Itegero Assistant Chiefs Office	1,000,000		-	1,000,000	-	1,000,000
Walodeya Assistant Chiefs Office	1,500,000		-	1,500,000	-	1,500,000
Gaigedi Assistant Chiefs Office	1,000,000		-	1,000,000	-	1,000,000
Demesi Assistant Chiefs Office	1,000,000		-	1,000,000	-	1,000,000
Mbale Assistant Chiefs Office	2,000,000		-	2,000,000	-	2,000,000
Kisatiru Assistant Chiefs Office	1,000,000		-	1,000,000	-	1,000,000
Chamakanga Assistant Chiefs Office	1,000,000		-	1,000,000	-	1,000,000
Sub-Total Security						17,761,351
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	-	14,000	-	14,000	-	14,000
11.2 Construction of CDF office	-	2,001,302.60	-	2,001,303	-	2,001,303
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						

Programme/Sub-programme	Original Budget 2022-2023	Adjustments		Final Budget 2022-2023	Actual on comparable basis 30/06/2023	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
12.0 Oversight Committee Expense	1,525,503	-	-	1,525,503	1,525,000	503
13.0 Others Payment						
Strategic Plan	2,000,000	-	-	2,000,000	-	
12.2 Innovation Hub						
12.2						
Funds pending approval**						
Maganyi Primary School.	590,200		-	590,200	-	590,200
Total	152,550,374	35,635,609	12,088,879	200,274,862	83,497,552	116,777,310

(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-Sabatia 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.

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.

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

XV. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
	Kshs	Kshs
NGCDF Board		
A.I.E NO.B185239	7,000,000	-
A.I.E NO.B185770	15,000,000	-
A.I.E NO.B185413	6,000,000	-
A.I.E NO.B206090	5,000,000	-
A.I.E NO.B205588	12,000,000	-
A.I.E NO.B205882	12,000,000	-
	-	
AIE NO. B140820		3,250,000
AIE NO. B105274		33,000,000
AIE NO. B105692		34,000,000
AIE NO. B105921		30,000,000
AIE NO. B128688		6,000,000
AIE NO. B128999		12,000,000
AIE NO. B154195		12,000,000
AIE NO. B154418		18,000,000
AIE NO. B154475		13,388,879
AIE NO. A888537		11,700,000
TOTAL	87,000,000	173,338,879

2. Proceeds From Sale of Assets

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

3. Other Receipts

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

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

Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,668,912	2,135,032
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	760,660
Employer Contributions Compulsory national social security schemes	103,600	129,600
Total	1,772,512	3,025,292

5. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	2,800,000	7,514,300
Other committee expenses	3,748,000	4,021,950
Total	6,548,000	11,536,250

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

6. Use of Goods and services

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	40,000	64,000
Communication, supplies and services	1,022,950	33,040
Domestic travel and subsistence	95,000	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets		-
Training expenses	869,000	1,083,900
Hospitality supplies and services	100,000	-
Insurance costs	395,211	113,571
Specialized materials and services		-
Office and general supplies and services		4,399,250
Fuel, oil & lubricants	200,000	250,000
Other operating expenses(Bank Services commission and charges)	100,000	33,243
Routine maintenance – vehicles and other transport equipment	40,741	64,839
Routine maintenance – other assets	-	-
Total	2,862,902	6,041,043

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

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)	12,200,000	3,600,000
Transfers To Secondary Schools (See Attached List)	-	68,084,000
Transfers To Tertiary Institutions (See Attached List)	7,500,000	40,000,000
Total	19,700,000	111,684,000

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	26,365,000	10,752,770
Bursary – tertiary institutions (see attached list)	11,500,538	26,974,600
Bursary – special schools (see attached list)	2,583,000	1,014,890
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	3,410,000	17,723,828
Sports projects (see attached list)	2,674,200	3,700,000
Environment projects (see attached list)	2,400,000	-
Emergency projects (see attached list)	2,156,400	8,730,000
Roads projects (see attached list)	-	-
Total	51,089,138	68,896,088

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

Notes to the Financial Statements (Continued)

9. Acquisition Of Assets

	<i>2022-2023</i>	<i>2021-2022</i>
	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 Expense

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
<i>COC Members Allowances</i>	918,000	-
<i>Other COC expenses</i>	607,000	-
	1,525,000	-

11. Other Payments

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

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

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Kenya Commercial Bank Mbale, Sabatia NG-CDF No. 11023377678</i>	39,138,057	35,635,609
<i>Name of Bank, account No. (Deposits account)</i>	-	-
Total	39,138,057	35,635,609
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

13. Outstanding Imprests

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

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

Notes to the Financial Statement Continued

14.

14A. Retention

	2022-2023	2021-2022
	KShs	KShs
Retention as at 1 st July (A)	410,000	-
Retention held during the year (B)	-	410,000
Retention paid during the Year (C)	410,000	-
Closing Retention as at 30 th June D= A+B-C	-	410,000

14B. Gratuity

	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	760,660
Gratuity paid during the Year (C)	-	760,660
Closing Gratuity as at 30 th June D= A+B-C	-	-

15. BALANCE BROUGHT FORWARD

	(1 st July 2022-2)	(1 st July 2021-1)
	Kshs	Kshs
Bank accounts	35,635,609	63,069,403
Cash in hand	-	-
Imprest	-	-
Total	35,635,609	63,069,403

[Provide short appropriate explanations as necessary]

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

16. Prior Year Adjustments

	Balance b/f 2021/2022 as per Audited Financial statements	Adjustments	Adjusted Balance** BF 2022/2023
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	63,069,403	410,000	63,479,403
Cash in hand	-	-	-
Accounts Payables (Retention)	-	(410,000)	(410,000)
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	63,069,403	-	63,069,403

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

17. Changes In Accounts Receivable – Outstanding Imprests

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

18. Changes In Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	410,000	-
Deposit and Retentions held during the year (B)	-	410,000
Deposit and Retentions paid during the Year (C)	(410,000)	-
closing account payables D= A+B-C	-	410,000
Net changes in accounts payables D-A	-	410,000

SABATIA Constituency**National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023***Notes To the Financial Statements (Continued)***19. Other Important Disclosures****19.1: Pending Accounts Payable (See Annex 1)**

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Construction of buildings	-	-
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	-	-
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	2,660,364	94,720
Committee expense	-	-
Use of goods and services	2,500	98,581
Amounts due to other Government entities (see attached list)	82,288,879	33,688,879
Amounts due to other grants and other transfers (see attached list)	27,219,561	11,317,155
Acquisition of assets	2,015,303	2,015,303
Oversight Committee Expense	503	-
Other Payments (Strategic Plan)	2,000,000	-
Funds pending approval	590,200	-
Total	116,777,310	47,214,638

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

19.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	1,205,973	12,482,158
Total	1,205,973	12,482,158

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					

Annex 2 - Analysis of Pending Staff Payables

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

SABATIA Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023
Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Compensation of employees	Payment of Staff salaries and Gratuity	2,660,364	94,720	
Use of goods & services	Payment of Goods and Services	2,500	98,581	
Amounts due to other Government entities				
a) Primary Schools				
Maganyi Primary School	Renovation of 2 classrooms.	800,000	800,000	
Chavakali Primary School	Renovation of 2 classrooms.	800,000	800,000	
Endeli Primary School	Renovation of 2 classrooms.	800,000	800,000	
Hamadira Primary School	Renovation of 2 classrooms.	800,000	800,000	
Digula Primary School	Renovation of 2 classrooms.	800,000	800,000	
Inyali Primary School	Renovation of 2 classrooms.	800,000	800,000	
Mutambi Primary School	Renovation of 3 classrooms.		1,200,000	
Mulundu Primary School	Renovation of 4 classrooms.		1,600,000	
Mwilitsa Primary School	Renovation of 2 classrooms.	800,000	800,000	
Mulele Primary School	Renovation of 3 classrooms.	1,200,000	1,200,000	
Keveye Primary School	Renovation of 3 classrooms.		1,200,000	
Madegwa Special School	Purchase of land.	-	1,500,000	
Selelwe Primary School	Renovation of 2 classrooms.	800,000	800,000	
Mago Primary School	Renovation of 2 classrooms.		800,000	
Sabatia Primary School	Renovation of 2	800,000	800,000	

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	classrooms.			
Itegero primary school	Renovation of 3 classrooms.	1,000,000	1,000,000	
Chatamilu Primary School	Renovation of 5 classrooms.		700,000	
Chamakanga Special School	Construction of dining hall.		1,500,000	
Wasundi Primary School	Purchase of school land.	2,500,000	2,500,000	
Mudete Primary School	Renovation of 3 classrooms.		1,200,000	
Lusengeli Primary School.	Construction of 10- door pit latrine.	1,500,000		
Madegwa Primary School.	Construction of 2 classrooms	2,000,000		
Maganyi Primary School.	Construction of a 4-door pit latrine	590,200		
Ellongo Primary School	Construction of 10- door pit latrine.	1,500,000		
Mwilitsa Primary School.	Construction of 10- door pit latrine.	1,500,000		
Wandega Primary School.	Construction of 10- door pit latrine.	1,500,000		
Lotege Primary School.	Renovation of 2 classrooms	1,000,000		
Bo Yusuf Primary School	Renovation of 2 classrooms.	1,000,000		
Chamasilihi Primary School.	Renovation of 2 classrooms.	1,000,000		
Chavakali Primary School.	Renovation of 2 classrooms.	1,000,000		
Elwunza Primary School.	Renovation of 3 classrooms.	1,500,000		
Evojo Primary School	Renovation of 2 classrooms.	1,000,000		
Gaigedi Primary School.	Renovation of 3 classrooms.	1,500,000		

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Galoni Primary School.	Construction of administration block.	1,000,000		
Itegero Primary School.	Renovation of 3 classrooms.	1,500,000		
Mululu Primary School.	Construction of a dormitory.	3,000,000		
Mulundu Primary School.	Renovation of 2 classrooms.	1,000,000		
Selelwe Primary School	Construction of 2 classrooms.	2,000,000		
Vohovole Primary School.	Renovation of 2 classrooms.	1,000,000		
Wangulu Primary School	Renovation of 2 classrooms.	1,000,000		
TOTAL		38,990,200	21,600,000	
Secondary Schools Projects				
Moi Girls Vokoli	Construction of tuition block.	12,088,879	12,088,879	
Chamakanga Secondary School	Construction of science laboratory.	1,500,000		
Bugina Secondary School	Construction of storey building consisting of computer lab, library and classroom.	2,600,000		
Bukulunya Secondary School.	Construction of 3 classrooms.	2,000,000		
Chandumba Secondary School..	Construction of storey building consisting of 3 classrooms and 2 laboratories.	3,500,000		
Digula Secondary School.	Construction of science laboratory.	2,000,000		
Evojo P.A.G Secondary School	Construction of science	1,500,000		

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	laboratory.			
Gaigedi Secondary School..	Renovation of 3 storey tuition block.	2,000,000		
Jemovo Secondary School	Construction of an administration block.	2,000,000		
Kegondi Secondary School	Construction of 2 classrooms.	2,000,000		
Nabwani Secondary School	Furnishing of a library.	2,000,000		
Munoywa Secondary School	Construction of science laboratory.	2,200,000		
Wangulu Secondary School	Purchase of 20 laptops.	1,000,000		
		36,388,879	12,088,879	
Tertiary institutions Projects				
Kenya Medical Training College - Vihiga.	Completion 3-storey building housing 6 classrooms, admin offices and laboratory.	7,500,000		
Sub-Total		82,879,079	33,688,879	
Amounts due to other grants and other transfers				
Security Projects				
Lunyerere Administration Police Camp	Renovation of Administration Police houses.	15,179	15,179	
Kedoli Assistant Chiefs Office	Construction of Assistant Chief Office.	-	1,000,000	
Chavakali Police Station	Construction of Police station	6,000,000	6,000,000	

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Kilingili Police Station	Construction of Police station	-	256,172	
Izava North Chiefs Office	Construction of Chief office	-	700,000	
Wodanga Chiefs Office	Renovation of Chief office	-	1,300,000	
Budaywa Assistant Chiefs Office.	Construction of Assistant Chief office	700,000		
Hamuyundi Assistant Chiefs Office.	Construction of Assistant Chief office	1,000,000		
Kedoli Assistant Chiefs Office	Construction of Assistant Chief office	700,000		
Mulundu Assistant Chiefs Office	Purchase of 0.5 acre land	1,000,000		
Itegero Assistant Chiefs Office	Purchase of 0.5 acre land	1,000,000		
Walodeya Assistant Chiefs Office	Purchase of 0.25 acre land	1,500,000		
Gaigedi Assistant Chiefs Office	Purchase of 0.5 acre land	1,000,000		
Demesi Assistant Chiefs Office	Purchase of 0.5 acre land	1,000,000		
Mbale Assistant Chiefs Office	Purchase of 0.25 acre land	2,000,000		
Kisatiru Assistant Chiefs Office	Purchase of 0.5 acre land	1,000,000		
Chamakanga Assistant Chiefs Office	Purchase of 0.5 acre land	1,000,000		
		17,761,351	9,27,351	
Environment Projects				
Chavogere Primary School	Construction of 8 door pit latrine.	-	1,200,000	
Chugi Primary School	Construction of 8 door pit latrine	-	1,200,000	
Kigama Primary School	Construction of 10 door pit latrine	1,500,000		

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Walodeya Primary School	Construction of 10 door pit latrine	1,500,000		
		3,000,000	2,400,000	
Emergency	To cater for any unforeseen occurrence in the constituency during the financial year	5,572,397	92,607	
Sports	To carry out constituency sports tournaments	384,567	7,760	
Bursary and Social Security				
Secondary				
Secondary Schools	Cater for bursary for needy and bright students in secondary school	35,224	224	
Tertiary Institutions	Cater for bursary for needy and bright students in tertiary school	19,365	55,063	
Special Needs	Cater for bursary for needy and bright students in special school	417,000	-	
		471,589	55,287	
Sub-Total		27,219,561	14,942,702	
Acquisition of assets				
Sabatia Ng-CDF Office	Construction of generator house	2,001,303	2,001,303	

SABATIA Constituency

National Government Constituencies Development Fund (NGCDF)

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

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Purchase of Motor Vehicle	Final payment for the purchase of a motor vehicle	14,000	14,000	
Oversight Committee Expense	Payment of sitting allowances	503	-	
Others (<i>Strategic Plan</i>)	To facilitate in preparation of Sabatia NG-CDF Strategic Plan	2,000,000		
Sub-Total		2,000,000	2,015,303	
Funds pending approval				
Grand Total		116,777,310	47,214,638	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f 2021/2022 (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End 2022/2023
Land	-	-	-	-
Buildings and structures	21,500,000	-	-	21,500,000
Transport equipment	9,736,000	-	-	9,736,000
Office equipment, furniture and fittings	597,300	-	-	597,300
ICT Equipment, Software and Other ICT Assets	1,904,976	-	-	1,904,976
Other Machinery and Equipment	20,849	-	-	20,849
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	33,759,125	-	-	33,759,125

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
ACK Hombala Secondary Sch AC	KCB	1134175809	-	6,571
Bugina Secondary School - CDF	KCB	1233946714	-	33,629
Busali Union Secondary School	KCB	1134180527	-	7,646
Chavogere Project Group (CPG)	KCB	1239216122	-	19,743
Evojo Sub-Location Office Project	KCB	1269903306	-	5,269
Friends Secondary School Ivona CDF A/C	KCB	1102323810	-	5,031
Friends Technical Sec School CDF A/C	KCB	1122304390	-	11,146
Igunga Girls High School	KCB	1111725993	-	8,074
Kichutu AP line	KCB	1239565526	-	4,809
Kisangula Secondary School -CDF	KCB	1234002493	-	1,406
Kivagala Sub-Location Group	KCB	1269772538	-	19,033
KMTC - Vihiga PMCT	KCB	1288090951	896,862.00	2,021,681
Lusala Primary CDF Account	KCB	1126851531	-	38,032
Lusengeli Sub-Location Development	KCB	1287688810	-	5,549
Moi Girls High School Vokoli	KCB	1156902509	-	7,927,805
Moses Mudavadi Primary School	KCB	1129156311	-	134,506
Precious Kapsambo School - CDF	KCB	1167449010	-	6,733
Solongo Sub-Location Self Help Group	KCB	1270718827	-	25,944
St. Mark Orthodox Secondary Chavogere	KCB	1126391077	-	1,207,778
Viyalo Secondary School CDF Account	KCB	1202846912	-	297,639
Walodeya Primary School	KCB	1292782986	-	2,950
Chatamilu Primary School	KCB	1208315757	4,292.00	-
St. Ursulas Special School Chamakanga	KCB	1239887434	10,165.05	119,418
Wodanga Chief Devt	KCB	1292328541	55,785.00	-
Kedoli Project	KCB	1292066806	3,709.00	-
Izava North Loc Dev	KCB	1285955382	8,369.00	8,369
Madegwa SA Special School	KCB	1236885384	1,805.00	-
Mago Primary School	KCB	1121428436	1,821.50	-
Sabatia Public Pri Sch Latrine	KCB	1285819888	1,881.00	-

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Bukulunya Secondary School - CDF	KCB	1117791130	697.00	122,953
Chandumba Secondary School	KCB	1113042125	203,403.00	163,830
Evojo PAG Secondary Sch - CDF	KCB	1183510535	3,464.00	4,781
Friends Kegondi Secondary - CDF	KCB	1237857899	926.00	926
Gaigedi Secondary School CDF A/C	KCB	1112249796	-	2,537
Ikobero Secondary School	KCB	1109452160	1,648.90	24,157
Jemovo Secondary School - CDF A/C	KCB	1109375344	4,560.00	238,747
Nabwani Secondary School - CDF	KCB	1237506190	4,207.50	5,468
Egaloni Primary School	KCB	1285550722	279.00	-
MAGANYI PRIMARY SCHOOL	KCB	1201373239	875.00	-
Mulundu Primary School CDF A/C	KCB	1121375383	1,223.00	-
Total			1,205,973	12,482,158

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)
Our ref:NG-SCDF/ADM/Vol.3(093)	<p>Include in the statement of assets and liabilities is the total financial assets of Kshs. 20,374,183 which included the total cash and equivalents Kshs. 20,374,183 out of which the reconciliation statement as at 30th June 2020 disclosed unrepresented cheques totalling to Kshs. 4,800,887. However, the unrepresented cheques have an amount Totalling to Ksh. 2,922,273 which have not been presented to bank for more than six month, hence they are stale cheques. Contrary to section 90(1) of the Public Finance Management (National Government) Regulations 2015, states that “Accounting officer shall ensure bank accounts reconciliation are completed for each bank account held by Accounting officer, every month and submit a bank reconciliation statements not</p>	<ul style="list-style-type: none"> ❖ The management can confirm that the bank reconciliations are prepared on a monthly basis ❖ The stale cheques totalling to Kshs. 2,922,273 were reversed in the month of November 2020 (Attached Reconciliation) 	Resolved	

SABATIA 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)
Our ref:NG-SCDF/ADM/Vol.3(093)	<p>later than 10th of the subsequent month to the National treasury with a copy to the Auditor General”</p> <p>Consequently, the accuracy and completeness of the cash and cash equivalent balances of Kshs. 2,922,273 as at 30th June 2020 could not be confirmed to be fair stated.</p> <p>Included in the financial statements under Annex 5 PMC Bank balances Kshs. 55,647,712 were no supported by the bank certificates and bank reconciliation. However, contrary to the section 100 of the Public Management Regulation 2015 states that the accounting officer shall keep in all offices concerned with receiving cash or making payments a cashbook showing the receipts and payments and shall maintain such other books and officers registers as may be necessary for proper maintenance and production of the accounts of the vote for which he or she is responsible.</p>	<p>The management has noted the anomaly and undertakes to support the balances of the PMCs by availing the individual certificates in the subsequent financial statement</p>	<p>Our ref:NG-SCDF/ADM/Vol.3(093)</p>	<p>Included in the financial statements under Annex 5 PMC Bank balances Kshs. 55,647,712 were no supported by the bank certificates and bank reconciliation. However, contrary to the section 100 of the Public Management Regulation 2015 states that the accounting officer shall keep in all offices concerned with receiving cash or making payments a cashbook showing the receipts and payments and shall maintain such other books and officers registers as may be necessary for proper</p>

SABATIA 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)
	Consequently, the accuracy of the PMC balances of Kshs. 55,647,712 could not be confirmed.			maintenance and production of the accounts of the vote for which he or she is responsible. Consequently, the accuracy of the PMC balances of Kshs. 55,647,712 could not be confirmed.

jj

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Gimonge M. Tom
Fund Account Manager.

