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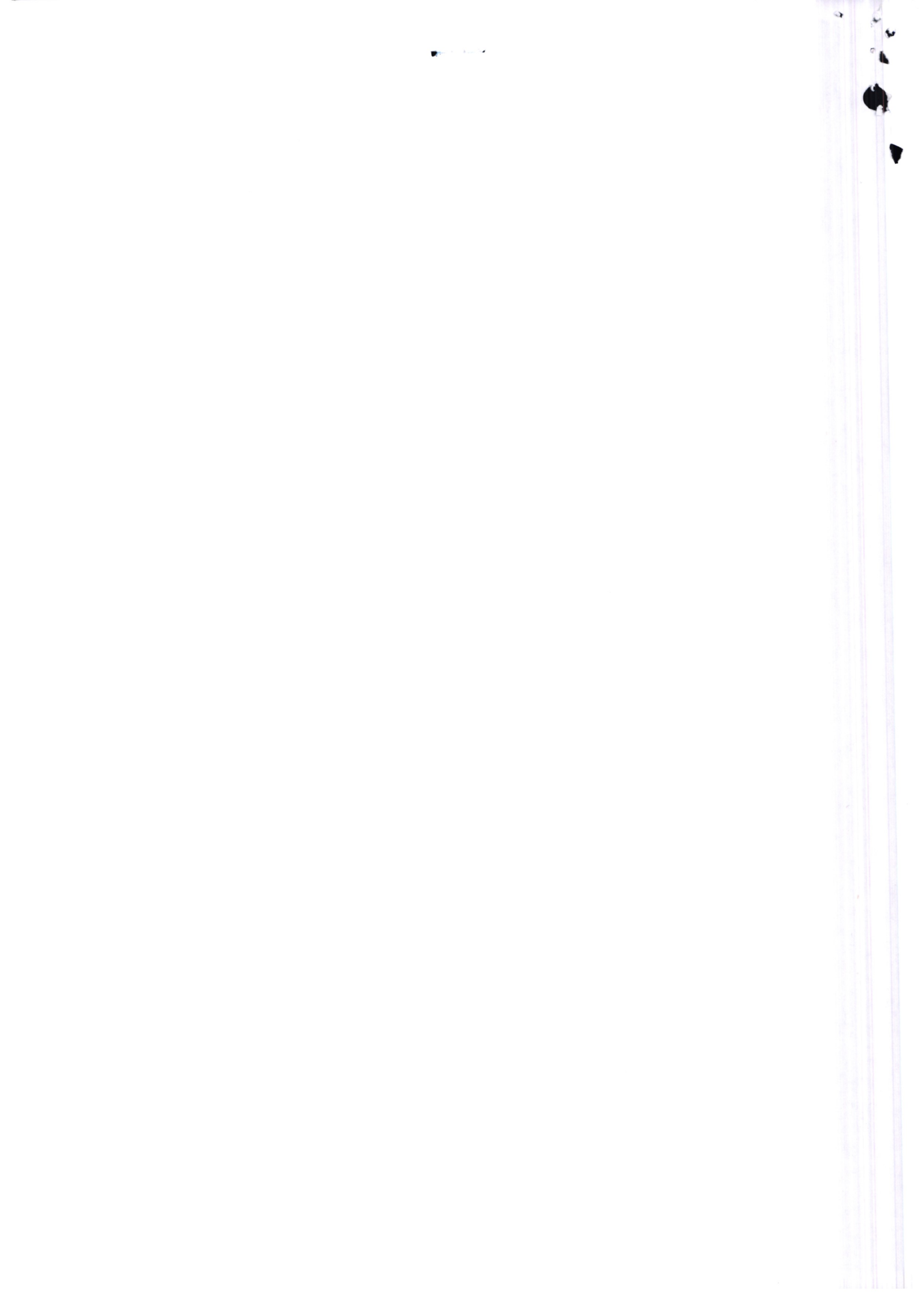
THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	
DATE:	14 FEB 2023
TABLED BY:	Deputy leader majority party Hon Owen Bayo, MP
CLEAR OF THE TABLE:	Enlaya muruki

THE AUDITOR-GENERAL

ON

PARLIAMENTARY CATERING FUND

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





PARLIAMENTARY SERVICE COMMISSION
PARLIAMENTARY CATERING FUND

Annual Report and Financial Statements

For the Financial Year Ended

30th June 2023

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

Parliamentary Catering Fund
Annual Report and Financial Statements for the Year Ended 30th June 2023

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1. Abbreviations, Acronyms and Glossary of Terms

IPSAS	International Public Sector Accounting Standards
PSASB	Public Sector Accounting Standards Board
PFM	The Public Finance Management
PSASB (K)	Public Sector Accounting Standards Board of Kenya
ERP	Enterprise Resource Planning
DDFA	Deputy Director Finance & Accounts
ICPAK	Institute of Certified Public Accountants of Kenya
HON	Honourable
CBS	Chief of the order of Burning Spear

2. Key Fund Information and Management

i) Background information

The Parliamentary Catering Fund was established by Parliamentary Service Commission under Section 36 of the Parliamentary Service Commission Act and the Public Finance Management Act section 24(2A). Regulation 3 of Public Finance Management (Parliamentary Catering Fund) Regulations, 2019 establishes the Catering Fund (Catering Fund Committee) with the objective of purchasing catering equipment, management and administration of catering facilities and services to be used by Members of Parliament and Staff of the Parliamentary Service Commission

The Fund is administered by a Catering Fund Committee chaired by the Chairperson of the Members' Welfare Committee of the Parliamentary Service Commission. The Committee is charged with the responsibility of ensuring that there is prudent use of the fund and monies accruing from the catering facility and that they are used in a manner deemed fit in accordance with laid down regulations, to advise the Commission on consultancy and outsourcing of catering facility of the Fund. Clerk of the National Assembly as the Officer Administering the Fund is responsible for the day-to-day operations of the Fund.

ii) Principal Activities

The principal activity of the Fund is to offer catering services to Members of National Assembly, The Senate and Senior Staff of Parliamentary Service Commission and to perform other functions necessary for the welfare of the Honourable Members and staff.

iii) Vision of the Parliament

Democratic and people centred Parliament.

iv) Mission

To facilitate Members of Parliament to discharge their constitutional mandate of representation, legislation and oversight efficiently and effectively.

v) Core Values

- Professionalism
- Impartiality
- Responsiveness
- Integrity and Accountability
- Cooperation and Consultation Inclusiveness

vi) Key Management

The Fund's day-to-day operations management is under the Clerk of the National Assembly as the Officer Administering the Fund and who shall designate and appoint such staff as may be necessary to assist in the administration of the Fund.

The Parliamentary Catering Fund's day-to-day management is under the following key technical officers during the period:

Name	Designation
Mr. Samuel Njoroge	Clerk National Assembly/ Officer Administering the Fund
Mrs. Serah Kioko, MBS	Deputy Clerk, National Assembly
Mr. Peter K. Chemweno	Director, Departmental Committee Services
Ms. Joan Awinja	Deputy Director, Administrative Services
Mr. Kennedy Malinda	Chief Procurement Officer
Mr. Michael Karuru	Deputy Director, Legal Services
Mr. Robert Masongo	Hospitality Manager
Mr. Joseph Karugo	Finance Officer II
Ms. Evaline Ochung	Accountant III

vii) Fiduciary Management

The Catering Fund Management Committee Members who served during the period and who had direct fiduciary responsibilities were:

Name	Designation
Hon. Erick O. Omogeni	Member/Chairperson, Members Welfare Committee
Hon. Mohamed Ali Mohamed	Member/ Chairman, Staff Welfare Committee
Hon. Mishi Mboko	Member/ Staff Welfare Committee
Hon. Silvanus Osoro	Member/Majority Chief Whip of National Assembly
Hon. Dr. Bonny Khalwale	Member/ Majority Chief Whip of Senate
Hon. Junet Mohamed	Member/ Minority Chief Whip of National Assembly
Hon. Ledama ole Kina	Member / Minority Whip of Senate
Mr. Jeremiah M. Nyegenye, CBS	Member / Clerk of the Senate
Mr. Samuel J. Njoroge	Member / Clerk of the National Assembly

viii) Headquarters

Parliament Buildings
P.O. Box 41842 – 00100
Parliament Road
Nairobi, Kenya

ix) Contacts

Telephone: (254) (020) 2221291,
E-mail: clerk@parliament.go.ke,
Website: www.parliament.go.ke

x) Bank

Kenya Commercial Bank
Kipande House,
P.O. Box 5772
City Square 00200
Nairobi, Kenya

xi) Independent Auditors

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

xii) Principal Legal Adviser

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

3. The Catering Fund Management Committee



Hon. Eric Okongo Omogeni

Member /Commissioner/Chairperson-Members Welfare Committee.

Hon. Eric Omogeni holds a Masters in Leadership from Jomo Kenyatta University of Arts and Technology, a Bachelor of Laws (LLB), a Diploma in Legal Studies and Legal Practice) at the Kenya School of Law.

His experience includes; Chairman, Kenya Anti-Corruption Advisory Board-2009-2012, Managing Partner Okongo O. Omogeni & Co Advocates Specializing in Civil, Corporate Law, Constitutional Practice and Land Law. Hon. Omogeni was also the Co-Chairman of the Task Force on Judicial Reforms-2009-2010 and National Chairman Law Society of The Kenya Governing Council-2007-2010.

Hon. Omogeni attended a one-week attachment to the Independent Commission Against Corruption ICAC in Hong Kong and Guangzhou Provincial Protectorate of Office China Mainland. He is a Member of The Law Society of Kenya Governing Council March 2007 to March 2010, Council Member, East Africa Law Society (EALS) from March 2007 To March 2010 and also a Member Conveyancing and Land Reform Committee.

He has won several accolades which include; The international commission of jurists ICJ Kenya award for a member of good standing and commitment to human rights democracy and the rule of law, 2004. In 2007 he awarded certificate of service for having served with distinction as a council member of the law society of Kenya 2005-2007.



Hon. Mohamed Ali Mohamed

Member/Commissioner/ Chairman, Parliamentary Service Commission Committee of Staff welfare.

Hon Mohamed Ali holds a Masters in Diplomacy and Foreign Policy, a Bachelor of Science in Communication and a Diploma in Journalism. He has a vast Experience in Media Investigations, Programme production, Continuity presenter, News writing, feature writing, scripting and editing, Photojournalism, translation and presentation, outside broadcasting (Commentary) and reporting both in radio and T.V.



Hon. Mboko, Juma Mishi Hamisi
Member/ Commissioner, Parliamentary Service
Commission Committee of Staff Welfare.

Hon Mishi Mboko holds a Bachelor of Science in Communication and Public Relations - Moi University and a Diploma in Public Relations – University of Nairobi. She Served on the Departmental Committee on Transport, Public Works and Housing and Joint Committee on Parliamentary Broadcasting and Library during the 11th Parliament. Currently a Member of the House Business Committee, Departmental Committee on Lands and Constituency Development Fund.



Hon. Dr. Bonny Khalwale
Member/ Majority Chief Whip of the Senate.

Hon. Dr Bonny Khalwale has a vast experience in parliamentary affairs. He has served as chairman of the Parliamentary Accounts Committee in the 9th Kenyan Parliament, where he made a reputation for leading censure motions against high profile cabinet ministers. He was again appointed on a similar role in the 10th Kenyan Parliament and has served as a Medical Officer Ministry of Health. He holds a Degree in Medicine form the University of Nairobi.



Hon. Silvanus Osoro
Member/ Majority Chief Whip, National Assembly.

Hon. Osoro has served as a Member of Departmental Committee on Defence and Foreign Relations. His experience also includes Serving as a Member of Committee on Implementation a committee Mandated with the responsibility of scrutinizing the resolutions of the House (including adopted committee reports), petitions and the undertakings given by the National Executive. He also currently serves in the House Business Committee and the Committee on Selection. Hon Osoro holds a Bachelor of Laws (LLB) form Mt. Kenya University. He is also the Managing Director/Founder at Pitchface Marketing.



Hon. Junet Sheikh Nuh Mohamed
Member/ Minority Chief Whip of the National Assembly.

Hon Junet Mohamed is a seasoned parliamentarian who has served as member of Departmental Committee on Energy, Communication & Information and the Public Accounts Committee. He is currently a member of the House Business Committee, Committee on Selection and Committee on Appointments.

He holds a bachelor's degree in business administration and a Diploma in Business Management.



Hon. Ledama ole Kina
Member / Minority Whip of Senate

Hon. Ledama olekina is a holder of a BA in Political Science and English Communication from the University of Massachusetts, Boston USA. He has been a lecturer in various institutions. He is actively involved in his community in Narok where he has served as the Senator since the 12th Parliament. He is currently the Senate Minority Whip and a Member of the Senate County Public Accounts and Investment committee.



Mr. Jeremiah M. Nyegenye, CBS
Member/Clerk of The Senate /Secretary and the Accounting Officer Parliamentary Service Commission

Mr. Jeremiah M. Nyegenye, CBS is an advocate of the High Court of Kenya and a Certified Public Secretary. He is a member of the Law Society of Kenya, the Institute of Certified Secretaries of Kenya, and the Kenyan Section of the International Commission of Jurists. Mr. Nyegenye is a member of the East African Law Society and the Commonwealth Association of Legislative Counsel.

He joined the Parliamentary Service in 2007, tasked to establish a legal office in the National Assembly and later served as the inaugural Director of Legal Services. On 11th October, 2012 he was appointed as the Clerk of the Senate and the Secretary to the Parliamentary Service Commission.

Mr. Jeremiah Nyegenye is an alumnus of the Blavatnik School of Government, University of Oxford where he attended the Executive Public Leaders Programme in 2019. He holds both a Bachelor of Laws degree and a Master of Laws degree (majoring in Public International Law) from the University of Nairobi and a Diploma in Law from the Kenya School of Law. In addition, he holds Certificates in Legislative Drafting from the Institute of Advanced Legal

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Studies of the University of London, the International Legislative Drafting Institute, New Orleans and the International Law Institute.



Mr. Samuel J. Njoroge,
Clerk of the National Assembly and Officer
Administering the Parliamentary Catering Fund.

Mr Samuel Njoroge is an experienced administrator. He holds a master's degree in Business Administration with specialization in Strategic Management and a Bachelor's degree in Environmental Planning.

4. Key Management Team



Mr. Samuel J. Njoroge,
Clerk of the National Assembly and the Officer
Administering the Parliamentary Catering Fund.
Master's degree in Business Administration with
specialization in Strategic Management.
Bachelor's degree in Environmental planning.



Ms. Serah M. Kioko, MBS
Member/Deputy Clerk-National Assembly.
Master degree in Business Administration



Mr. Kennedy Malinda
Member/The Chief Procurement Officer, National Assembly.



Mr. Michael Karuru
Member/Deputy Director, Legal services.



Ms. Joan Awinja
Member/Deputy Director Administrative Services.



Mr. Robert Masongo
Member/The Parliamentary Catering Hospitality Manager
Bachelor's degree in Science –Hotel & Restaurant
Management
International Baccalaureate Higher Diploma in Hotel
Operations & Management



CPA. Joseph Karugo
Member/Finance Officer II
Master's degree in Strategic Management
Bachelor's degree in Business Management with specialization in
Finance and Banking.



CPA. Evaline Ochung
Member/Accountant III
Bachelor's degree in Commerce

5. Chairman's Report



On behalf of the Management Committee of the Parliamentary Catering Fund, we are pleased to present to all stakeholders the Annual Report and Financial Statements of Fund for the financial year ended 30th June 2023. We are delighted to share the events of the year, our successful milestones, challenges and what we are looking forward to in the next Financial Year.

Over the past year, we have navigated through challenging times and achieved significant milestones. Our commitment to innovation and customer-centric approach has enabled us to maintain a strong position in the services we offer, and we have experienced steady growth. This success would not have been possible without the dedication, hard work and professionalism of our staff.

Our focus on sustainability remains unwavering, as we continue to implement environmentally conscious practices across our operations. We believe that being socially responsible is integral to our long-term success.

Looking forward, we are optimistic about the opportunities that lie ahead. We will continue to invest in development of our offering quality service and deliver value to our stakeholders.

The Committee will continue working closely with management especially in strategic planning. The Committee is determined and committed on delivering its mandate as effectively as possible and rise to the next level of quality service and excellence.

As we move forward, we remain cautiously optimistic. Our team will continue to diligently identify opportunities and manage risks prudently to generate favourable experiences for our stakeholders.

We would like to express my heartfelt appreciation to all our investors for their trust and continued support. Our success would not have been possible without your confidence in our fund and team.

On behalf of the Management Committee and the team, I extend my gratitude to all our shareholders, customers, partners, and employees for their unwavering support. Together, we will build a brighter future for our Fund.

.....
Hon. Eric Okongo Omogeni

Member /Commissioner/Chairperson-Members Welfare Committee.

6. Report Of the Fund Administrator



It is with great pleasure that I present the annual financial report of The Parliamentary Catering Fund. In a year marked by economic uncertainties, our Fund has demonstrated resilience and delivered promising results.

Throughout the fiscal year, our team has diligently navigated through various dynamics to maintain operational efficiency, aiming to offer value for service. We are pleased to report that our Fund has achieved solid returns, outperformed benchmarks and meeting our objectives.

We have remained committed to our philosophy of quality and consistency approach, which has been the cornerstone of our success. Additionally, our continuous quest to learn new catering trends and techniques has ensured we offer sumptuous meals and quality service in a serene environment.

We are pleased to present the Fund Financial Report, providing an overview of the performance and activities of The Parliamentary Catering Fund during the period ended 30th June 2023.

Performance Overview:

During the period 2022/2023, The Parliamentary Catering Fund has delivered commendable results. The Fund revenue earned Kes 105,633,378 compared to Kes 82,212,258 in the previous year. However, due to significant increase in cost of inputs without changing our selling prices, the Fund surplus reduced to Kes 4,031,332 in the current year from Kes 25,245,153 in the previous year earned.

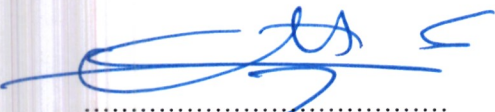
Menu variations:

Throughout the year, we made strategic adjustments to our menu portfolio to capitalize on emerging trends and meals while managing potential risks. Our catering team attended several trainings to benchmark and learn best practices from other providers.

We would like to express our gratitude to all our Management Committee for their unwavering support and trust in the team; our success would not have been possible without your confidence in our team.

We would also like to acknowledge the dedication and expertise of our experienced catering professionals and support staff. Their commitment has been essential to our accomplishments.

We remain committed to delivering value. Please find the detailed financial statements and other relevant information attached to this report.


.....
Mr. Samuel J. Njoroge,
Clerk of the National Assembly
Officer Administering the Parliamentary Catering Fund.

7. Statement of Performance Against Predetermined Objectives

7.1 Corporate Governance Statement:

The principal activity of the Fund is to offer catering services to Members of National Assembly, the Senate, and Senior Staff of Parliamentary Service Commission and to perform other functions necessary for the welfare of the Honourable Members and staff.

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the Accounting Officer to include in the financial statement, a statement of the national government Fund's performance against predetermined objectives.

7.2 Strategic Pillar:

Offer Quality Catering services to Members of the National Assembly, the Senate, and senior staff of the Parliamentary Service Commission.

7.3 Objectives:

The Annual objectives of the Catering Fund are as follows:

Objective	Key Performance Indicators	Activities	Achievements
Physical Infrastructure of the Catering Unit improvement	Installation of modern appliances	Upgrade of facilities.	Kitchen equipment procured, Cold room refurbished, and Staff lockers installed.
Improvement of the Management System	System in place	Training of Staff	Staff were trained on the application of the catering management system.
Staff Capacity Building	No. of trainings	Conduct trainings	Trainings conducted on: Administration and customer care, advanced supervisory management and Interpersonal relations at the workplace.
Food safety and Control	Committee in place	Set up an inspection committee	A committee was set up to check on safety and quality standards of supplies.

The Parliamentary Catering Fund is committed to the highest standards of corporate governance and ethics and recognizes that good corporate governance is key to the enhancement of our performance. Our values and ethics are entrenched in our strategic objectives, which are focused on delivering value through quality meals and service for the benefit of all our stakeholders.

The Funds Administration Committee recognizes that it has responsibilities to its stakeholders, employees, and partners by continuously complying with corporate governance principles.

This report details key corporate governance practices of The Parliamentary Catering Fund.

7.4 Appointment of Members

The Public Finance Management (Parliamentary Catering Fund) Regulations establish the Catering Fund Committee whose membership is as follows;

- The Public Finance Management (Parliamentary Catering Fund) Regulations establish the Catering Fund Committee whose membership is as follows;
- The Chairperson of the Members' Welfare Committee of the Commission
- The Chairperson of the Staff Welfare Committee of the Commission
- One Member of the Commission not being the Chairperson of Members' Welfare Committee or the Staff Welfare Committee of the Commission
- The Majority Whip of the National Assembly and in his or her absence, the Deputy Majority Whip
- The Minority Whip of the National Assembly and in his or her absence, the Deputy Minority Whip
- The Majority Whip of the Senate and in his or her absence, the Deputy Majority Whip
- The Minority Whip of the Senate and in his or her absence, the Deputy Minority Whip
- The Clerk of the Senate
- The Clerk of the National Assembly, who shall be the Officer Administering the Fund and the Secretary to the Committee

- The Fund Administrator designates and appoints staff to assist in the administration of the Fund being the Technical Management Team

7.5 General Responsibilities

The Committee has a duty to the customers to ensure that The Fund achieves its objectives efficiently and effectively and in compliance with the PFM Act, 2012.

The Committee responsibility is:

- To ensure that the proper management structure is in place and the management maintains the corporate integrity, reputation, and responsibility.
- To monitor and evaluate the implementation of strategies, policies, and management plans of the Fund.
- To constantly review the viability and financial sustainability of the Fund.
- To ensure that the catering team complies with all the relevant laws.

This corporate governance statement underscores our commitment to upholding the highest standards of corporate governance throughout Catering unit and the Parliamentary Catering Fund.

7.6 Corporate Governance Framework:

At the Parliamentary Catering Fund, we firmly believe that strong corporate governance is the bedrock of our success. Our governance framework is designed to promote transparency, accountability, and fairness in all our business practices.

7.6.1 Governance Structure

The governance structure of the Parliamentary Catering Fund comprises of several well-defined roles and responsibilities for accountability and clear reporting lines. The Management Committee is responsible for setting strategic direction and oversight, while the Management team is responsible for executing strategy and driving performance.

7.6.2 Management Committee

The Management Committee meets at least once every quarter and operates within a formal schedule based on the agreed work plan and calendar. The Chairman is responsible for managing the Committee and providing leadership, strategically overseeing and managing the committees in accordance with the Fund's regulations.

7.6.3 Management Committee Composition

The Management Committee comprises a diverse group of highly qualified individuals, each bringing valuable expertise to the Fund. We maintain a balanced mix of members, ensuring unbiased decision-making and effective oversight.

It is made up of nine (9) members as at the end of the reporting year. The members come from broad industry and professional backgrounds, with varied experience and expertise aligned to the needs of the Fund.

7.6.4 Management Committee Diversity

The Fund seeks to have a Management Committee that has the right mix of individuals with relevant attributes, skills, knowledge, and experience and who jointly have the overall collective competence to deal with current and emerging issues and effectively guide management in ensuring the highest performance of the Fund.

The Committee regularly reviews the skills, knowledge and experience represented against the skills and experience needed to effectively deliver the services.

7.7 Roles and Responsibilities:

Clear delineation of roles and responsibilities is vital to the functioning of the committee. The Management committee oversees the Fund's strategy, risk management, and overall performance, while management is responsible for daily operations and execution of strategic objectives.

7.8 Code of Ethics and Conduct:

We maintain a comprehensive Code of Ethics and Conduct that guides the behaviour of all employees. Upholding the highest ethical standards and fostering a culture of integrity are integral to our corporate governance principles.

7.9 Risk Management and Internal Controls:

Identifying and managing risks is critical to safeguarding the interests of our stakeholders. Our robust risk management framework helps us identify, assess, and mitigate risks proactively, ensuring the resilience of our business.

The Committee has overall responsibility for the establishment and oversight of the Funds risk management frameworks. The Risk Management Policies are established to identify and analyse the risks faced by the Fund and to set appropriate risk limits and controls, and to monitor adherence to these limits. Risk management policies and systems are reviewed regularly to reflect changes in operating conditions, legislation and services offered.

Subsequently, the Fund identifies and manages risk through in-house risk review enhanced by compliance, internal and external audits.

The Fund has in place a system of internal controls with defined procedures, financial and operational control to ensure that resources are safeguarded, transactions authorised, validated and reported in line with International Public-Sector Accounting Standards.

7.10 Stakeholder Engagement:

We value our stakeholders' perspectives and strive to maintain open channels of communication, regular stakeholder engagement, through annual general meetings and other means, enables us to understand and address their concerns effectively.

7.11 Remuneration:

The Fund Administering committee does not draw any sitting allowances from the Fund.

7.12 Stakeholder Relations:

Building strong relationships with all our stakeholders is essential to our success. We are committed to engaging with employees, customers, suppliers, and the communities we operate in, considering their interests in our decision-making processes.

7.13 Sustainability and Social Responsibility:

At the Parliamentary Catering Fund, we recognize the significance of sustainable business practices. We are dedicated to minimizing our environmental impact, promoting diversity and inclusion and actively contributing to the betterment of society.

7.14 Conflicts of Interest

All Committee members are required to disclose on appointment, annually and at the beginning of each Administration Members Committee meeting, any circumstance which may give rise to any actual or potential conflict of interest with their roles as members. Any business transacted with the Fund must be at arm's length and fully disclosed.

A committee member must recuse him/ herself from discussing or voting on matters of real and with the potential conflict of interest.

7.15 Compliance

The Committee confirms that it is satisfied that the Fund has adequate resources to continue operating for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements.

The Committee is satisfied that the Fund to the best of their knowledge has complied with all relevant laws and conducted its business affairs in accordance with the law.

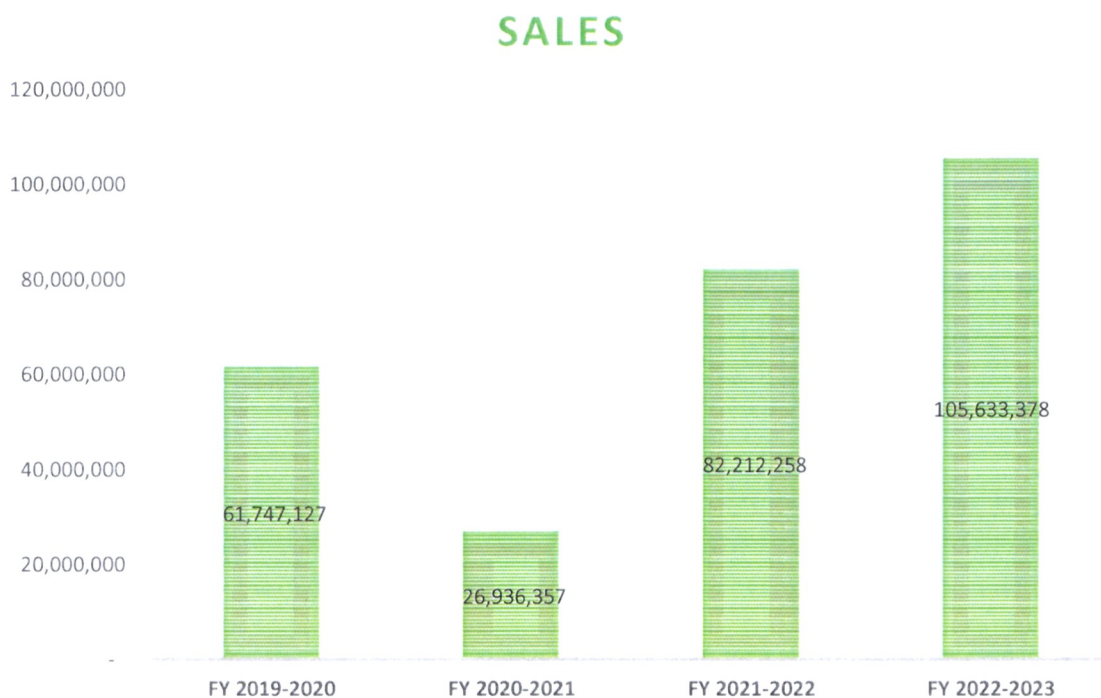
We remain unwavering in our commitment to upholding the principles of good governance. Our dedication to transparency, accountability and ethical conduct ensures that we continue to earn trust and confidence.

8. Management Discussions and Analysis

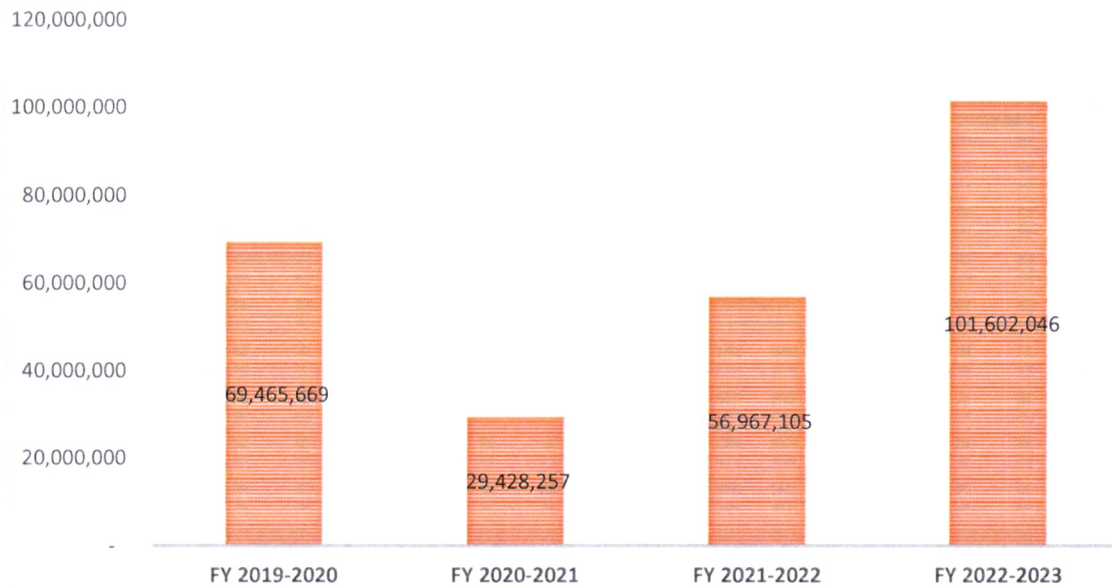
Parliamentary Catering Fund objective is to provide Members with high quality catering services within the premises of Parliament Buildings at very reasonable cost thus enhancing their efficiency in delivery on their constitutional mandate.

The Officer Administering the Fund supervises and controls the management of the Fund. He also utilizes the monies accruing thereto to defray operating expenses and may impose reasonable restriction or other requirements concerning such use. It is also his duty to cause to be kept books of accounts, records and other books in relation to the Fund. The key role of the Officer Administering the Fund is to prepare, sign and transmit to the Office of the Auditor General in respect of each Financial Year and to appoint such staff as may be necessary to assist in the administration of the Fund. The Officer Administering the Fund appointed a team of nine (9) Officers in various technical areas.

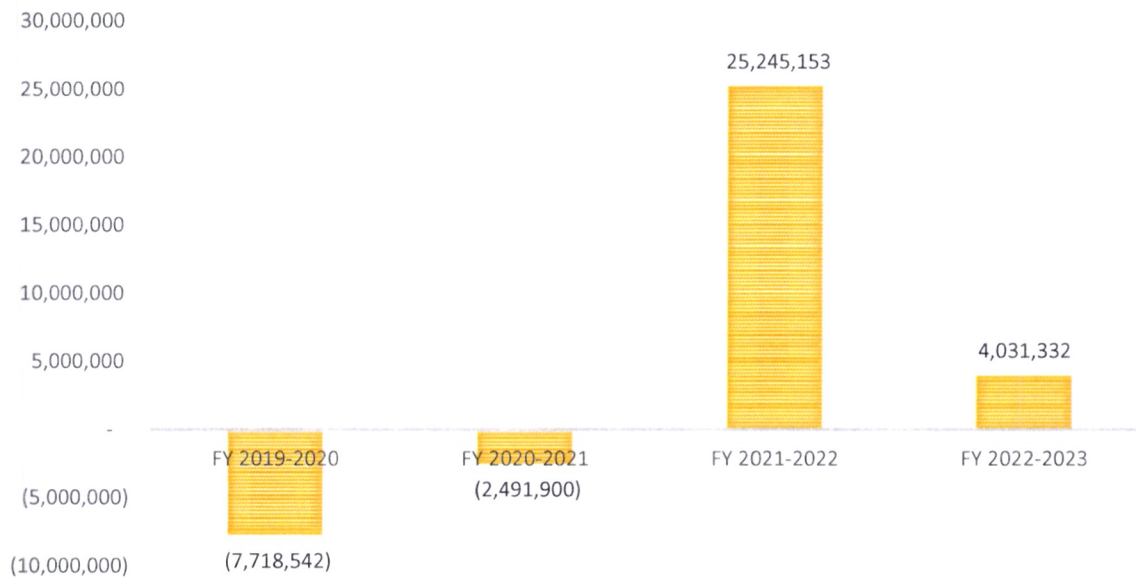
Below is the graphical representation of sales, expenses, and surplus/deficit.



EXPENDITURE



SURPLUS/(DEFICIT)



9. Environmental and Sustainability Reporting

The Environmental and Sustainability Report outlines our commitment to environmental stewardship and sustainable practices at the Parliamentary Catering Fund.

9.1 Environmental Initiatives and Impact:

At the Parliamentary Catering Fund, we recognize the critical importance of addressing environmental challenges and reducing our ecological footprint. Throughout the year, we have undertaken several initiatives to minimize our impact on the environment.

9.1.1 Energy Efficiency:

We have invested in energy-efficient technologies and practices, resulting in a considerable reduction in our overall energy consumption. This includes optimizing our facilities, transitioning to renewable energy sources, and implementing energy-saving measures.

9.1.2 Waste Management:

Our waste management efforts have been focused on reducing, reusing, and recycling. We have implemented waste segregation programs and partnered with recycling facilities to ensure responsible waste disposal.

9.1.3 Water Conservation:

Conserving water resources is another key aspect of our sustainability efforts. Through various water-saving measures and responsible water usage practices, we have managed to reduce our water consumption significantly.

9.1.4 Carbon Footprint Reduction:

Addressing climate change remains a top priority for us. We have set ambitious targets to reduce our carbon footprint and are actively working towards achieving them. This includes supporting carbon offset projects, and continuously monitoring our emissions from the kitchen fumes.

9.1.5 Employee Welfare

We remain committed to our employees' welfare matters. Through the Parliamentary Service Commission, we recruit, train and develop our staff with a view to attracting and retaining the best talents. We ensure safety and health matters of our staff are well addressed.

9.1.6 Sustainable Supply Chain:

We are committed to promoting sustainability across our supply chain. We collaborate with suppliers who adhere to ethical and environmental standards, fostering a shared commitment to sustainable practices throughout our value chain.

9.1.7 Community Engagement:

As a responsible corporate citizen, we believe there is need to actively engage with local communities to address their needs and concerns. We target to focus on education, healthcare, and empowering underserved communities, fostering a positive impact beyond our business operations.

9.1.8 Transparency and Reporting:

We believe in transparency and accountability. We target to regularly measure and report on our environmental performance, ensuring that our stakeholders have access to accurate and up-to-date information.

9.1.9 Continuous Improvement:

While we are proud of our progress, we acknowledge that sustainability is an ongoing journey. We are committed to continuous improvement and will proactively seek innovative solutions to further enhance our environmental and sustainability practices.

10. Report of The Fund Administration Committee

The Fund Administration Committee submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the Fund's affairs.

Principal activities

The principal activities of the Fund are provided on page iii.

Performance

The performance of the Fund for the year ended June 30, 2023, is set out on pages 1 to 5.

Members

The Members of the Administration Committee who served during the year are shown on pages vi to ix.

Auditors

The Office of the Auditor-General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.



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Officer Administering the Fund

11. Statement Of the Officer Administering Fund's Responsibilities

Section 84 of the Public Finance Management Act, 2012 requires the Officer Administering the Fund to prepare financial statements in respect of the Parliamentary Catering Fund, which give a true and fair view of the state of affairs of the Fund at the end of the financial year and the operating results of the Fund for that year/period. The Officer Administering the Fund is also required to ensure that the Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the Fund. The Officer Administering Fund is also responsible for safeguarding the assets of the Fund.

The Officer Administering the Fund is responsible for the preparation and presentation of the Parliamentary Catering Fund financial statements, which give a true and fair view of the state of affairs of the Fund quarterly and as at 30th June, 2023. The responsibilities include:

- 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 Fund;
- 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 Fund;
- v. selecting and applying appropriate accounting policies; and
- vi. Making accounting estimates that are reasonable in the circumstances.

The Officer Administering the Fund accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act. The Officer Administering the Fund is of the opinion that the Fund's annual financial statements give a true and fair view of the state of Fund transactions as at 30th June, 2023. The Officer Administering the Fund further confirms the completeness of the accounting records

Parliamentary Catering Fund
Annual Report and Financial Statements for the Year Ended 30th June 2023

maintained for the Fund, which have been relied upon in the preparation of the Fund financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Officer Administering the Fund to indicate that the Fund will not remain as a going concern for the remaining period from the date of this statement.

Approval of the financial statements

The Parliamentary Catering Fund financial statements were approved by the Officer Administering the Fund on 15/12/2023 and signed on its behalf by:



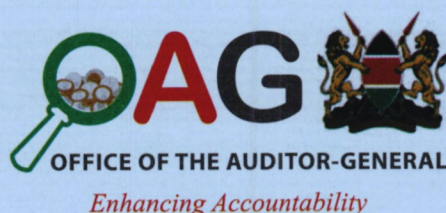
.....
Mr. Samuel Njoroge
Clerk of The National Assembly
The Fund Administrator



.....
Peter A. Meikoki
DDFA Accounting Services
ICPAK No. 4339

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON PARLIAMENTARY CATERING FUND 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 Parliamentary Catering Fund set out on pages 1 to 28, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of changes in net

assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Parliamentary Catering Fund as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and Parliamentary Catering Fund Regulations, 2013.

Basis for Qualified Opinion

1. Account Receivables

The statement of financial position and as disclosed in Note 11 to the financial statements reflects receivables from exchange transactions balance of Kshs.57,126,698.

1.1. Undisclosed Receivables in the Counterpart Financial Statements

Included in this balance is Kshs.54,511,383 owed to the Fund by Parliamentary Joint Services/CPST, National Assembly and Senate of Kshs.16,562,640, Kshs.12,439,705 and Kshs.25,509,038, respectively. However, the outstanding balances have not been disclosed in the respective financial statements of the three (3) institutions as pending bills.

1.2. Long Outstanding Receivables from Exchange Transaction

Included also in the balance is an amount of Kshs.2,486,630 relating to debts, which have been outstanding for more than two (2) years, whereas the disclosure Note 11 indicates that all receivables were under twelve (12) months old. The recoverability of the debts is doubtful and there was no documentary evidence provided for audit to confirm that there were efforts being made to collect the amount. In addition, no adjustments have been made to the financial statements by way of provision for doubtful debts for the doubtfulness.

In the circumstances, the accuracy, existence and fair statement of the reported receivables from exchange transactions balance of Kshs.57,126,639 as at 30 June, 2023 could not be confirmed.

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

Key Audit Matters

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

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

Irregular Procurement of Goods and Services

The statement of financial performance and as disclosed in Note 8 to the financial statements reflects an amount of Kshs.95,719,457 in respect to use of goods and services. Examination of sampled payment vouchers amounting to Kshs.9,952,516 revealed goods and services which were delivered, after the expiry of the validity period of the Local Purchase Order (LPO).

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual 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 controls, risk management and governance.

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

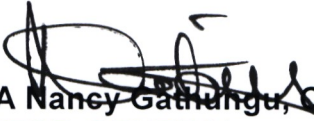
As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- 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 the Management.
- Conclude on the appropriateness of the 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 the 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 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

19 December, 2023

13. Statement of Financial Performance for the Year Ended 30th June 2023

		2022-23	2021-22
	Note	Kshs	Kshs
Revenue From Exchange transactions			
Sales	6	105,633,378	82,212,258
Total revenue		105,633,378	82,212,258
Expenses			
Compensation of employees	7	-	711,205
Use of Goods and services	8	95,719,457	53,992,730
Depreciation expense	9	5,882,589	2,263,170
Total expenses		101,602,046	56,967,105
Surplus for the Period		4,031,332	25,245,153

The notes set out on pages 6 to 26 form an integral part of these Financial Statements.

The financial statements were approved on 15/17/2023 by:


.....
Mr Samuel Njoroge
Clerk of The National Assembly
The Fund Administrator


.....
Peter A. Meikoki
DDF Accounting Services
ICPAK No. 4339

14. Statement of Financial Position As At 30th June 2023

	Note	2022-23	2021-22
		Kshs	Kshs
Assets			
Current assets			
Cash and cash Equivalents	10	87,669,604	86,148,728
Receivables from Exchange Transactions	11	57,126,698	42,591,583
Inventory	12	8,377,384	14,401,200
Total current assets		153,173,686	143,141,511
Non-Current Assets			
Property, Plant and Equipment	13	24,417,835	16,545,408
Total Non-Current Assets		24,417,835	16,545,408
Total assets		177,591,521	159,686,919
Net Assets and Liabilities			
Current liabilities			
Trade and other payables	14	22,321,555	8,448,285
Total current liabilities		22,321,555	8,448,285
Fund Capital		136,203,923	136,203,923
Accumulated Surplus		19,066,043	15,034,711
Total Net Assets and Liabilities		177,591,521	159,686,919

The notes set out on pages 6 to 26 form an integral part of these Financial Statements.

The financial statements were approved on ...15/12/2023...by:



Mr Samuel Njoroge
Clerk of The National Assembly
The Fund Administrator



Peter A. Meikoki
DDF Accounting Services
ICPAK No. 4339

15. Statement of Changes in Net Assets for the Year Ended 30th June 2023

Description	Capital Fund	Accumulated surplus	Total
	Kshs.	Kshs.	Kshs.
As at 1 July 2021	136,203,923	(10,210,442)	125,993,481
Surplus for the period		25,245,153	25,245,153
As at 30 June 2022	136,203,923	15,034,711	151,238,634
Balance as at 1 July 2022	136,203,923	15,034,711	151,238,634
Surplus for the period		4,031,332	4,031,332
As at 30th June 2023	136,203,923	19,066,043	155,269,966

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

	Note	2022-23	2021-22
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Sales Receipts	15A	92,987,038	56,291,590
Total Receipts		92,987,038	56,291,590
Payments			
Cost of Employees			(711,205)
Use of goods	15B	(77,711,146)	(57,878,475)
Total Payments		(77,711,146)	(58,589,680)
Net cash flows from operating activities	15	15,275,892	(2,298,090)
Cash flows from investing activities			
Purchase of assets		(13,755,016)	(2,548,748)
Net Cash Flow from Investing		(13,755,016)	(2,548,748)
Cash flows from financing activities			
Net increase/(decrease) in cash & cash equivalents		1,520,876	(4,846,838)
Cash and cash equivalents as at 1 st July	10	86,148,728	90,995,566
Cash and cash equivalents as at 30th June	10	87,669,604	86,148,728

The notes set out on pages 6 to 26 form an integral part of these Financial Statements.

Parliamentary Catering Fund
Annual Report and Financial Statements for the Year Ended 30th June 2023

17. Statement of Comparison of Budget & Actual Amounts for the Year Ended 30th June 2023

	Original Budget a	Adjustments b	Final Budget c=a+b	Actual d	Performance Difference e=c-d	% of Utilization f=d/c*100
Revenue	115,000,000		115,000,000	105,633,378	9,366,622	92%
Sales			0			
Total Income	115,000,000		115,000,000	105,633,378	9,366,622	92%
Expenditure						
Use of goods and services	100,000,000		100,000,000	95,719,457	4,280,543	96%
Depreciation Expense	6,000,000		6,000,000	5,882,589	117,411	98%
Total Expenditure	106,000,000	0	106,000,000	101,602,046	4,397,954	96%
Surplus for the period	9,000,000		9,000,000	4,031,332		
Fixed Assets	17,193,200		17,193,200	13,755,016	3,438,184	80%

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18. Notes to the Financial Statements

1. General Information

Parliamentary Catering Fund is established by and derives its authority and accountability from Section 36 of the Parliamentary Service Commission Act. The Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The Fund's principal activity is purchasing Catering equipment, management and administration of catering facilities and services to be used by Members and Staff.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant, and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 17. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Fund. The financial statements have been prepared in accordance with the PFM Act, Parliamentary Service Commission Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption Of New and Revised Standards

- i. *New and amended standards and interpretations in issue effective in the year ended 30 June 2023.*

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>This standard will affect the accounting of the funds categorised as financial instruments</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the</p>

Standard	Effective date and impact:
	<p>information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows. <p>This standard will have no impact on the Fund.</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. <p>This Standard will have no impact on the Fund.</p>

Standard	Effective date and impact:
Other improvements to IPSAS	<p><i>Applicable 1st January 2023</i></p> <p><input type="checkbox"/> <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i></p> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <p><input type="checkbox"/> <i>IPSAS 39: Employee Benefits</i></p> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <p><input type="checkbox"/> IPSAS 29: Financial instruments: Recognition and Measurement</p> <p>Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p>

ii. ***New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.***

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>This Standard will have no impact on the Fund</p>

Standard	Effective date and impact:
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p data-bbox="531 304 943 338"><i>Applicable 1st January 2025</i></p> <p data-bbox="531 360 1374 837"> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. This standard will have no impact on the Fund. </p>

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year

4. Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Fund and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income for each period.

b. Budget information

The original budget for FY 2022/23 was approved before the start of the current year. Subsequent there were no revisions or additional appropriations were made to the approved budget. The additional appropriations are added to the original budget by the Fund upon receiving the respective approvals in order to conclude the final budget. The Fund's budget is prepared on a different basis from the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts,

prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts as per the statement of financial performance.

c. Property, plant, and equipment (PPE)

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Fund recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d. Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite.

e. Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

I. Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

II. Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

f. Contingent liabilities

The Fund does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

g. Contingent assets

The Fund does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Fund in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

h. Nature and purpose of reserves

The Fund creates and maintains reserves in terms of specific requirements.

i. Changes in accounting policies and estimates

The Fund recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

j. Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

k. Related parties

The Fund regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of key management are regarded as related parties and comprise the Directors/ Trustee, the Fund Managers, and Fund Accountant.

l. Cash and cash equivalents

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 the commercial bank at the end of the financial year.

m. Comparative figures

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

n. Events after the reporting period

There were no material adjusting and non-adjusting events after the reporting period.

o. Currency

The financial statements are presented in Kenya Shillings (Kshs.).

5. Significant judgments and sources of estimation uncertainty

The preparation of the Fund's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

a) Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. However, existing circumstances and assumptions

about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur. *(See IPSAS 1.140.)*

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- i) The condition of the asset is based on the assessment of experts employed by the Fund.
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- iii) The nature of the processes in which the asset is deployed.
- iv) Availability of funding to replace the asset.
- v) Changes in the market in relation to the asset.

6. Sales

	2022-2023	2021-2022
	Kshs	Kshs
Bar and Restaurant Sales	105,633,378	82,212,258
Total	105,633,378	82,212,258

7. Compensation of Employees

	2022-2023	2021-2022
	Kshs	Kshs
Interns' stipend		711,205
Total		711,205

8. Use of Goods and Services

	2022-2023	2021-2022
	Kshs	Kshs
Cost of sales	83,862,909	50,013,611
Sundry Administrative expenses	2,652,122	2,404,200
Cooking Gas	1,337,011	1,451,194
Bank charges	4,815	3,725
Staff medical tests	70,000	120,000
Maintenance	4,986,000	
Staff uniforms	2,806,600	
Total	95,719,457	53,992,730

9. Depreciation Expense

	2022-2023	2021-2022
	Kshs	Kshs
Property Plant & Equipment	5,882,589	2,263,170
Total	5,882,589	2,263,170

10. Cash and Cash Equivalent

	2022-2023	2021-2022
	Kshs	Kshs
Bank, Branch & Account No.		
KCB Bank, Kipande House - 1269361759	78,026,026	76,505,150
KCB Bank, Kipande House -1108691668	9,643,578	9,643,578
Total	87,669,604	86,148,728

11. Trade Receivables

	2022-2023	2021-2022
	Kshs	Kshs
Debtors	57,126,698	42,591,583
Total	57,126,698	42,591,583

All receivables are under 12 months old.

12. Inventories

	2022-2023	2021-2022
	Kshs	Kshs
Consumable Stores	8,377,384	14,401,200
Total	8,377,384	14,401,200

13. Property Plant and Equipment

Description	Furniture, fittings, and office equipment	Cold Room	Glassware, Cutlery, and Crockery	ICT Equipment	Total
Cost	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
	10%	10%	25%	25%	
30th June 2021	14,088,430	3,978,048	828,051	1,720,697	20,615,226
Additions					
At 30th June 2022	14,088,430	3,978,048	828,051	1,720,697	20,615,226
Cost 1st July 2022	14,088,430	3,978,048	828,051	1,720,697	20,615,226
Additions			13,755,016		13,755,016
30th June 2023	14,088,430	3,978,048	14,583,067	1,720,697	34,370,242
Depreciation					
At 1 July 2021	1,267,959	358,024	-	-	1,625,983
Depreciation	1,408,843	397,805	207,013	430,174	2,443,835
At 30th June 2022	2,676,802	755,829	207,013	430,174	4,069,818
At 1st July 2022	2,676,802	755,829	207,013	430,174	4,069,818
Depreciation	1,408,843	397,805	3,645,767	430,174	5,882,589
At 30th June 2023	4,085,645	1,153,634	3,852,780	860,348	9,952,407
Net book values					
At 30 th June 2022	11,411,628	3,222,219	621,038	1,290,523	16,545,408
At 30th June 2023	10,002,785	2,824,414	10,730,287	860,349	24,417,835

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14. Trade Payables

	2022-23	2021-22
	Kshs	Kshs
Creditors	20,322,614	8,338,119
Prepayment by customers	1,998,941	110,166
TOTAL	22,321,555	8,448,285

All payables are under 12 months' old

15. Cash Generated from Operating Activities

	2022-2023	2021-2022
	Kshs	Kshs
Cash flows from operating activities		
Surplus	4,031,332	25,245,153
add Depreciation	5,882,589	2,263,170
Adjusted for:		
(Increase) in Accounts receivable	(14,535,115)	(25,471,017)
(Increase)/Decrease in Inventories	6,023,816	(7,642,675)
Increase in Accounts payables & prepayments	13,873,270	3,307,279
Net cash flows from operating activities	15,275,892	(2,298,090)

Note 15 A

	FY 2022- 2023	FY2021-2022
Sales	105,633,378	82,212,258
less closing receivables	(57,126,698)	(42,591,583)
Add opening receivables	42,591,583	17,120,566
add closing prepaid	1,998,941	110,166
less opening prepaid	(110,166)	(559,817)
Cash Sales used in Cash Flow	92,987,038	56,291,590

Note 15 B

Use of goods in Performance	95,719,457	53,992,730
less closing creditors	(20,322,614)	(8,338,119)
add opening creditors	8,338,119	4,581,189
less opening stock	(14,401,200)	(6,758,525)
add opening stocks	8,377,384	14,401,200
Cash Use of goods in Cash Flow	77,711,146	57,878,475

16. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Fund's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the Fund's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount	Fully performing	Past due	Impaired
Description	Kshs.	Kshs.	Kshs.	Kshs.
At 30 June 2022				
Receivables	42,591,583	42,591,583		
Bank Balances	86,148,728	86,148,728		
Total	128,740,311	128,740,311		
At 30 June 2023				
Receivables	57,126,698	57,126,698		
Bank Balances	87,669,604	87,669,604		
Total	144,796,302	144,796,302		

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Fund has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Fund has significant concentration of credit risk on amounts due.

The Fund Committee sets the Fund's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the Fund's short, medium, and long-term funding and liquidity management requirements. The Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed.

in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs.	Kshs.	Kshs.	Kshs.
At 30 June 2022				
Trade Payables	8,448,285			8,448,285
Total	8,448,285			8,448,285
At 30 June 2023				
Trade Payables	22,321,555			22,321,555
Total	22,321,555			22,321,555

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the Fund on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Fund's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies and for the day-to-day implementation of those policies.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk.

d) Interest rate risk

Interest rate risk is the risk that the Fund's financial condition may be adversely affected as a result of changes in interest rate levels. The Fund's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

e) Capital risk management.

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The Fund capital structure comprises of the following funds:

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Capital fund	136,203,923	15,034,711
Accumulated surplus (<i>Reserves</i>)	19,066,043	15,034,711
Total funds	155,269,966	30,069,422
Less: cash and bank balances	87,669,604	86,148,728
Net debt	0	0
Gearing	0	0

17. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) Parliament
- b) Key management
- c) Fund Committee members

b) Related party transactions

i. Transfers from related parties

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Transfers from related parties	0	0

ii. Key management remuneration

Description	2022-2023	2021-2022
	Kshs.	Kshs.
Fund Committee	0	0
Key Management Compensation	0	0
Total	0	0

18. Events after the Reporting Period

There were no material adjusting and non- adjusting events after the reporting period.

19. Ultimate and Holding Entity

The Entity is a Fund under the sponsorship of Parliamentary Service Commission which is a Constitutional Commission.

20. Currency

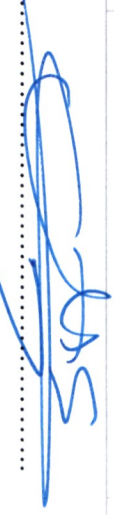
The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest shilling.

19. Annexes

Annex I: Progress on Follow Up of Prior Year Auditor's Recommendations

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

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)
FY 2019/20 and FY2020/21	Failure to present the statement of Comparison of budget and actual amounts. Accuracy of Receivables due to failure by National Assembly, Senate and PJS to capture Pending bills in their respective financial records.	The Budget for Catering fund was embedded in vote 2042. This has been resolved in subsequent years.	Resolved	Resolved
FY2021/22	Accuracy of Receivables due to failure by National Assembly, Senate and PJS to capture Pending bills in their respective financial records.	Pending cash to be settled by the Debtors.	Resolved	Resolved


 Fund Administrator

Date:.....

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Annex II: Inter-Fund Confirmation Letter

There were no transactions under this category.

Annex III: Reporting of Climate Relevant Expenditures

There were no transactions under this category.

Annex IV: Reporting on Disaster Management Expenditure

There were no transactions under this category.