

REPUBLIC OF KENYA



Enhancing Accountability

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| DATE: 25 JUL 2024 | DAY: THURSDAY |
| TABLED BY: | Hon. Samuel Chepkonga, CBS |
| CLERK-AT THE TABLE: | Anne Shibuko |

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REPORT

THE AUDITOR-GENERAL

ON

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

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



BAHATI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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

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B AHATI Constituency

National Government Constituencies Development Fund (NGCDF)

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

1. Acronyms and Abbreviations

| | | |
|--------|---|---|
| CDF | - | Constituency Development Fund |
| DA | - | District Accountant |
| FY | - | Financial Year |
| IPSAS | - | International Public Sector Accounting Standards |
| NGCDF | - | National Government Constituency Development Fund |
| NGCDFB | - | National Government Constituency Development Fund Committee Board |
| NGCDFC | - | National Government Constituency Development Fund Committee |
| NSCA | - | National Sub-County Accountant |
| PFM | - | Public Finance Management |
| PMC | - | Project management Committees |

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 BAHATI 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 | BEATRICE BOWEN |
| 2. | Sub-County Accountant | Beatrice Wanjiru Ndung'u |
| 3. | Chairperson NGCDFC | Constance Wambui Njoroge |
| 4. | Member NGCDFC | Sammy Gachuki Muiruri |

(c) Fiduciary Oversight Arrangements

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

P.O. Box 22,
Kiamaina ICT/NGCDF Building,
Maili sita Centre/ACC Offices
Nakuru-Nyahururu Road
Bahati, KENYA

(e) Bahati Constituency NGCDF Contacts

Telephone: (254) 711566300
E-mail: cdfbahati@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) Bahati Constituency NGCDF Bankers

Equity Bank
Gate House Branch
P.O Box 12568-20100
Nakuru, 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 Chairperson's Report



Constance W. Njoroge

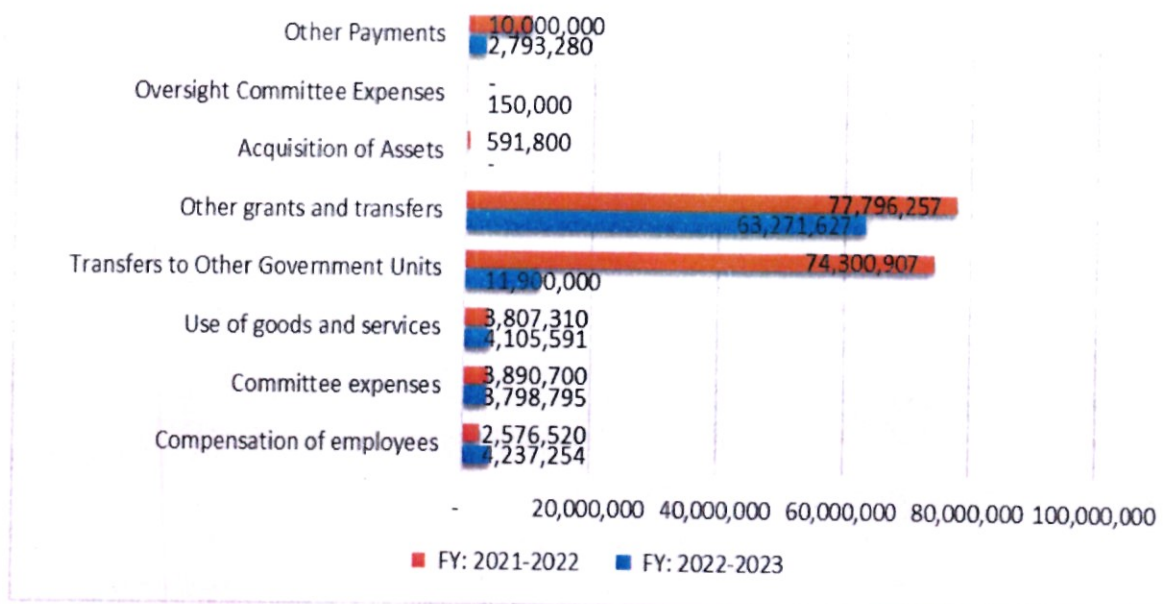
I am pleased to present the annual financial statements of Bahati National Government Constituency Fund highlighting our financial performance and the impact we've collectively achieved in the fiscal year 2022/2023. This report reflects our commitment to responsible fiscal management and the pursuit of meaningful development across our constituency. Over the past financial year, we have diligently managed the funds entrusted to us by the citizens to drive progress and growth in our constituency. These financial statements reflect not only the monetary transactions but also the impactful projects that have been realized through prudent allocation and effective execution under the stewardship of the Project Management Committee.

In the fiscal year 2022/2023, Bahati NG-CDF had been allocated Ksh. 145,087,067. However, only Ksh. 87,000,000 was received from the NG-CDF Board, which is equivalent to 60% of the total budget. Furthermore, there was an opening balance of Ksh. 12,044,987 and an additional Ksh. 387,446 that was received from refunds by the PMC. The total amount available for the fiscal year amounted to Ksh. 99,432,433, representing a 42% decrease in comparison to the total receipts of Ksh. 171,277,758 from the previous fiscal year.

The projects undertaken by the Bahati NG-CDF committee in FY 2022/2023 are spread out across five key priority sectors; Security, Education, Environment, Sports and Social protection. Further these projects resonate with the ideals of the Kenya Kwanza Manifesto. The principles enshrined in this visionary manifesto have guided our actions and decisions, paving the way for projects that promote social equity, economic empowerment, and sustainable development.

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Expenditure Comparison FY: 2021-2022 and FY: 2022-2023



In the fiscal year 2022/2023, there has been a noticeable decline in the expenditure amounts across various sectors when compared to the previous fiscal year 2021/2022. The decline in expenditure can be largely attributed to the non-disbursement of allocated funds by the NG-CDF board. This delay in fund disbursement has adversely impacted the implementation of projects and initiatives across the constituency.

Key highlights from this year's financial statement include:

Project Milestones:

Throughout the year, we successfully completed 3 Ablution block in various primary School to ensure environment, Commenced 3Police Posts under security sector projects. Additionally, a sum total of Kshs. 39,430,627 was spent on bursaries with a total of 10,057 students benefiting from the programme. These projects have directly contributed to the betterment of our constituents' lives and have laid the foundation for sustained progress.

Bahati Constituency has 45 Primary schools and 38Secondary schools. Due to the increasing population and the new education system CBC, there has been a great need to have more classrooms, Toilets, Dormitories, Laboratories in all the Primary schools.

-Most if not all the Primary schools were constructed in the 1960s and are currently dilapidated, some with earthen grounds, leaking roofs and without windows and even some muddy classrooms. The Committee have strived to ensure that every school is renovated and classes

modernised and equipped with desks and lockers to ensure the pupils are studying in a conducive environment something that the pupils, the teachers and the parents are happy about.



Figure 1: Kianda Primary School



Figure 2: Bahati NG -CDF Offices



Figure 3 Muringa Primary school toilet block

2. Collaborative Approach

The success of the Bahati National Government Constituency Fund wouldn't have been possible without the dedication and teamwork of our elected representatives, local authorities, community leaders, and citizens. It's through this collaborative approach that we have been able to identify, prioritize, and execute projects that align with our constituents' aspirations.

3. Sports

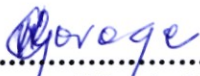
The Bahati NGCDF embarked on empowering youths in Sports and Talent identification and nurturing.



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As we reflect on the achievements and challenges of the past year, it is also a momentous time for us as we embark on the journey of shaping our future endeavours. I am delighted to share that we have embarked on the development of a new strategic plan, spanning the years 2023 to 2027. This plan is set to build upon the successes of the previous strategic plan, guiding our initiatives toward even greater heights and broader impacts for our constituency. With the development of our new strategic plan, we are poised to usher in an era of even more impactful development. This plan, grounded in the principles of inclusivity, sustainability, and progress, will guide our actions as we navigate the path toward a brighter future for Bahati Constituency. It will serve as a roadmap for our endeavours over the next five years, outlining our vision, objectives, and the strategies we will employ to achieve them. We aim to align our efforts even more closely with the evolving needs and aspirations of our constituents, ensuring that every resource is used to its fullest potential.

In conclusion, I extend my heartfelt gratitude to our citizens, partners, and stakeholders who play an integral role in our shared journey towards prosperity and development. We are resolute in our commitment to overcoming obstacles, identifying opportunities, and pursuing excellence in all our endeavours. Our constituents' trust and support are instrumental in shaping our path forward, and we are dedicated to upholding their expectations.



.....
Constance Wambui Njoroge
CHAIRPERSON - NG-CDF COMMITTEE

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

Introduction

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

The key development objectives of **Bahati Constituency 2022-2027** plan are to:

1. To nurture a highly trained human capital by improving; access, relevance, quality and equity in education.
2. To improve security of persons and property.
3. To empower the youth, women and persons living with disability; through capacity enhancement in technology, innovation, entrepreneurship, industry and sports.
4. To improve environment through tree planting, advocacy and mainstreaming environmental issues.
5. To address the cross-cutting issues; Gender mainstreaming, improve infrastructure, adequate clean water and quality health service through Advocacy, Partnerships, Collaborations, intervention during emergencies and referral structures.

We have enumerated objectives of the constituency as per the Strategic Plan as discussed below

1. Education

Education is one of the key pillars of socio-economic development. Bahati Constituency will strive to achieve the following main objectives in the education sector:

Strategic Objective 1:

To improve the teaching and learning environment by implementing **COMPETENCY BASED CURRICULUM (CBC)** projects geared towards improving educational infrastructure in the Constituency

2. Security

Security is one of the major pillars of socio-economic development. Shortfalls in safety, security and justice contribute to both poverty and underdevelopment. Conversely, the presence of safety, security and justice contributes to development outcomes including virtuous cycles of security and development, with high levels of security leading to development and further promoting security

Strategic Objective 2:

To strengthen the security systems in the constituency

Progress on attainment of Strategic development objectives

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

| Constituency Program | Objective | Outcome | Indicator | Performance |
|----------------------|---|---|--|---|
| Education | To have all children of school going age attending school | Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions | <ul style="list-style-type: none"> - Number of primary schools - Number of secondary schools - Number tertiary institution - Number of Students who benefitted from at special, secondary and tertiary levels. | <ul style="list-style-type: none"> - Ksh. 39,430,627 was given to bursary beneficiaries at special, secondary and tertiary levels. - A total of 10,057 students benefitted from the bursary scheme across all education levels. 227 of the students were fully sponsored, 9645 were partially sponsored and 185 were in the special needs (PWD) category. |
| Security | To ensure all the security officers have a conducive and better working environment | Enhancement of security services in the constituency | <ul style="list-style-type: none"> - Number of Police posts Constructed. - Number of houses constructed for security personnel. | -1 Police stations and 2 Police Posts has commenced |

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| Constituency Program | Objective | Outcome | Indicator | Performance |
|----------------------|--|--|---|---|
| Environment | To enable public institutions, harvest clean water for consumption -To ensure schools have adequate Toilets | To enhance environmental- related hygiene to public institutions | <ul style="list-style-type: none">- Number of water tanks with gutters and accessories purchased for schools- No. of Toilets constructed | 8 Tanks and Gutters were supplied in the following schools: - <ol style="list-style-type: none">1. Mwiruti Primary School2. St.Gerald Secondary School3. Menengai Hill Secondary School4. Workers Primary School5. Osembo Primary School6. Bishop Edward Donovan Secondary School7. JM Kariuki Secondary School8. St. Johns Secondary School |
| Sports | To ensure the youth in the constituency are involved in various sports activities | To promote youth talents and sports in the constituency To enhance safety hazards to the youths during sport activities | <ul style="list-style-type: none">- Number of Trophies, Games kits, uniforms and balls- No.of Teams registered with FKF. | -Sports Equipment were distributed in various schools. |

5. Statement of Governance

Section 5. (1) of the regulations provides that; The members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee.

Vacancy in the Constituency Committee.

Kenya Subsidiary Legislation, 2016

(2) A vacancy shall occur in Constituency Committee upon—commencement of a new parliamentary term;

Dissolution of a Constituency Committee;

Removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(1) There shall be a chairperson of a Constituency Committee Chairperson. who shall be elected by members from among the persons referred to in section 43 (2) (b), (c), or (d), of the Act, and subject to regulation 6 (2) of these Regulations.

The Role of the chairperson of a Constituency Committee shall—

- Provide overall leadership to the Constituency Committee;
- Approve the agenda of the Constituency Committee meetings;
- preside over meetings of the Constituency Committee;
- Carry out consultations with the Officer of the Board seconded to the Constituency and other relevant stakeholders;
- Ensure members and staff of the Constituency Committee are properly trained;
- Encourage a culture of transparency and teamwork among the members of the Constituency Committee;
- Be a signatory to the Constituency Fund Account; and
- Co-ordinate the compilation of project status reports every six months.

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9. (1) There shall be a secretary to a Constituency Committee secretary who shall be elected by the members from amongst themselves, subject to regulation 6(2) of these Regulations.

(2) The Secretary shall-

(a) in consultation with the chairperson and the officer of the Board seconded to the Constituency, convene the meetings of the Constituency Committee;

The functions of a Constituency Committee shall be to –

- Build the capacity of project management committees and Committee.
- Sensitize the Community on the operations of the Fund;
- consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- Consult with relevant government departments to ensure that cost estimates for projects are realistic; in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects; subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;
- Rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- ensure that all projects receive adequate funding and are completed within three years;
- where a project involves purchase of a parcel of land or abuilding, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;

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- ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board;
- monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- ensure that project reports are prepared and submitted to the Board;
- ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
- ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund;
- submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act

6. Environmental and Sustainability Reporting

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

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

- Bahati NG-CDF supported students in various schools by partnering with Equity Bank and Kenya Forestry in distribution and planting of trees.
- Bahati NGCDF has continued to construct police stations i.e. Kiamaina Police Post, Githioro Police Post, Bahati Modern Police station, Lanet Police Station and Murunyu Police Post.
- NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.

3. Employee welfare

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

Bahati NG-CDF 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.

Bahati NG- CDF has ensured:

- Responsible competition practices by encouraging fair competition and zero tolerance to corruption
- Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- Responsible marketing and advertisement
- Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

BAHATI 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 considers 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.

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


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BEATRICE BOWEN

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

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The Accounting Officer in charge of the NGCDF BAHATI Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the constituency's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the Financial Statements

The NGCDF- BAHATI Constituency financial statements were approved and signed by the Accounting Officer on 18.4. 2024.



.....
Constance W. Njoroge
Chairperson – Bahati NG–CDF Committee



.....
BEATRICE BOWEN
Fund Account Manager

REPUBLIC OF KENYA

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Bahati Constituency set out on page 1 to 31, which comprise the statement of assets and liabilities as at 30 June, 2023, and the statement

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

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

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

Basis for Qualified Opinion

1. Unsupported Committee Expenditure

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects committee expenses amount of Kshs.3,798,795. However, the supporting schedule provided for audit did not indicate name of committee member paid, number of meetings attended, rate of payment and total amount paid to each member.

In the circumstances, the accuracy, completeness and occurrence of committee expenses amounting to Kshs.3,798,795 could not be confirmed.

2. Unsupported Other Grants and Transfers

The statement of receipts and payments reflects other grants and transfers amount of Kshs.63,271,627 as disclosed in Note 8 to the financial statements. However, the amount includes Kshs.2,436,000 incurred on National Hospital Insurance Fund in respect of Social Security Programme that was not supported by a list of beneficiaries and approved policy document.

In the circumstances, the regularity, accuracy and completeness of other grants and transfers amounting to Kshs.2,436,000 could not be confirmed.

3. Unsupported Project Management Committees Bank Accounts Balance

Note 19.2 and Annex 5 to the financial statements reflects Project Management Committee (PMC) accounts balance of Kshs.28,170,638. However, the certificate of bank balances, expenditure returns and projects implementation status reports were not provided for audit verification. Further, prior year closing balances were not supported by a movement schedule.

In the circumstances, the accuracy, completeness and existence of PMC bank accounts balance of Kshs.28,170,638 could not be confirmed.

4. Incomplete Fixed Assets Register

Annex 4 to the financial statements reflects summary of fixed assets register historical cost balance of Kshs.11,522,232. However, the assets register reflects Nil balance in respect of office building and intangible assets in the Fund's custody.

In the circumstances, the accuracy, ownership and completeness of the summary of fixed assets register balance of Kshs.11,522,232 could not be confirmed.

5. Inaccuracies in the Financial Statements

The Chairman's statement reflects bursary total payments of Kshs.39,430,627 whereas Note 8 to the financial statements reflects an amount of Kshs.42,322,627 resulting to an unreconciled variance of Kshs.2,892,000.

In the circumstances the accuracy and completeness of bursary payments amounting to Kshs.42,322,627 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 – Bahati 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 of statement of appropriation reflects a final receipts budget of Kshs.157,520,037 against actual receipts of Kshs.99,044,987 resulting to an underfunding of Kshs.58,475,050 or 37% of the budget. However, the Fund spent Kshs.90,256,547 against actual receipts of Kshs.99,044,987, resulting to an under-utilization of Kshs.8,788,440 or 9% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Other Matter

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management had not resolved the issues or given any explanation for failure to implement the recommended actions.

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 on 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

Non-Compliance with NG-CDF Regulations

The statement of receipts and payments reflects other grants and transfers amount of Kshs. 63,271,627 and as disclosed in Note 8 to the financial statements which includes emergency projects expenditure of Kshs.4,500,000 that was not reported to the Board. Further, an amount of Kshs.1,500,000 applied in the construction of a dining hall at St. Johns Primary school was not supported with evidence indicating the urgency or unforeseen nature of the projects and funding proposals indicating the need to undertake the project.

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

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

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 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal 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 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

17 May, 2024

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

| | Note | FY 2022/2023 | FY 2021/2022 |
|-------------------------------------|------|--------------------|--------------------|
| | | Kshs | Kshs |
| Receipts | | | |
| Transfers from NGCDF Board | 1 | 87,000,000 | 171,277,758 |
| Proceeds from Sale of Assets | 2 | - | - |
| Other Receipts | 3 | 387,447 | 279,115 |
| | | | |
| Total Receipts | | 87,387,447 | 171,556,873 |
| | | | |
| Payments | | | |
| Compensation of employees | 4 | 4,237,254 | 2,576,520 |
| Committee expenses | 5 | 3,798,795 | 3,890,700 |
| Use of goods and services | 6 | 4,105,591 | 3,807,310 |
| Transfers to Other Government Units | 7 | 11,900,000 | 74,300,907 |
| Other grants and transfers | 8 | 63,271,627 | 77,796,257 |
| Acquisition of Assets | 9 | - | 591,800 |
| Oversight Committee Expenses | 10 | 150,000 | - |
| Other Payments | 11 | 2,793,280 | 10,000,000 |
| Total Payments | | 90,256,547 | 172,963,494 |
| | | | |
| Surplus/Deficit | | (2,869,100) | (1,406,621) |

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 18-4 2024 and signed by:



Fund Account Manager

BEATRICE BOWEN



National Sub-County Accountant

BEATRICE W. NDUNGU
ICPAK M/No:24627



Chairperson/NG-CDF Committee

CONSTANCE W. NJOROGE

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

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

| | Note | FY 2022/2023 | FY 2021/2022 |
|--|------|------------------|-------------------|
| | | Kshs | Kshs |
| Financial Assets | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (As Per the Cash Book) | 12A | 9,175,887 | 12,044,987 |
| Cash Balances (Cash at Hand) | 12B | - | - |
| Total Cash and Cash Equivalents | | 9,175,887 | 12,044,987 |
| Accounts Receivable | | | |
| Outstanding Imprests | 13 | - | - |
| Total Financial Assets | | 9,175,887 | 12,044,987 |
| Financial Liabilities | | | |
| Accounts Payable (Deposits) | | | |
| Retention | 14A | - | - |
| Gratuity | 14B | - | - |
| Total Financial Liabilities | | 9,175,887 | 12,044,987 |
| Net Financial Assets | | 9,175,887 | 12,044,987 |
| Represented By | | | |
| Fund Balance B/Fwd. | 15 | 12,044,987 | 13,451,608 |
| Prior Year Adjustments | 16 | - | - |
| Surplus/Deficit for The Year | | (2,869,100) | (1,406,621) |
| Net Financial Position | | 9,175,887 | 12,044,987 |

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 18.4.2024 and signed by:


 Fund Account Manager

BEATRICE BOWEN


 National Sub-County Accountant

BEATRICE W. NDUNGU
 ICPAK M/No:24627


 Chairperson NG-CDF Committee

CONSTANCE W. NJOROGE




BAHATI 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 | FY 2022/2023 | FY 2021/2022 |
|---|-------|--------------------|--------------------|
| | | Kshs | Kshs |
| Receipts from Operating Activities | | | |
| Transfers from NGCDF Board | 1 | 87,000,000 | 171,277,758 |
| Other Receipts | 3 | 387,447 | 279,115 |
| Total Receipts | | 87,387,447 | 171,556,873 |
| Payments | | | |
| Compensation of Employees | 4 | 4,237,254 | 2,576,520 |
| Committee Expenses | 5 | 3,798,795 | 3,890,700 |
| Use of Goods and Services | 6 | 4,105,591 | 3,807,310 |
| Transfers to Other Government Units | 7 | 11,900,000 | 74,300,907 |
| Other Grants and Transfers | 8 | 63,271,627 | 77,796,257 |
| Oversight Committee Expenses | 10 | 150,000 | - |
| Other Payments | 11 | 2,793,280 | 10,000,000 |
| Total Payments | | 90,256,547 | 172,371,694 |
| Total Receipts Less Total Payments | | (2,869,100) | (814,821) |
| Adjusted For: | | | |
| Prior Year Adjustments | 16 | - | - |
| Decrease/(Increase) In Accounts Receivable | 17 | - | - |
| Increase/(Decrease) In Accounts Payable | 18 | - | - |
| Net Cash Flows from Operating Activities | | (2,869,100) | (814,821) |
| Cash flows From Investing Activities | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 9 | - | (591,800) |
| Net Cash Flows from Investing Activities | | - | (591,800) |
| Net Increase in Cash and Cash Equivalent | | (2,869,100) | (1,406,621) |
| Cash & Cash Equivalent at Start of The Year 2022 | 12 | 12,044,987 | 13,451,608 |
| Cash & Cash Equivalent at End of The Year 2023 | 12 | 9,175,887 | 12,044,987 |

***BAHATI 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 18.4. 2024 and signed by:

| | | |
|--|--|---|
|  _____ Fund Account Manager |  _____ National Sub-County Accountant |  _____ Chairman NG-CDF Committee |
| BEATRICE BOWEN | BEATRICE W. NDUNGU ICPAK M/No:24627 | CONSTANCE W. NJOROGE |

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

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 % |
| | Financial Year 2022/2023 | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding disbursements | FY 2022/2023 | FY 2022/2023 | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Receipts | | | | | | | |
| Transfers from NG-CDF Board | 145,087,603 | 12,044,987 | - | 157,132,590 | 99,044,987 | 58,087,603 | 63.0% |
| Proceeds from Sale of Assets | | | | - | - | - | 0.0% |
| Other Receipts | 387,447 | | | 387,447 | - | 387,447 | 0.0% |
| TOTAL RECEIPTS | 145,475,050 | 12,044,987 | - | 157,520,037 | 99,044,987 | 58,475,050 | 62.9% |
| PAYMENTS | | | | | | | |
| Compensation of Employees | 4,021,320 | 2,180,429 | | 6,201,749 | 4,237,254 | 1,964,495 | 68.3% |
| Committee expenses | 5,617,986 | - | | 5,617,986 | 3,798,795 | 1,819,191 | 67.6% |
| Use of goods and services | 3,418,545 | 3,481,128 | | 6,899,673 | 4,105,591 | 2,794,082 | 59.5% |
| Transfers to Other Government Units | 41,062,300 | - | | 41,062,300 | 11,900,000 | 29,162,300 | 29.0% |
| Other grants and transfers | 80,966,912 | 6,095,093 | | 87,062,005 | 63,271,627 | 23,790,378 | 72.7% |
| Acquisition of Assets | 500,000 | 1,200 | | 501,200 | - | 501,200 | 0.0% |
| Oversight Committee Expenses | 1,000,540 | - | | 1,000,540 | 150,000 | 850,540 | 15.0% |
| Other Payments | 3,500,000 | 8,021 | | 3,508,021 | 2,793,280 | 714,741 | 79.6% |
| Unapproved Funds | 5,000,000 | - | | 5,000,000 | - | 5,000,000 | 0.0% |
| Refunds from PMC | 387,447 | 279,115 | | 666,562 | - | 666,562 | 0.0% |
| TOTAL | 145,475,050 | 12,044,986 | - | 157,520,036 | 90,256,547 | 67,263,489 | 57.3% |

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

Explanatory Notes.


- (a) The NGCDF Board had not released Kshs.58,087,603 out of the total annual allocation which is equivalent to 63% resulting to underutilisation of the total Budget and delaying the implementation of programs.
- (b) The Kshs. 387,447 forms part of AIA for the financial year 2022/2023 and Kshs.279,115 AIA declared in Financial year 2021-2022.
- (c) There were unapproved funds of Kshs. 5,666,562 by the close of financial year. The NGCDFC had already planned and sent a proposal for the same and was waiting approval from the NGCDF Board
- (d) Compensation of employees was at 68.3% at the close of the Financial year leaving 31.7% which was reserved for gratuity and salaries
- (e) Committee Expenses had only utilised 67.6% of the Total Budget. This is because the committees had pending trainings and meetings which was waiting for the disbursement of funds from the Board.
- (f) Use of goods, transfer to other Government entities and Other grants and other transfers also the funds were not available for utilisation.

| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities | |
|---|------------------|
| Description | Amount |
| Budget utilisation difference totals | 67,263,490 |
| Less undisbursed funds receivable from the Board as at 30 th June 2023 | 58,087,603 |
| | 9,175,887 |
| Increase/(decrease) Accounts payable | 0 |
| (Decrease)/Increase Accounts Receivable | 0 |
| Add/Less Prior Year Adjustments | 0 |
| Cash and Cash Equivalents at the end of the 30 th June 2023 | 9,175,887 |

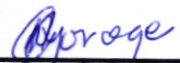
The Constituency financial statements were approved by NG CDFC on 18.4. 2024 and signed by:


 Fund Account Manager

BEATRICE BOWEN


 National Sub-County Accountant

BEATRICE W. NDUNG'U
 ICPAK M/No:24627


 Chairman NG-CDF Committee

CONSTANCE W. NJOROGE

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

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

| Programme/Sub-programme | Original Budget(a) | Adjustments(b) | | Final Budget c = (a+b) | Actual on comparable basis(d) | Budget utilization difference (e = c-d) | % of Utilisation (f=d /c %) |
|---|--------------------|--------------------------------|--|---------------------------|-------------------------------|---|-----------------------------|
| | 2022-2023 | Opening Balance (C/Bk) and AIA | Previous years Outstanding Disbursements | 2022-2023 | 6/30/2023 | | |
| | Kshs | | Kshs | Kshs | Kshs | Kshs | |
| 1.0 Administration and Recurrent | | | | | | | |
| 1.1 Compensation of employees | 4,021,320 | 2,180,429 | - | 6,201,749 | 4,237,254 | 1,964,495 | 68 |
| 1.2 Committee allowances | 1,128,000 | 1,739,520 | - | 2,867,520 | 1,468,595 | 1,398,925 | 51 |
| 1.3 Use of goods and services | 3,555,903 | 1,400,548 | | 4,956,451 | 3,035,267 | 1,921,184 | 61 |
| Total | 8,705,223 | 5,320,497 | - | 14,025,720 | 8,741,116 | 5,284,604 | 62 |
| 2.0 Monitoring and evaluation | | | | | | | |
| 2.1 Capacity building | 1,410,000 | 129,105 | - | 1,539,105 | 515,200 | 1,023,905 | 33 |
| 2.2 Committee allowances | 1,800,000 | 209,800 | | 2,009,800 | 1,815,000 | 194,800 | 90 |
| 2.3 Use of goods and services | 1,142,628 | 2,155 | | 1,144,783 | 1,070,324 | 74,459 | 93 |
| Total | 4,352,628 | 341,060 | - | 4,693,688 | 3,400,524 | 1,293,164 | 72 |
| 3.0 Emergency | | | | | | | |
| 3.1 Primary Schools | | | | | | | |
| Muringa Primary school | 1,000,000 | | - | 1,000,000 | 1,000,000 | - | 100 |
| Ndege ndimu primary school | 1,000,000 | | - | 1,000,000 | 1,000,000 | - | 100 |
| Mugwathi primary school | 1,000,000 | | - | 1,000,000 | 1,000,000 | - | 100 |
| St. Johns primary school | 1,500,000 | | - | 1,500,000 | 1,500,000 | - | 100 |
| 3.2 Secondary schools | | 2,892,000 | - | 2,892,000 | 2,892,000 | - | 100 |
| 3.3 Tertiary institutions | | | | | | | |
| 3.4 Security projects | | | - | - | | - | - |

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

| | | | | | | | |
|--|-------------------|------------------|----------|-------------------|-------------------|-------------------|-----------|
| DCC Nakuru North | - | 150,000 | - | 150,000 | 150,000 | - | 100 |
| 3.5 Unutilised | 3,136,190 | 207 | - | 3,136,397 | | 3,136,397 | - |
| Total | 7,636,190 | 3,042,207 | - | 10,678,397 | 7,542,000 | 3,136,397 | 71 |
| 4.0 Bursary and Social Security | | | | | | | |
| 4.1 Secondary Schools | 35,000,000 | (177,041) | - | 34,822,959 | 27,579,487 | 7,243,472 | 79 |
| 4.2 Tertiary Institutions | 11,100,000 | 1,501,047 | - | 12,601,047 | 10,744,000 | 1,857,047 | 85 |
| 4.3 Social Security | 1,800,000 | 1,500,000 | - | 3,300,000 | 2,436,000 | 864,000 | 74 |
| 4.4 Special Needs | 2,232,722 | 34,100 | - | 2,266,822 | 1,107,140 | 1,159,682 | 49 |
| Total | 50,132,722 | 2,858,106 | - | 52,990,828 | 41,866,627 | 11,124,201 | 79 |
| 5.0 Sports | | | | | | | |
| 5.1constituency sports | 500,000 | 174,140 | - | 674,140 | 245,000 | 429,140 | 36 |
| 5.1Regional sports tournament | 300,000 | - | - | 300,000 | - | 300,000 | - |
| Total | 800,000 | 174,140 | - | 974,140 | 245,000 | 729,140 | 25 |
| 6.0 Environment | | | | | | | |
| 6.1 Mwiruti Primary School | 160,000 | - | - | 160,000 | - | 160,000 | - |
| 6.2 St. Gerald Secondary School | 160,000 | - | - | 160,000 | - | 160,000 | - |
| 6.3 Menengai Hill Secondary School | 160,000 | - | - | 160,000 | - | 160,000 | - |
| 6.4 Workers Primary School | 160,000 | - | - | 160,000 | - | 160,000 | - |
| 6.5 Osembo Primary School | 160,000 | - | - | 160,000 | - | 160,000 | - |
| 6.6 Bishop Edward Donovan Secondary School | 160,000 | - | - | 160,000 | - | 160,000 | - |
| 6.7 J.M Kariuki Secondary School | 160,000 | - | - | 160,000 | - | 160,000 | - |
| 6.8 St. Johns Secondary School | 160,000 | - | - | 160,000 | - | 160,000 | - |
| Unutilised | - | 15,620 | - | 15,620 | - | 15,620 | - |
| Total | 1,280,000 | 15,620 | - | 1,295,620 | - | 1,295,620 | - |
| 7.0 Primary Schools Projects | | | | | | | |
| Mikeu Primary School. | 11,900,000 | - | - | 11,900,000 | - | 11,900,000 | - |
| Umoja Primary School | 3,500,000 | - | - | 3,500,000 | - | 3,500,000 | - |
| Bahati P.C.E.A Primary School | 2,000,000 | - | - | 2,000,000 | 2,000,000 | - | 100 |
| Jacaranda Primary School | 2,000,000 | - | - | 2,000,000 | 2,000,000 | - | 100 |

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| | | | | | | | |
|---|-------------------|--------------|---|-------------------|-------------------|-------------------|-----------|
| Bavuni Primary School. | 1,000,000 | - | - | 1,000,000 | 1,000,000 | - | 100 |
| Engoshura Primary School | 2,500,000 | - | - | 2,500,000 | 2,500,000 | - | 100 |
| Nyathuna Primary School | 1,000,000 | - | - | 1,000,000 | 1,000,000 | - | 100 |
| Our Lady of Fatima Primary School | 2,400,000 | - | - | 2,400,000 | 2,400,000 | - | 100 |
| Total | 26,300,000 | - | - | 26,300,000 | 10,900,000 | 15,400,000 | 41 |
| 8.0 Secondary Schools Projects | | | | | | | |
| Kiamania Secondary School | 9,762,300 | - | - | 9,762,300 | - | 9,762,300 | - |
| Limuko Secondary School. | 3,000,000 | - | - | 3,000,000 | - | 3,000,000 | - |
| St. Josephs KARI Secondary School | 1,000,000 | - | - | 1,000,000 | 1,000,000 | - | 100 |
| Bahati Girls Secondary School. | 500,000 | - | - | 500,000 | - | 500,000 | - |
| Jomo Kenyatta Girls Secondary School | 500,000 | - | - | 500,000 | - | 500,000 | - |
| Total | 14,762,300 | - | - | 14,762,300 | 1,000,000 | 13,762,300 | 7 |
| 9.0 Tertiary institutions Projects | | | | | | | |
| Total | - | - | - | - | - | - | - |
| 10.0 Security Projects | | | | | | | |
| Kiamaina ICT Centre/Multipurpose Hall | 8,818,000 | - | - | 8,818,000 | 5,818,000 | 3,000,000 | 66 |
| Murungu Police Post | 2,800,000 | - | - | 2,800,000 | 2,800,000 | - | 100 |
| Githioro Police Station | 4,500,000 | - | - | 4,500,000 | 4,500,000 | - | 100 |
| kiuguine Police station | 500,000 | - | - | 500,000 | 500,000 | - | 100 |
| Kiamania Police station | 4,500,000 | - | - | 4,500,000 | - | 4,500,000 | - |
| Ndege Ndimu Police Station | | 20 | - | 20 | - | 20 | - |
| Lanet Police station | | 5,000 | - | 5,000 | - | 5,000 | - |
| Total | 21,118,000 | 5,020 | - | 21,123,020 | 13,618,000 | 7,505,020 | 64 |
| 11.0 Acquisition of assets | | | | | | | |
| 11.3 Purchase of furniture and equipment | 500,000 | 1,200.00 | - | 501,200 | - | 501,200 | - |
| Total | 500,000 | 1,200 | - | 501,200 | - | 501,200 | - |
| 12.0 Oversight Committee Expenses | | | | | | | |
| Constituency Oversight Committee | 1,000,540 | | | 1,000,540 | 150,000.00 | 850,540 | 15 |

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| | | | | | | | |
|------------------------------|--------------------|-------------------|----------|--------------------|-------------------|-------------------|-----------|
| Total | 1,000,540 | - | - | 1,000,540 | 150,000 | 850,540 | 15 |
| 13.0 Other payments | | | | - | | | |
| Bahati NG-CDF strategic plan | 3,500,000 | 8,021 | - | 3,508,021 | 2,793,280 | 714,741 | 80 |
| Total | 3,500,000 | 8,021 | - | 3,508,021 | 2,793,280 | 714,741 | 80 |
| 14.0 unallocated fund | | | | | | | |
| Unapproved projects | 5,000,000 | - | - | 5,000,000 | | 5,000,000 | - |
| AIA | | 64,000 | - | 64,000 | - | 64,000 | - |
| PMC savings | 387,447 | 215,115 | - | 602,562 | - | 602,562 | - |
| Total | 5,387,447 | 279,115 | - | 5,666,562 | - | 5,666,562 | - |
| Grand total | 145,475,050 | 12,044,986 | - | 157,520,036 | 90,256,547 | 67,263,489 | 57 |

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-BAHATI 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.

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.

Recognition of payments

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

Compensation of Employees

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

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

Significant Accounting Policies continued

receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

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

6. Cash and Cash 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 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 Imprests payments are recognized as payments when fully accounted for by the Imprests or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

Significant Accounting Policies continued

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.

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in

the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

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 |
|-----------------|-------------------|----------------------|
| NGCDF Board | Kshs | Kshs |
| AIE No. B140831 | | 34,188,879 |
| AIE NO. B140831 | | 68,000,000 |
| AIE NO.B105970 | | 10,000,000 |
| AIE NO.B105408 | | 16,000,000 |
| AIE NO.B128756 | | 26,000,000 |
| AIE NO.B154359 | | 17,088,879 |
| AIE No. B185006 | | |
| AIE No. B185309 | 7,000,000 | |
| AIE No.B185556 | 6,000,000 | |
| AIE No. B185837 | 15,000,000 | |
| AIE No. B206289 | 5,000,000 | |
| AIE No. B205678 | 12,000,000 | |
| AIE No. B205520 | 12,000,000 | |
| AIE No.B207759 | 15,000,000 | |
| | 15,000,000 | |
| TOTAL | 87,000,000 | 171,277,758.3 |

2. Proceeds from Sale of Assets

| | 2022-2023 | 2021-2022 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Receipts from sale of Buildings | 0 | 0 |
| Receipts from the Sale of Vehicles and Transport Equipment | 0 | 0 |
| Receipts from sale of office and general equipment | 0 | 0 |
| Receipts from the Sale Plant Machinery and Equipment | 0 | 0 |
| Others (specify) | 0 | 0 |
| Total | 0 | 0 |

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Notes to The Financial Statements (Continued)

3. Other Receipts

| | 2022-2023 | 2021-2022 |
|---|----------------|----------------|
| | Kshs | Kshs |
| Interest Received | | - |
| Rents | | - |
| Receipts Sale of Tender Documents | | 64,000 |
| Hire of plant/equipment/facilities | | - |
| Unutilized funds from PMCs | 387,447 | 215,115 |
| Other Receipts Not Classified Elsewhere (specify) | - | - |
| TOTAL | 387,447 | 279,115 |

4. Compensation of Employees

| | 2022-2023 | 2021-2022 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Compensation to employees | 1,869,560 | |
| NG-CDFC -Casual Labour | 230,000 | 1,649,908 |
| Personal allowances paid as part of salary | | |
| House allowance | 446,000 | 369,000 |
| Transport allowance | 333,500 | 300,000 |
| Leave allowance | 94,000 | - |
| Gratuity-contractual employees | 1,128,834 | 197,532 |
| Employer Contributions Compulsory national social security schemes | 135,360 | 60,080 |
| TOTAL | 4,237,254 | 2,576,520 |

5. Committee Expenses

| | 2022-2023 | 2021-2022 |
|--------------------------|------------------|------------------|
| | Kshs | Kshs |
| Sitting allowance | 3,140,100 | 1,296,000 |
| Other committee expenses | 658,695 | 2,594,700 |
| TOTAL | 3,798,795 | 3,890,700 |

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Notes to the Financial Statements (Continued)

6. Use of Goods and services

| | 2022-2023 | 2021-2022 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 117,762 | 80,475 |
| Communication, supplies and services | 347,989 | 91,204 |
| Domestic travel and subsistence | 144,500 | 172,800 |
| Printing, advertising and information supplies & services | 24,700 | 0 |
| Rentals of produced assets | | - |
| Training expenses | 739,200 | 1,376,000 |
| Hospitality supplies and services | 199,913 | 120,570 |
| Insurance costs | 331,525 | - |
| Specialised materials and services | - | 148,575 |
| Office and general supplies and services | 970,561 | 512,524 |
| Fuel, oil & lubricants | 652,300 | 656,200 |
| Other operating expenses | 10,285 | 385,246 |
| Security operations | - | - |
| Routine maintenance - vehicles and other transport equipment | 566,856 | 263,716 |
| Routine maintenance- other assets | - | 0 |
| TOTAL | 4,105,591 | 3,807,310 |

7. Transfer to Other Government Units

| Description | 2022-2023 | 2021-2022 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Transfers to Primary Schools (See Attached List) | 10,900,000 | 46,900,907 |
| Transfers to Secondary Schools (See Attached List) | 1,000,000 | 27,400,000 |
| Transfers to Tertiary Institutions (See Attached List) | | |
| Total | 11,900,000 | 74,300,907 |

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Notes to the Financial Statements (Continued)

8. Other Grants and Other transfers

| | 2022-2023 | 2021-2022 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Bursary – secondary schools (see attached list) | 30,471,487 | 27,214,072 |
| Bursary – tertiary institutions (see attached list) | 10,744,000 | 13,191,085 |
| Bursary – special schools (see attached list) | 1,107,140 | 1,853,900 |
| Mock & CAT (see attached list) | - | - |
| Social Security programmes (NHIF) | 2,436,000 | 900,000 |
| Security projects (see attached list) | 13,768,000 | 24,595,000 |
| Sports projects (see attached list) | 245,000 | 3,892,200 |
| Environment projects (see attached list) | - | 2,000,000 |
| Emergency projects (see attached list) | 4,500,000 | 4,150,000 |
| Roads projects (see attached list) | - | - |
| Total | 63,271,627 | 77,796,257 |

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 | - | 591,800 |
| Purchase of ICT Equipment, Software and Other ICT Assets | - | - |
| Purchase of Specialized Plant, Equipment and Machinery | - | - |
| Rehabilitation and renovation of plant, machinery and equipment | - | - |
| Acquisition of Land | - | - |
| Acquisition Intangible Assets | - | - |
| Total | - | 591,800 |

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Notes to the Financial Statements (Continued)

10. Oversight Committee Expenses

| | Financial Yr 2022-2023 | Financial Yr 2021-2022 |
|------------------------------|---------------------------|---------------------------|
| | Kshs | Kshs |
| Oversight Committee Expenses | 150,000 | 0 |
| | 150,000 | 0 |

11. Other Payments

| | Financial Yr 2022-2023 | Financial Yr 2021-2022 |
|-------------------|---------------------------|---------------------------|
| | Kshs | Kshs |
| Strategic plan | 2,793,280 | - |
| ICT Hub | - | - |
| Roads and Bridges | - | 10,000,000 |
| | 2,793,280 | 10,000,000 |

12. Cash Book Bank Balance

| Name of Bank, Account No. & Currency | Financial Yr 2022-2023 | Financial Yr 2021-2022 |
|--|---------------------------|---------------------------|
| | Kshs | Kshs |
| 12A: Bank Accounts (Cash Book Bank Balance) | | |
| <i>Equity Bank- Gate House Branch Nakuru-0130275794440</i> | 9,175,887 | 12,044,987 |
| Deposit account | - | - |
| TOTAL | 9,175,887 | 12,044,987 |
| | | |
| 12 B: Cash on Hand | | |
| Location 1 | - | - |
| Location 2 | - | - |
| Total | - | - |

13. Outstanding Imprests

| Name of Officer or Institution | Date Imprest Taken | Amount Taken | Amount Surrendered | Balance |
|--------------------------------|--------------------|--------------|--------------------|---------|
| | | Kshs | Kshs | Kshs |
| | | | | |
| Total | | | | |

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Notes to The Financial Statements (Continued)

14. Retention and Gratuity

| 14 A. Retention | Financial Yr 2022-2023 | Financial Yr 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 | Financial Yr 2022-2023 | Financial Yr 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 2022-2023) | (1st July 2021-2022) |
|-------------------------------------|--|--|
| | Kshs | Kshs |
| Bank accounts | 9,175,887 | 12,044,987 |
| Cash in hand | 0 | 0 |
| Imprest | 0 | 0 |
| Total | 9,175,887 | 12,044,987 |
| Less | | |
| Payables: - Retention | 0 | 0 |
| Payables – Gratuity | 0 | 0 |
| Fund Balance Brought Forward | 9,175,887 | 12,044,987 |

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Notes to The Financial Statements (Continued)

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 | - | - | - |

17. Changes in Accounts Receivable – Outstanding Imprests

| | Financial Yr 2022-2023 | Financial Yr 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

| | Financial Yr 2022-2023 | Financial Yr 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)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

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19.2: PMC account balances (See Annex 5)

| | 2022-2023 | 2021-2022 |
|--|------------|------------|
| | Kshs | Kshs |
| PMC account balances (see attached list) | 28,170,638 | 24,613,666 |
| Total | 28,170,638 | 24,613,666 |

16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

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

Annex 3 – Unutilized Fund

| Name | Brief Transaction Description | Outstanding Balance 2022-2023 | Outstanding Balance 2021-2022 | Comments |
|-----------------------------|--|----------------------------------|----------------------------------|----------|
| Compensation of employees | Payment of salaries to Contractual Staff | 1,964,495 | 2,180,429 | |
| Use of goods & services | Payment of goods and services | 2,734,844 | 1,301,703 | |
| Emergency | To Cater for unforeseen occurrences | 3,136,397 | 3,042,207 | |
| Capacity Building | To conduct training for NGCDFC/PMC/Staff | 1,023,905 | 129,105 | |
| Committee Expenses | To Cater for Committee Expenses | 664,450 | 1,159,986 | |
| Committee Allowances | To Cater for Committee Allowances | 194,800 | 940,000 | |
| Bursary and Social Security | To Cater for needy Students | 11,124,201 | 2,858,440 | |
| Sports | To sponsor tournaments and purchase sports equipment's | 729,140 | 174,140 | |
| Environment | Purchase of Tanks and Gutters for Various Schools | 1,295,620 | 15,620 | |
| Sub-Total | | 22,867,852 | 11,801,630 | |

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| Name | Brief Transaction Description | Outstanding Balance 2022-2023 | Outstanding Balance 2021-2022 | Comments |
|--|--|-------------------------------|-------------------------------|----------|
| Amounts due to other Government entities | | | | |
| Primary School | | | | |
| Mikeu Primary School | Construction of Storey Classrooms/Field Levelling/Cabral Works | 11,900,000 | | |
| Umoya Primary School | Construction of Storey Classrooms | 3,500,000 | | |
| Secondary School | | | | |
| Kiamaina Secondary School | Purchase of a School Bus | 9,762,300 | | |
| Limuko Secondary School | Construction of Storey Classrooms | 3,000,000 | | |
| Bahati Girls Secondary School | Purchase of Lockers and Chairs | 500,000 | | |
| Jomo Kenyatta Girls Secondary School | Purchase of Lockers and Chairs | 500,000 | | |
| Sub-Total | | 29,162,300 | | |
| Amounts due to other grants and other transfers | | | | |
| Security | | | | |
| Kiamaina ICT Centre/Multipurpose Hall | Completion of Offices/ Hall/Purchase of Seats for the Hall | 3,000,000 | | |
| Kiamaina Police Post | Construction of a Police Post | 4,500,000 | | |
| Lanet Police Station | Construction of a Police station | 5,020 | 5020 | |
| Sub-Total | | 7,505,020 | 5020 | |
| Constituency Oversight Committee | | 850,540 | | |
| Acquisition of assets | | 496,200 | -40778 | |
| Others (Specify) | | | | |
| Strategic Plan | | 706,720 | | |
| Sub-Total | | 706,720 | | |
| Funds pending approval | | 5,674,858 | 279,115 | |
| Grand Total | | 67,263,490 | 12,044,987 | |

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Annex 4 – Summary of Fixed Asset Register

| Asset class | Historical Cost b/f (Kshs) 2021/2022 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) At Year End 2023 |
|--|---|--|-------------------------------------|--|
| Land | 1,999,999 | - | - | 1,999,999 |
| Buildings and structures | | - | - | - |
| Transport equipment | 6,350,000 | - | - | 6,350,000 |
| Office equipment, furniture and fittings | 3,571,622 | | - | 3,571,622 |
| ICT Equipment, Software and Other ICT Assets | 1,600,610 | - | - | 1,600,610 |
| Other Machinery and Equipment | | - | - | - |
| Heritage and cultural assets | | - | - | - |
| Intangible assets | | | | |
| Total | 11,522,232 | - | - | 11,522,232 |

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Annex 5 –PMC Bank Balances as at 30th June 2023

| Name of the Project/Account Name | Bank Name and Branch | Account Number | Bank Balance 2022/23 | Bank Balance 2021/22 |
|--|----------------------------|----------------|----------------------|----------------------|
| BAHATI GIRLS SECONDARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130278999033 | 853 | 156,006 |
| BAHATI PCEA PRIMARY | EQUITY GATE HSE BRANCH-NKR | 0130284360981 | - | - |
| BAVUNI PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130282017060 | 1,006,750.20 | 12,750 |
| BISHOP EDWARD DONOVAN SECONDARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279889141 | 669 | 669 |
| ENGOSHURA PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279113235 | 2,526,724 | 26,724 |
| MURINGA PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279006318 | 3,290 | 1,620 |
| NDIMU PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0310282046571 | 1,002,679 | 183,535 |
| MUGWATHI PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130280852243 | 996,126 | 478,035 |
| JACARANDA PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130282363889 | 2,006,740 | 6,740 |
| MWIRUTI PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279893310 | - | 970,295 |
| J.M KARIUKI MEMORIAL SECONDARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279135031 | 1,889 | 1,889 |
| JOMO KENYATTA GIRLS | EQUITY GATE HSE BRANCH-NKR | 0130277442690 | 1,010 | 44,010 |
| OSEMBO PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130278865946 | 4,650 | 4,650 |
| ST .JOHN PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130278977936 | 1,500,598 | 598 |
| MIKEU PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130278886721 | 1,436 | 1,436 |
| UMOJA PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130278994430 | 167,041 | 448,172 |
| NYATHUNA PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130278967338 | 48,721 | 119,711 |
| OUR LADY OF FATIMA PRIMARY | EQUITY GATE HSE BRANCH-NKR | 0130279784850 | 2,435,179 | 35,179 |
| LIMUKO SECONDARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130278973138 | 1,747 | 1,747 |
| ST. JOSEPH'S KARI SECONDARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279933945 | 1,000,125 | 125 |
| MENENGAI HILL PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279896808 | 658 | 658 |
| KIAMAINA ICT CENTRE MULTIPURPOSE HALL | EQUITY GATE HSE BRANCH-NKR | 0130278990270 | 5,853,495 | 1,825,495 |
| MURUNYU POLICE POST | EQUITY GATE HSE BRANCH-NKR | 0130284336273 | 2,800,000 | - |
| GITHIORO POLICE STATION | EQUITY GATE HSE BRANCH-NKR | 0130284336263 | 4,500,000 | - |
| BAHATI POLICE STATION | EQUITY GATE HSE BRANCH-NKR | 0130278990903 | 2,782 | 201,390 |
| BARAKA PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0310278883526 | 9 | 9 |
| BAVUNI SECONDARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130278997613 | 515,197.50 | 1,929,625 |

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| Name of the Project/Account Name | Bank Name and Branch | Account Number | Bank Balance 2022/23 | Bank Balance 2021/22 |
|--|----------------------------|----------------|----------------------|----------------------|
| ENGOSHURA PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279113235 | 2,526,724.00 | 26,724 |
| GIACHONGE PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130280149988 | 41,199.50 | 743,506 |
| HEROES SECONDARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279897210 | 23,571.50 | 23,572 |
| ITHAGANI PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130282039165 | 156.25 | 39,859 |
| KABATINI ASST. CHIEF OFFICE | EQUITY GATE HSE BRANCH-NKR | 0130282513215 | 26,542.25 | 1,500,000 |
| KAGOTO PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130278997183 | 366.70 | 4,094,300 |
| KAMORONYO PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279030122 | - | 155,313 |
| KEDURUM PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130280899598 | 681.00 | 681 |
| KIAMAINA ASST. CHIEFS OFFICE | EQUITY GATE HSE BRANCH-NKR | 0130282421150 | 3,204.00 | 750,298 |
| KIAMAINA PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279689097 | 10,238.50 | 2,000,068 |
| KIANDA PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130282404257 | 22,908.00 | 33,908 |
| KIMANI NGUNJIRI HIGH SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130280393899 | - | 88,845 |
| KIMANI NGUNJIRI PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279333439 | 46,527.00 | 46,527 |
| KINARI PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130277364024 | - | 137,840 |
| KIRIMA TOP POLICE STATION | EQUITY GATE HSE BRANCH-NKR | 0130282422181 | 28,484.00 | 1,500,000 |
| LANET POLICE STATION | EQUITY GATE HSE BRANCH-NKR | 0130279758483 | 39,308.85 | 39,308 |
| LIMUKO PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279898877 | - | 5,298 |
| MAKAO POLICE POST | EQUITY GATE HSE BRANCH-NKR | 0130282034881 | - | 2,497,091 |
| MENENGAI HILL PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279896808 | 658 | 658 |
| MURIUNDU PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0310278992988 | 234 | 234 |
| MURUNGARU SECONDARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279892731 | 368 | 77,993.15 |
| MURUNYU SECONDARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279893229 | 49,368 | 1,169,549 |
| NDEGE NDIMU POLICE POST | EQUITY GATE HSE BRANCH-NKR | 0130279793771 | 4,785 | 502,785 |
| NYONJORO ASST. CHIEFS OFFICE | EQUITY GATE HSE BRANCH-NKR | 0130280855524 | 985 | 985 |
| OUR LADY OF MERCY PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279703427 | 73,981 | 297,330 |
| OUR LADY OF FATIMA SECONDARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130277433312 | - | 94,052 |
| ST. ANTHONY ENGOSHURA SECONDARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0310278988433 | 519.00 | 182,079 |
| WANYORORO PRIMARY SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130279899534 | - | 1,352,548 |
| WORKERS HIGH SCHOOL | EQUITY GATE HSE BRANCH-NKR | 0130262202975 | - | 801,250 |
| Total | | | 28,170,638 | 24,613,666 |

Annex 3: 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.

| | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|--|---|
| | <p>Bank Balance The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs. 12,044,987. However, the bank reconciliation statement reflects payments in cash book not in bank of Kshs.5,220,352 whose subsequent payments by the bank were not provided for audit. In the circumstances, the accuracy and fair statement of the cash and cash equivalent balance of Kshs.12,044,987 as at 30 June, 2022 could not be confirmed.</p> | <p>The payments were done towards the closure of the financial year as stated below and were presented to the bank for payment in the subsequent month. The Bank Reconciliation for July 2022 is hereby attached for audit verification</p> | Resolved | |
| | <p>Budgetary Control and Performance The summary statement of appropriation reflects budgeted income of Kshs.185,008,481 and actual of Kshs.184,739,366 resulting to under collection of Kshs.279,114. Similarly, the budgeted expenditure of Kshs.185,008,480 against the actual of Kshs.172,963,494 resulting to under absorption of Kshs.12,044,986. The under collection of revenue and under expenditure hinders execution of programmes and delivery of goods and</p> | <p>The Kshs. 279,115 was AIA realized from sale of tender and unspent funds from the Project Management Committees The Bahati NG-CDF utilized 93.5% of the total Budget, with only 6.5% underutilization. This was caused by the fact that the Emergency funds were not utilized because there</p> | Resolved | |

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| | | | | |
|--|--|---|--|--|
| | <p>services to the residents of Bahati Constituency.</p> | <p>were no major emergency occurrences during the year under review and a reallocation of funds was done at the close of financial year. There was a balance meant for compensation of employees whose contracts were coming to an end in September 2022 and therefore gratuity was reserved to clear their dues.</p> | | |
|--|--|---|--|--|

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BEATRICE BOWEN
Fund Account Manager.

