

REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPERS LAID **REPORT**

DATE: 07 AUG 2024 DAY: Afternoon

TABLED BY: Deputy Leader of Majority Party OF

CLERK AT THE TABLE: Benson Inzoti

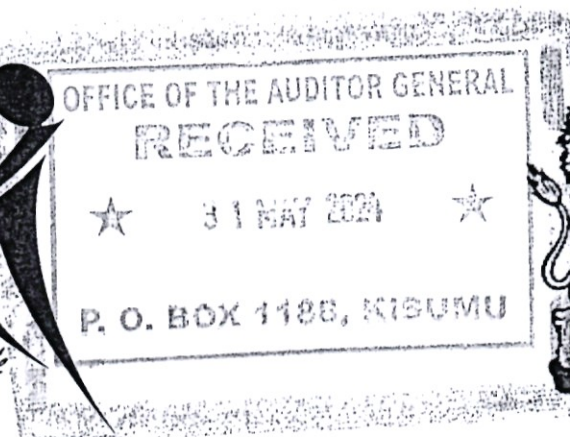
THE AUDITOR-GENERAL



ON

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

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



MUHORONI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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



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

1. Acronyms and Abbreviations

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

2. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

- 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 Muhoroni 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	Henry Samson Juma Opilo
2.	Sub-County Accountant	Kenneth Ooga Menge
3.	Chairman NGCDFC	Bernard Austin Ogutu Del
4.	Member NGCDFC	Nancy Iminza Kayere

(c) Fiduciary Oversight Arrangements

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

P.O. Box 60 – 40116
CDF Building, Chemelil
Muhoroni Sub-County Headquarters
Chemelil, KENYA

(e) Muhoroni Constituency NGCDF Contacts

Telephone: (254) 721967624
E-mail: cdfmuhoroni@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) Muhoroni Constituency NGCDF Bankers

Kenya Commercial Bank
Branch Muhoroni
P.O.Box 113 - 40107
Muhoroni Kenya

(g) Independent Auditors

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

(h) Principal Legal Adviser

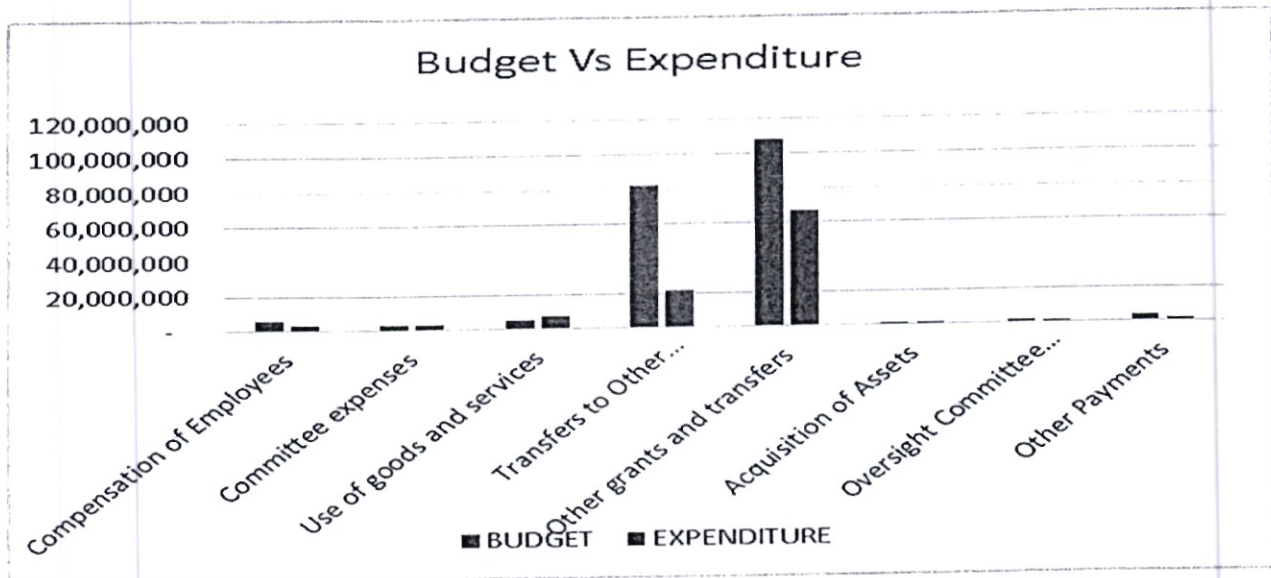
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

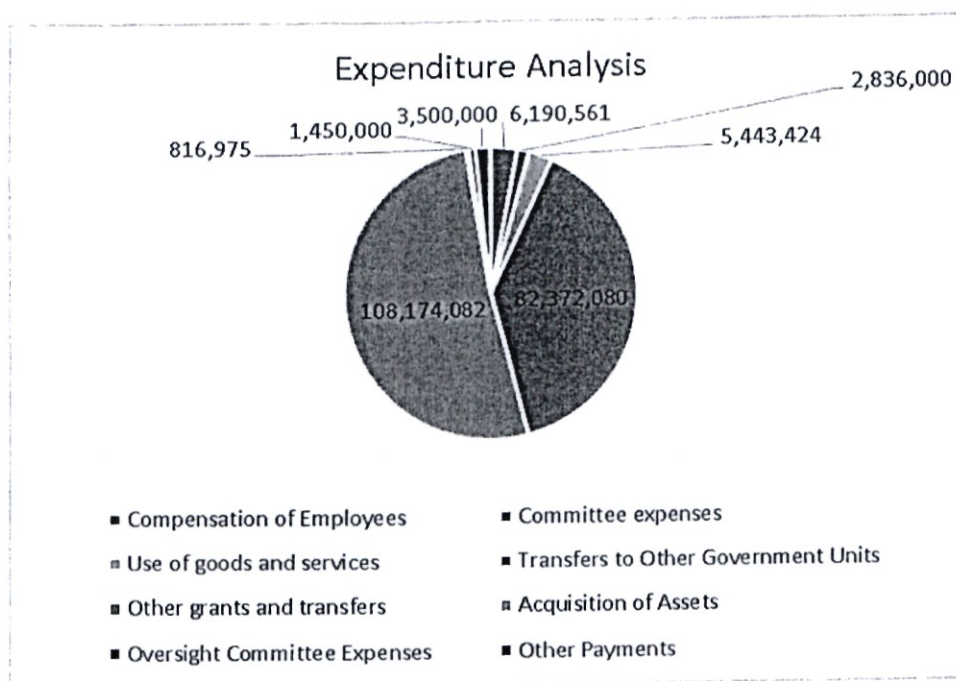
3. NG-CDFC Chairman's Report



Summary of budget performance

Once again, I present our constituency Annual Report and Financial Statements for the year ended 30th June 2023. The actual receipt from the NGCDF board for the year 2022/2023 was Kshs. 101,000,000, this include Kshs 87,000,000 against the annual budget (allocation) of Kshs 145,087,603 and Kshs. 14,000,000 from the previous year allocation. By the closure of the financial year, a balance of Kshs. 70,176,482 of the allocated fund including balances not received from previous years had not been received as elaborated in the appropriate summary (see graph on appropriation of the budget utilization). The absorption rate for the financial year dropped from 73.9% to 49.2% as indicated by the appropriation analysis summary. This is a decrease of 24.7% from last year absorption rate.





Achievements

Our commitment to achieve our dream of being the model constituency in Kenya by bringing all the essential services to the people had been our main motivation for the continued good performance under the difficult operating environment.

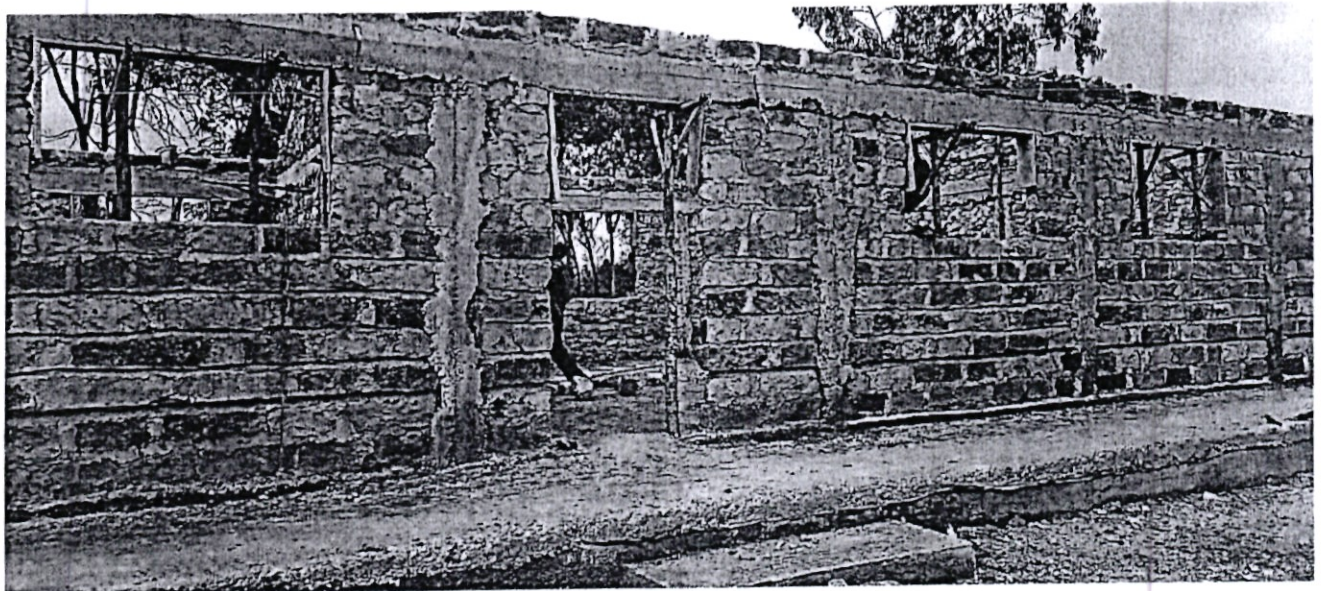
Some of the key achievement during this financial year included disbursement of funds to different government entities; Kshs. 19,800,000.00 was for primary schools and 2,168,115.00 for secondary schools. We were also able to disburse Kshs. 39,528,936.00 to various secondary schools within the country and 9,647,000.00 to tertiary institutions benefiting close to 8,000 students within the constituency, this indicate how education wise the NG-CDF funds is impacting on the lives of Kenyans with specific reference to Muhoroni constituents.

In terms of social responsibility sports activities was held to help the youths showcase their talents and a total of Kshs. 1,375,000.00 was utilized on the activity for purchase of uniforms and other sports equipment.

The constituency has also been able to handle emergency cases that emerged during the financial year.



**MAREGA PRIMARY SCHOOL – ONGOING CONSTRUCTION OF THREE CLASSROOM
– 2022/2023**



**OGWODO PRIMARY SCHOOL – ONGOING CONSTRUCTION OF THREE
CLASSROOM – 2022/2023**

Muhoroni Constituency
National Government Constituencies Development Fund (NGCDF)
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Emerging issues.

During this financial year the emerging issues were;

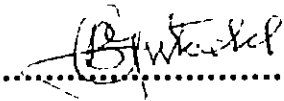
- I. The allocation for the bursary visa vie the demand.
- II. The access road conditions within the constituency.
- III. The need to start new secondary schools within the constituency.

Implementation challenges

- i. Floods in the Muhoroni
- ii. Poor roads within the constituency
- iii. Limited funds to implement projects
- iv. Lack of technical staff from the board to provide advices.
- v. The type of the soil

Way forward

- i. The board should increasing the allocation to the constituency to facilitate the increasing the demands of the constituents specific to Muhoroni constituency especially on the bursary allocation.
 - ii. The board should provide an independent technical officers to help in supervision and guidance of NG-CDF projects.
- Muhoroni NG-CDF through the area MP has collaborated with the county government to open up the drainages to mitigate the flood in the area.



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Name: Benard Austin Ogutu Del
CHAIRMAN NGCDF COMMITTEE

4. Statement of Performance against Predetermined Objectives for FY2022/2023

Introduction

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

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

1. Increase access and retention of learners in various learning institutions.
2. To reduce insecurity in Muhoroni Constituency by 95% by 2028.
3. Increase tree cover from 5% to 20% and conservation of water.
4. To promote participation of youths in various sporting activities.
5. To handle any emergency cases that occurs within the constituency

Progress on attainment of Strategic development objectives

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

s	Objective	Outcome	Indicator	Performance
Education	Increase access and retention of learners in various learning institutions.	Improved access and completion rates among primary and secondary school children	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions	In the FY 2022/2023 the constituency constructed 10 primary school classrooms, renovated 2 primary school classroom and 1 special needs school. Overs 4000 students have also benefited from the bursary disbursement both in secondary school and tertiary institution during the financial year

Muhoroni Constituency
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				2022/2023
Security				
Environment				
Sports	To promote participation of youths in various sporting activities	Recognition of sports as an employer among the youth.	Purchase and distribution of sports kits Organize stakeholders meeting and training for the youths	In the financial year 2022/2023 we purchased sets of uniforms to local football clubs in Muhoroni Stakeholder meeting was held and training of youths within the constituency
Emergency	To handle any emergency cases that occurs within the constituency	To facilitate safety of the constituents	Renovation and repairs of classes and roads for accessibility	In the financial year 2022/2023 we build toilets and repaired roads that were affected by rains. We also did fumigations in some schools

5. Statement of Governance

The National Government Constituency Development Fund Committee is established under Section 43 of The National Government Constituencies Development Fund Act of 2015. The composition of the committee includes;

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

Operation of the committee

The quorum of the Constituency Committee shall be one half of the total membership. The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.

Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.

Meetings

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

Removal from office

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

- (a) lack of integrity;
- (b) gross misconduct;
- (c) embezzlement of public funds;
- (d) bringing the committee into disrepute through unbecoming personal public conduct;
- (e) promoting unethical practises;
- (f) causing disharmony within the committee;
- (g) physical or mental infirmity.

A decision to remove a member shall be made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. A vacancy arising as a result of the removal of a member under subsection shall be filled in the manner set out in the Act and minutes of the meeting shall indicate the fact of the removal or appointment of a member.

Dissolution of Constituency Committee

A person may present a petition to the Board for the dissolution of a Constituency Committee setting out the alleged facts constituting any one or more of the following grounds for dissolution;

- (a) serious violation of the Constitution or any other law including a contravention of Chapter Six;
- (b) gross misconduct, whether in performance of the member's or office holder's functions or otherwise;
- (c) incompetence;
- (d) bankruptcy; or
- (e) any other cause as may be deemed justifiable.

6. Environmental and Sustainability Reporting

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

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

Muhoroni NGCDF allocated funds to seven school for purchase of 10,000 litter water tank for conservation of water.

Muhoroni NGCDF carried out a training programme to expound on the effects of drugs it also allocated funds for security purposes like construction of police post.

A tournament was carried out and the winners were gifted to encourage the nurturing of the talents. Some uniforms were also purchased for teams to enable them participate in other tournaments.

3. Employee welfare

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

Muhoroni 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-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

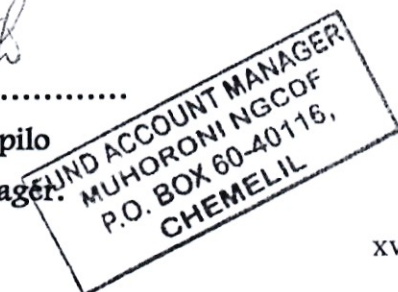
The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

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

.....
Name: Henry S.J. Opilo
Fund Account Manager.



7. Statement of Management Responsibilities

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

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

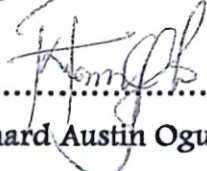
The Accounting Officer in charge of the NGCDF Muhoroni Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for 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

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

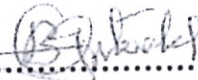
prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

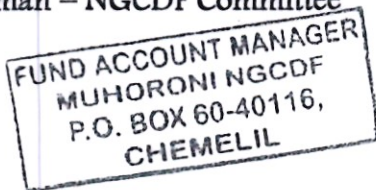
The NGCDF- Muhoroni Constituency financial statements were approved and signed by the Accounting Officer on 20/9/2023.



.....
Name: Benard Austin Ogutu Del
Chairman – NGCDF Committee



.....
Name: Henry S.J. Opilo
Fund Account Manager



REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MUHORONI 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 - Muhoroni 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

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

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 as at 30 June, 2023 and 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 Use of Goods and Services

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.7,519,875 as disclosed in Note 6 to the financial statements. Review of records revealed an amount of Kshs.691,000 for routine maintenance, Kshs.340,000 for fuel and lubricants and Kshs.190,000 for insurance totalling Kshs.1,221,000. However, the respective supporting payment vouchers were not provided for audit review.

In the circumstances, the accuracy and completeness of the use of goods and services amounting to Kshs.1,221,000 could not be confirmed.

2. Inaccuracies in Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and bank balance of Kshs.36,923,433 as disclosed in Note 12A to the financial statements. However, the bank reconciliation statement reflects unpresented cheques amount of Kshs.22,358,602 out of which an amount of Kshs.18,950 were stale cheques that had not been replaced or reversed in the cashbook.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.36,923,433 could not be confirmed.

3. Unsupported Project Management Committee Bank Accounts Balance

Note 19.4 to the financial statements reflects Nil Project Management Committee (PMC) bank balances (2022 – Kshs.311,752) which were not supported with bank balance certificates, expenditure returns and Projects Implementation Status reports.

In the circumstances, the accuracy, completeness and disclosure of the Nil PMC bank balances could not be confirmed.

4. Irregular Recruitment of Staff

The statement of receipts and payments reflects compensation of employees amount of Kshs.2,849,535 as disclosed in Note 4 to the financial statements. During the year under review, Management employed twelve (12) additional staff but there was no evidence of

approved Board minutes, advertisement, shortlisting and interviews. Further, the personal files did not have application letters nor signed contracts to support their employment.

In the circumstances, regularity, accuracy and value for money for compensation of employees amounting to Kshs.2,849,535 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 - Muhoroni Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual receipts on comparable basis of Kshs.210,783,122 and Kshs.140,606,640 respectively resulting to an under-funding of Kshs.70,176,482 or 33% of the budget. Similarly, the Fund spent a balance of Kshs.103,683,208 against actual receipts of Kshs.140,606,640 resulting to an under-utilization of Kshs.36,923,432 or 26% of the receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

The audit report for the previous year highlighted several issues under Report on the Financial Statements and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given explanations for failure to resolve them.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and

Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Delay in Project Implementation

During the year under review, Management budgeted to implement twenty-nine (29) projects at a total cost of Kshs.79,799,057. However, four (4) projects with a budget allocation of Kshs.28,118,000 were not completed.

In the circumstances, failure to complete projects as planned may increase their cost and may negatively impact service delivery to the public.

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 Approved ICT Policy and IT Strategic Committee

During the audit, it was observed that the Fund did not have an approved ICT Policy and ICT Strategic Committee in place. This was contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall ensure that the National Government entity develops a risk management strategy, which include fraud prevention mechanism and a system of risk management and internal control that builds robust business operations.

In the circumstances, the effectiveness of Fund's internal controls on ICT and risk management 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

20 June, 2024

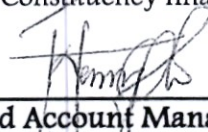
Muhoroni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

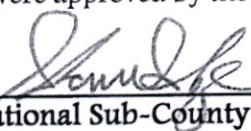
9. Statement of Receipts and Payments for the Year Ended 30th June 2023

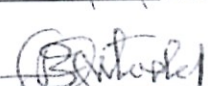
	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	101,000,000	168,664,854
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		101,000,000	168,664,854
Payments			
Compensation Of Employees	4	2,849,535	6,928,270
Committee expenses	5	2,821,600	-
Use Of Goods and Services	6	7,519,875	6,986,112
Transfers To Other Government Units	7	21,968,115	30,880,000
Other Grants and Transfers	8	66,355,083	136,440,336
Acquisition Of Assets	9	119,000	-
Oversight Committee Expenses	10	550,000	-
Other Payments	11	1,500,000	4,360,975
Total Payments		103,683,208	185,595,692
Surplus/(Deficit)		(2,683,208)	(16,930,839)

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 20/9/2023 2023 and signed by:


 Fund Account Manager


 National Sub-County
 Accountant


 Chairman NG-CDF
 Committee

Name: Henry S.J. Opilo

Name: Kenneth Ooga Menge
 ICPAK M/No: 24748

Name: Benard A. Ogutu Del

FUND ACCOUNT MANAGER
 MUHORONI NGCDF
 P.O. BOX 60-40116,
 CHEMELIL

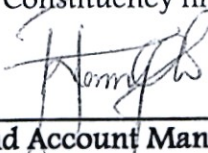
*Muhoroni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

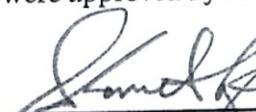
10. Statement of Assets and Liabilities as At 30th June, 2023

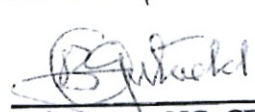
	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	36,923,433	39,606,640
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		36,923,433	39,606,640
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		36,923,433	39,606,640
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
Total Financial Liabilities		36,923,433	39,606,640
Net Financial Assets		36,923,433	39,606,640
Represented By			
Fund Balance B/Fwd	15	39,606,640	56,537,479
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		(2,683,208)	(16,930,839)
Net Financial Position		36,923,433	39,606,640

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 20/9/2023 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: Henry S.J. Opilo

Name: Kenneth Ooga Menge
ICPAK M/No: 24748

Name: Benard A. Ogutu Del

FUND ACCOUNT MANAGER
MUHORONI NGCDF
P.O. BOX 60-40116,
CHEMELIL

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

11. Statement of Cash Flows for the Year Ended 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	101,000,000	168,664,854
Other Receipts	3	-	-
Total Receipts		101,000,000	168,664,854
Payments			
Compensation Of Employees	4	2,849,535	6,928,270
Committee Expenses	5	2,821,600	-
Use Of Goods and Services	6	7,519,875	6,986,112
Transfers To Other Government Units	7	21,968,115	30,880,000
Other Grants and Transfers	8	66,355,083	136,440,336
Oversight Committee Expenses	10	550,000	-
Other Payments	11	1,500,000	4,360,975
Total Payments		103,564,208	185,595,692
Total Receipts Less Total Payments			
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		(2,564,208)	(16,930,839)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	(119,000)	-
Net Cash Flows from Investing Activities		(119,000)	(16,930,839)
Net Increase In Cash And Cash Equivalent		(2,683,208)	(16,930,839)
Cash & Cash Equivalent At Start Of The Year	12	39,606,640	56,537,479
Cash & Cash Equivalent At End Of The Year	12	36,923,432	39,606,640

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


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

The Constituency financial statements were approved by NG CDFC on 20/9/ 2023 and signed by:



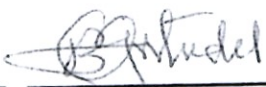
Fund Account Manager

Name: Henry S.J. Opilo



**National Sub-County
Accountant**

**Name: Kenneth Ooga Menge
ICPAK M/No: 24748**



**Chairman NG-CDF
Committee**

Name: Benard A. Ogutu Del

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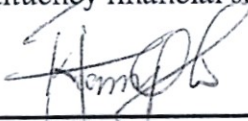
12. Summary Statement of Appropriation for the Year Ended 30th June 2023

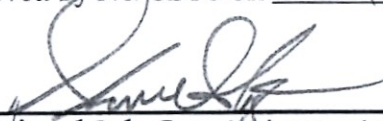
Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2022-2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers From NGCDF Board	145,087,603	39,606,640	26,088,879	210,783,122	140,606,640	70,176,482	
Proceeds From Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	#DIV/0!
Totals	145,087,603	39,606,640	26,088,879	210,783,122	140,606,640	70,176,482	66.7%
Payments							
Compensation Of Employees	4,778,460	1,412,101	-	6,190,561	2,849,535	3,341,026	46.0%
Committee Expenses	2,836,000	-	-	2,836,000	2,821,600	14,400	99.5%
Use Of Goods and Services	5,443,424	-	-	5,443,424	7,519,875	(2,076,451)	138.1%
Transfers To Other Government Units	39,498,116	28,873,964	14,000,000	82,372,080	21,968,115	60,403,965	26.7%
Other Grants and Transfers	87,581,603	8,503,600	12,088,879	108,174,082	66,355,083	41,818,999	61.3%
Acquisition of Assets	-	816,975	-	816,975	119,000	697,975	14.6%
Oversight Committee Expenses	1,450,000	-	-	1,450,000	550,000	900,000	37.9%
Other Payments	3,500,000	-	-	3,500,000	1,500,000	2,000,000	42.9%
Funds Pending Approval**							
Totals	145,087,603	39,606,640	26,088,879	210,783,122	103,683,208	107,099,914	49.2%

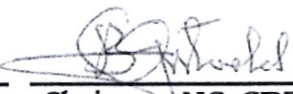
*Muhoroni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

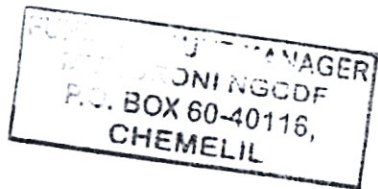
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	107,099,914
Less undisbursed funds receivable from the Board as at 30 th June 2023	(70,136,482)
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2023	36,920,432

The Constituency financial statements were approved by NGCDFC on 20/9/ 2023 and signed by:


 Fund Account Manager
 Name: Henry S.J. Opilo


 National Sub-County Accountant
 Name: Kenneth Ooga Menge
 ICPAK M/No:


 Chairman NG-CDF Committee
 Name: Benard A. Ogutu Del



13. Budget Execution by Sectors and Projects for the Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,778,460	1,412,101	-	6,190,561	2,849,535	3,341,026
1.2 Committee allowances	1,248,000	-	-	1,248,000	1,178,000	70,000
1.3 Use of goods and services	2,678,796	-	-	2,678,796	3,618,296	(939,500)
Sub-total	8,705,256	1,412,101	-	10,117,357	7,645,831	2,471,526
2.0 Monitoring and evaluation						
2.1 Capacity building	-	-	-	-	-	-
2.2 Committee allowances	1,248,000	-	-	1,248,000	823,100	424,900
2.3 Use of goods and services	3,104,628	(1,100,175.00)	-	2,004,453	4,841,079	(2,836,626)
Sub-total	4,352,628	(1,100,175)	-	3,252,453	5,664,179	(2,411,726)
3.0 Emergency						
3.1 Primary Schools	7,636,190	795,265.00	-	8,431,455	9,499,232	(1,067,777)
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-
Sub-total	7,636,190	795,265	-	8,431,455	9,499,232	(1,067,777)
4.0 Bursary and Social Security						

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.1 Secondary Schools	22,500,000	(18,449,523)	-	4,050,477	39,528,936	(35,478,459)
4.2 Tertiary Institutions	21,994,268	(11,975,966)	-	10,018,302	9,647,000	371,302
4.3 Social Security	5,786,395	-	-	5,786,395	-	5,786,395
4.4 Special needs	500,000	-	-	500,000	-	500,000
Sub-total	50,780,662	(30,425,489)	-	20,355,173	49,175,936	(28,820,763)
5.0 Sports						
5.2	2,551,752	(2,020.00)	-	2,549,732	1,375,000	1,174,732
5.3	350,000	-	-	350,000	-	350,000
Sub-total	2,901,752	(2,020)	-	2,899,732	1,375,000	1,524,732
6.0 Environment						
God Nyithindo Primary School	235,000	-	-	235,000	235,000	-
Achego Primary School	235,000	-	-	235,000	235,000	-
Nyadundo Primary School	235,000	-	-	235,000	235,000	-
Ngeny Secondary School	235,000	-	-	235,000	235,000	-
Oginga Odinga Sec. School	235,000	-	-	235,000	235,000	-
Ngere Kagoro Sec. School	235,000	-	-	235,000	235,000	-
Ayiecho Nyatao Primary School	235,000	-	-	235,000	235,000	-
Sanda Primary School	-	-	354	354	-	354
Sub-total	1,645,000	-	354	1,645,354	1,645,000	354
7.0 Primary Schools Projects						

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Pawteng Primary School	3,600,000	-	-	3,600,000	1,500,000	2,100,000
Ogwodo Primary School	3,600,000	2,200,000	-	5,800,000	1,500,000	4,300,000
Angogo Primary School	2,400,000	1,100,000	-	3,500,000	1,000,000	2,500,000
Muhoroni Primary School	1,200,000	2,200,000	-	3,400,000	1,200,000	2,200,000
Muhoroni Township Pri. School	3,600,000	2,200,000	-	5,800,000	1,500,000	4,300,000
Ogwedhi Primary School	2,400,000	2,200,000	-	4,600,000	1,000,000	3,600,000
Chemelil Factory Pri. School	1,200,000	-	-	1,200,000	1,200,000	-
Achego Primary School	3,600,000	2,200,000	-	5,800,000	1,500,000	4,300,000
Miwani Estate Primary School	3,600,000	-	-	3,600,000	1,500,000	2,100,000
Kibos Prison Primary School	3,600,000	2,200,000	-	5,800,000	1,500,000	4,300,000
Marega Primary School	3,600,000	2,200,000	-	5,800,000	1,500,000	4,300,000
Kango Primary School	3,600,000	2,200,000	-	5,800,000	1,500,000	4,300,000
Amilo Primary School	2,400,000	2,200,000	-	4,600,000	1,000,000	3,600,000
Kibigori Primary School	-	2,200,000	-	2,200,000	-	2,200,000
Mashambani Primary School	-	2,200,000	-	2,200,000	-	2,200,000
Mikiria Primary School	-	2,200,000	-	2,200,000	-	2,200,000
Okwach Primary School	-	1,100,000	-	1,100,000	-	1,100,000
Osiri Migere Primary School	-	2,200,000	-	2,200,000	-	2,200,000
Ng'eny Primary School	-	1,100,000	-	1,100,000	-	1,100,000
Nyang'oma Primary School	-	2,200,000	-	2,200,000	-	2,200,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Obumba Primary School	-	2,200,000	-	2,200,000	-	2,200,000
Nyang'ore Primary School	-	160,000	-	160,000	160,000	-
Oseng'teti Primary School	-	160,000	-	160,000	160,000	-
Makindu Primary School	-	160,000	-	160,000	160,000	-
Songhor Primary School	-	160,000	-	160,000	160,000	-
Ogilo Primary School	-	160,000	-	160,000	160,000	-
Sanda Primary School	-	240,000	-	240,000	240,000	-
Kolang Primary School	-	160,000	-	160,000	160,000	-
Magare Primary School	-	240,000	-	240,000	240,000	-
Nyagoto Primary School	-	160,000	-	160,000	160,000	-
Masara Primary School	-	160,000	-	160,000	160,000	-
Ramula Primary School	-	1,810,000	-	1,810,000	160,000	1,650,000
Kibos Sugar Research Primary School	-	160,000	-	160,000	160,000	-
Mariwa Primary School	-	160,000	-	160,000	160,000	-
Nyando Primary School	-	160,000	-	160,000	160,000	-
Pawteng primary school	-	1,650,000	-	1,650,000	-	1,650,000
Nyakoko primary school	-	1,650,000	-	1,650,000	-	1,650,000
Karunga Primary school	-	170,000	-	170,000	-	170,000
Bacho primary school	-	1,650,000	-	1,650,000	-	1,650,000
Kibigori Railways primary	-	(800,000)	-	(800,000)	-	(800,000)

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
school						
Kibigori primary school	-	50,000	-	50,000	-	50,000
Kipturi primary school	-	1,650,000	-	1,650,000	-	1,650,000
Tamu primary school	-	1,650,000	-	1,650,000	-	1,650,000
Sub-total	38,400,000	48,020,000	-	86,420,000	19,800,000	66,620,000
8.0 Secondary Schools Projects						
Ngeny Special School	498,115	-	-	498,115	498,115	-
Mutwala Girls Sec. School	600,000	350,000.00	-	950,000	950,000	-
Ngere Kagoro Sec. School	8,206,000	5,240,000.00	-	13,446,000	240,000	13,206,000
Prof. Ayiecho Obumba Sec Sch.	8,206,000	-	-	8,206,000	-	8,206,000
Oginga Odinga Sec. School	8,206,000	-	-	8,206,000	-	8,206,000
God Abuoro Secondary School	-	-	1,100,000	1,100,000	-	1,100,000
Hon koyoo Mixed Sec. School	-	-	2,200,000	2,200,000	-	2,200,000
Our Lady Queen of Peace Sec.	-	-	2,200,000	2,200,000	-	2,200,000
Nyakoko Girls Sec. School	-	-	2,200,000	2,200,000	-	2,200,000
Mwai Abiero Ogen Sec. School	-	160,000.00	-	160,000	160,000	-
Hon koyoo Mixed Sec. School	-	8,500,000.00	-	8,500,000	-	8,500,000
St.Rita Ramula G. Sec School	-	160,000.00	-	160,000	160,000	-
St. Augustine R.C Sec. Sch.- Kandege	-	160,000.00	-	160,000	160,000	-
St. Stephens' Menara Sec.Sch.	-	1,300,000.00	-	1,300,000	-	1,300,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Miwani secondary school	-	5,000,000.00	-	5,000,000	-	5,000,000
Achego Girls secondary school	-	36,958.00	267,000	303,958	-	303,958
Sub-total	25,716,115	20,906,958	7,967,000	54,590,073	2,168,115	52,421,958
9.0 Tertiary institutions Projects						
9.1	-	-	8,658,000	8,658,000	-	8,658,000
Sub-total	-	-	8,658,000	8,658,000	-	8,658,000
10.0 Security Projects						
Muhoroni Sub county Headquarters	-	-	3,600	3,600	-	3,600
Kenya Rapid Deployment Unit - Songhor	-	-	3,000,000	3,000,000	3,000,000	-
Kenya Rapid Deployment Unit - Songhor	-	-	700,000	700,000	700,000	-
Muhoroni NGCDF Office	-	-	331,556	331,556	331,546	10
Koru Chiefs' Office	-	-	1,200,000	1,200,000	-	1,200,000
Ngere Kagoro – Police Post	-	-	1,200,000	1,200,000	-	1,200,000
Miwani Police Station	-	-	1,200,000	1,200,000	-	1,200,000
Muhoroni Police Post	-	-	1,200,000	1,200,000	-	1,200,000
Muhoroni Sub County Treasury Office	-	-	128,369	128,369	128,369	-
Muhoroni Chiefs' Office	-	-	250,000	250,000	250,000	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Nyangoma Chiefs' Office	-	-	250,000	250,000	250,000	-
Sub-total	-	-	9,463,525	9,463,525	4,659,915	4,803,610
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-
12.0 Oversight Committee Expenses						
Committee Allowances	600,000	-	-	600,000	300,000	300,000
Goods and services	850,000	-	-	850,000	250,000	600,000
	-	-	-	-	-	-
Sub-total	1,450,000	-	-	1,450,000	550,000	900,000
13.0 Others						
13.1 Strategic Plan	3,500,000			3,500,000	1,500,000	2,000,000
13.2 Innovation Hub						
13.2						
Sub-total	3,500,000			3,500,000	1,500,000	2,000,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Funds pending approval**	-	-	-	-	-	-
Total	145,087,603	39,606,640	26,088,879	210,783,122	103,683,208	107,099,914

14. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Muhoroni 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.

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 08 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.

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15. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
	Kshs	Kshs
NGCDF Board		
AIE NO. B 105223	-	33,000,000
AIE NO. B 105520	-	44,000,000
AIE NO. B 105879	-	22,000,000
AIE NO. B 128634	-	5,000,000
AIE NO. B 128948	-	12,000,000
AIE NO. B 154144	-	12,000,000
AIE NO. B 164374	-	18,000,000
AIE NO. B 155899	-	10,088,879
AIE NO. A 895072	-	12,575,975
AIE NO. A 895084	14,000,000	-
AIE NO. B 185190	7,000,000	-
AIE NO. B 185726	21,000,000	-
AIE NO. B 206491	12,000,000	-
AIE NO. B 206042	5,000,000	-
AIE NO. B 205836	12,000,000	-
AIE NO. B 207596	15,000,000	-
AIE NO. B 207972	15,000,000	-
TOTAL	101,000,000	168,664,854

2. Proceeds From Sale of Assets

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

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3. Other Receipts

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

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Notes to the Financial Statements (Continued)

4. Compensation of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,753,200	3,546,000
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	966,735	3,218,110
Employer Contributions Compulsory national social security schemes	129,600	164,160
Total	2,849,535	6,928,270

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,882,100	976,000
Other committee expenses	939,500	-
Total	2,821,600	-

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6. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	9,450	1,626,145
Communication, supplies and services	1,015,750	53,620
Domestic travel and subsistence	336,000	787,000
Printing, advertising and information supplies & services	-	568,500
Rentals of produced assets	-	-
Training expenses	1,100,000	108,625
Hospitality supplies and services	1,516,400	916,120
Insurance costs	190,000	-
Specialised materials and services	-	-
Office and general supplies and services	1,060,000	1,787,841
Fuel , oil & lubricants	340,000	-
Other operating expenses	1,050,000	-
Bank Charges	11,275	48,831
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	691,000	-
Routine maintenance- other assets	200,000	113,430
Total	7,519,875	6,986,112

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Notes to the Financial Statements (Continued)

7. Transfer to Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	19,800,000	23,900,000
Transfers To Secondary Schools (See Attached List)	2,168,115	6,980,000
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	21,968,115	30,880,000

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	39,528,936	58,479,400
Bursary – tertiary institutions (see attached list)	9,647,000	27,738,826
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	4,659,915	33,137,236
Sports projects (see attached list)	1,375,000	2,998,000
Environment projects (see attached list)	1,645,000	5,483,554
Emergency projects (see attached list)	9,499,232	9,888,320
Roads projects (see attached list)	-	-
Total	66,355,083	137,725,336

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Notes to the Financial Statements (Continued)

9. Acquisition of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	119,000	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	119,000	-

10. Oversight Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
COC Members allowance	-	-
Other COC expenses	550,000	-
	550,000	-

11. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	1,500,000	1,285,000
ICT Hub	-	-
Roads	-	3,075,975
	1,500,000	4,360,975

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Kenya Commercial Bank, A/C No. 1104058669 Muhoroni</i>	36,923,433	39,606,640
Total	36,923,433	39,606,640
12 B: Cash on Hand		
Location 1	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

13. Outstanding Imprests

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

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Notes to the Financial Statement Continued

14. Retention and Gratuity

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

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

15. Fund Balance B/F

	(1st July 2022)	(1st July 2021)
	Kshs	Kshs
Bank accounts	39,606,640.00	56,537,479
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less		
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	39,606,640.00	56,537,479

16. Prior Year Adjustments

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

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

17. Changes In Accounts Receivable – Outstanding Imprests

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

18. Changes in Accounts Payable – Deposits and Retentions

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

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Notes To the Financial Statements (Continued)

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

19.2: Pending Staff Payables (See Annex 2)

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

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	3,341,026	1,412,101
Committee expense	14,400	-
Use of goods and services	(2,076,451)	(1,100,178)
Amounts due to other Government entities (see attached list)	60,403,965	85,551,964
Amounts due to other grants and other transfers (see attached list)	41,818,999	(20,168,367)
Acquisition of assets	697,975	-
Oversight Committee Expenses	900,000	-
Other Payments (<i>specify</i>)	2,000,000	-
Funds pending approval	-	-
Total	107,099,914	65,695,520

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19.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	-	311,752
	-	-
Total	-	311,752

16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 20xx	Comments
NG-CDFC Staff				
1.	-	-	-	
2.	-	-	-	
3.	-	-	-	
Sub-Total	-	-	-	
Grand Total	-	-	-	

*Muhoroni 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	Outstanding Balance	Comments
		2022-2023	2021-2022	
Compensation of employees	Payment of salaries	3,341,026.00	-	
Use of goods & services	For office use	(2,076,451.00)	-	
Amounts due to other Government entities				
Pawteng Primary School	Construction of 3 classrooms	2,100,000.00		
Ogwodo Primary School	Construction of 3 classrooms	4,300,000.00		
Angogo Primary School	Construction of 2 classrooms	2,500,000.00		
Muhoroni Primary School	Renovation of 7 classrooms	2,200,000.00		
Muhoroni Township Pri. School	Construction of 3 classrooms	4,300,000.00		
Ogwedhi Primary School	Construction of 2 classrooms	3,600,000.00		
Acheho Primary School	Construction of 3 classrooms	4,300,000.00		
Miwani Estate Primary School	Construction of 3 classrooms	2,100,000.00		
Kibos Prison Primary School	Construction of 3 classrooms	4,300,000.00		
Marega Primary School	Construction of 3 classrooms	4,300,000.00		
Kango Primary School	Construction of 3 classrooms	4,300,000.00		
Amilo Primary School	Construction of 4 classrooms	3,600,000.00		
Kibigori Primary School	Construction of 2			

	classrooms	2,200,000.00		
Mashambani Primary School	Construction of 2 classrooms	2,200,000.00		
Mikiria Primary School	Construction of 2 classrooms	2,200,000.00		
Okwach Primary School	Construction of 1 classrooms	1,100,000.00		
Osiri Migere Primary School	Construction of 2 classrooms	2,200,000.00		
Ng'eny Primary School	Construction of 1 classrooms	1,100,000.00		
Nyang'oma Primary School	Construction of 2 classrooms	2,200,000.00		
Obumba Primary School	Construction of 2 classrooms	2,200,000.00		
Ramula Primary School	Construction of 2 classrooms	1,650,000.00		
Pawteng primary school	Construction of 2 classrooms	1,650,000.00		
Nyakoko primary school	Construction of 2 classrooms	1,650,000.00		
Karunga Primary school	Construction of 2 classrooms	170,000.00		
Bacho primary school	Construction of 2 classrooms	1,650,000.00		
Kibigori Railways primary school	Construction of 3 classrooms	(800,000.00)		
Kibigori primary school	Construction of 3 classrooms	50,000.00		
Kipturi primary school	Construction of 2 classrooms	1,650,000.00		
Tamu primary school	Construction of 2 classrooms	1,650,000.00		
Ngere Kagoro Secondary School	Purchases of a bus and construction of a laboratory	13,206,000.00		
Prof. Ayiecho Obumba Sec School	Purchase of a bus			

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		8,206,000.00		
Oginga Odinga Secondary School	Purchase of a bus	8,206,000.00		
God Abuoro Secondary School	Construction of 1 classrooms	1,100,000.00		
Hon koyoo Mixed Secondary School	Construction of 2 classrooms	2,200,000.00		
Our Lady Queen of Peace Secondary	Construction of 2 classrooms	2,200,000.00		
Nyakoko Girls Secondary School	Construction of 2 classrooms	2,200,000.00		
Hon koyoo Mixed Secondary School	Construction of admin block and classrooms	8,500,000.00		
St. Stephens' Menara Secondary School	Construction of pathway	1,300,000.00		
Miwani secondary school	Construction of laboratory	5,000,000.00		
Achego Girls secondary school	Construction of classrooms	303,958.00		
Aoro Ndinya TTI	Construction of a TVET	8,658,000.00		
Sub-Total		127,699,958.00		-
Amounts due to other grants and other transfers				
Bursary - Secondary	Payment of bursary	(35,478,459.00)		-
Bursary -Tertiary	Payment of bursary	371,301.50		
Bursary- Special Schools	Payment of bursary	500,000.00		
Mocks & CAT				
Social Security programmes (NHIF)	For social security	5,786,394.55		
Security Projects	For security project	4,803,610.00		
Sports Projects	For sports activities			

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Environment Projects	For environment projects	1,524,732.06						
Emergency Projects	For emergency purposes	354.00						
		(1,067,777.00)						
		-						
		-						
Sub-Total		(23,559,843.89)						
Acquisition of assets		697,975.00						
		697,975.00						
Oversight Committee Expenses (itemize)	Payment of COC	900,000.00						
		-						
		-						
		-						
Others (specify)								
Strategic plan	Preparation of strategic plan	2,000,000.00						
		-						
		-						
		-						
		-						
Sub-Total		2,900,000.00						
Funds pending approval		-						
		-						
Grand Total		107,099,914.38						

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	17,000,000	-	-	17,000,000
Transport equipment	23,000,520	-	-	23,000,520
Office equipment, furniture and fittings	3,195,982	-	-	3,195,982
ICT Equipment, Software and Other ICT Assets	263,058	119,000	-	382,058
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	43,459,560	119,000	-	43,578,560

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Fort Ternan Chiefs' Office	ABC Bank	4215001006275	-	114,957
North East Kano Chiefs' Office	ABC Bank	4125001006151	-	268
Ombeyi Chiefs' Office	ABC Bank	4215001006150	-	1,352
Ogilo Primary School	National Bank of Kenya	1022241816000	-	1,675
Sanda Primary School	National Bank of Kenya	1022241949600	-	1,675
Kolang Primary School	National Bank of Kenya	1022240044100	-	275
Ramula Primary School	National Bank of Kenya	1022243909000	-	1,275
Mariwa Primary School	National Bank of Kenya	1022241951400	-	311,752
Pawteng' Primary School	National Bank of Kenya	1224024268502	-	-
Ogwodo Primary School	National Bank of Kenya	1022263057600	-	-
Ang'ogo Primary School	Co-operative Bank of Kenya	1100049059001	-	-
Muhoroni Primary School	Kenya Commercial Bank	1316522253	-	-
Muhoroni Township Primary School	Kenya Commercial Bank	1183913753	-	-
Ogwedhi Primary School	Kenya Commercial Bank	1114067865	-	-
Chemelil Factory Primary School	National Bank of Kenya	1022255571801	-	-
Achego Primary School	Kenya Commercial Bank	1109612540	-	-
Miwani Estate Primary School	Co-operative Bank of Kenya	1106633630001	-	-
Kibos Prison Primary School	Kenya Commercial Bank	1310921946	-	-
Marega Primary School	Kenya Commercial Bank	1109803028	-	-

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Kang'o Primary School	Co-operative Bank of Kenya	1100150493001	-	-
Amilo Primary School	National Bank of Kenya	1022261469900	-	-
Total			-	311,752

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.

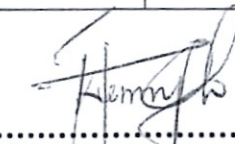
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Appointment of Constituency Oversight Committee	It was observed that constituency oversight committee was not appointed as required by the quoted Act. The National Government Constituency Development Fund Muhoroni was therefore in breach of the National Government Constituency Development fund Act 2015.	There was a lapse in appointing the oversight committee but the same has been corrected this term.		
Unsupported Expenditure on Bursary	The statement of Receipt and payment under note 7 to the financial statement reflects a balance of Kshs.137, 725,336 on Other Grants and Other Transfers. Included in this balance is Kshs.84, 988,326 on disbursement of bursary for secondary schools and tertiary institutions. However, examination of payment vouchers, supporting schedules and minutes of the NGCDF bursary committee revealed that bursary disbursed amounting to Kshs.39, 755,026 as detailed in schedule 1 attached was not	i. The acknowledgment letters are usually received from the institution after receiving the cheques. This has been a challenge since they sent the acknowledgement letters late or fails to send the letters at all. However some copies have been received and copies are attached. ii. The minutes were in a minutes file however the minutes have been attached to the vouchers		

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)
	supported with acknowledgement from the institutions where the bursary was disbursed. Further, some of the payments were not supported with minutes of the NGCDF bursary committee and where supported, the minutes were not signed. The schedule of the students did not indicate the admission of the students	and copies attached		
Un-updated Asset Register	Annex 4 to the financial statement disclosed summary of fixed assets for the year ended 30th June, 2022 amounting to Kshs.42, 656,137. The NGCDF maintained and availed for audit Assets register which contains various assets held by the NGCDF. Scrutiny of the register however various between the balances in the fixed assets register and those reported in the summary of the fixed assets	The asset register has since been updated as recommended		
Transport Equipment	Included in the summary of fixed assets balance of Kshs.42, 656,137 reflected at annex 4 to the financial statement is a transport and equipment with a total value of Kshs.3, 070,109. It was however noted that the	The log books of Toyota Double Cabin, Grader and the Motor Cycle are with the NGCDF Board since the equipment were purchased by the board and delivered to		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	assets register maintained by the NGCDF showed a balance of Kshs.23, 000,520 resulting in a variance of Kshs.19, 930,411. The transport and equipment according to the asset register comprised of a Toyota Double Cabin, a Grader and a Motor Cycle. However, the NGCDF did not availed log books for the equipment hence it was not possible to ascertain the ownership of the equipment. Further, physical verification could not be carried out since it was explained that the equipment were not operational and grounded outside the NGCDF compound	NGCDF Muhoroni office by the Board.		
Transfers to Other Government Units	The statement of Receipt and payment under note 6 to the financial statement reflects Transfers Other Government unit's balance of Kshs.30, 880,000. The funds were disbursed to various primary and secondary schools for implementation of projects. However, examination of payment vouchers, supporting schedules and minutes of the NGCDF committee revealed that	i. The procurement process was done according to the law the contractor was sourced through public advert. The advert were placed in in schools and chiefs camp offices where all could access them. Attached is a copy advert. ii. The appointment letters for the ad hoc		

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)
	expenditure amounting to Kshs.16,450,000 as detailed in appendix 3 attached were not properly supported	tender and evaluation committee were and notification to unsuccessful bidders were filed separately, they have since been filed in an individual project files. iii. The opening and evaluation minutes were in a different file at the time of audit. The minutes has since been filed in individual project files		



Name: Henry S.J. Opilo
Fund Account Manager.

FUND ACCOUNT MANAGER
MUHORONI NGCDF
P.O. BOX 60-40118
CHEMELIL