

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 06 AUG 2024 TUE 6/8/2024 DAY.

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OF THE AUDITOR-GENERAL

ON

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

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



OFFICE OF THE AUDITOR GENERAL
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MATHARE CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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

Table of Content	Page
I. Acronyms and Abbreviations	ii
II. Key Constituency Information and Management.....	iii
III. NG-CDFC Chairman’s Report	vii
IV. Statement of Performance Against Predetermined Objectives for FY2022/2023	xii
V. Statement of Governance.....	xiv
VI. Environmental and Sustainability Reporting.....	xxii
VII. Statement Of Management Responsibilities.....	xxvi
VIII. Report Of the Independent Auditors On The NGCDF- Mathare Constituency	xxviii
IX. Statement Of Receipts and Payments for the Year Ended 30th June 2023	1
X. Statement Of Assets and Liabilities As At 30th June, 2023	2
XI. Statement Of Cash Flows for The Year Ended 30th June 2023	3
XII. Summary Statement of Appropriation for The Year Ended 30 th June 2023	5
XIII. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2023	7
XIV. Significant Accounting Policies.....	12
XV. Notes To the Financial Statements.....	17
XVI. Annexes	25

I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-project management committee

FY-Financial Year

PWD-people living with disability

II. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

Mathare Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Mathare 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)

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

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	Olympia Musonye
2.	Sub-County Accountant	Conelius Kimori
3.	Chairman NGCDFC	Martin Shikuku
4.	Member NGCDFC	Mwanaisha Joel Adhiambo

(c) Fiduciary Oversight Arrangements

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

P.O. Box 38670-00623
New Deputy County Commissioner in Mabatini Ward
Along Juja Road
Nairobi, Kenya.

(e) Mathare Constituency NGCDF Contacts

Telephone: (254) 0725726065
E-mail: matharenconstituency@gmail.com
Website: www.mathare.ngcdf.go.ke

(f) Mathare Constituency NGCDF Bankers

Equity Bank Limited
Branch: Four ways
A/c No: 0020261806785
P O Box 75104 - 00200
Nairobi, Kenya

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

III. NG-CDFC Chairman's Report



NAME; MARTIN SHIKUKU PETER
CHAIRPERSON, MATHARE NG-CDF

INTRODUCTION

Mathare Constituency is one of the 17 constituencies in Nairobi County No 47 and among the 290 constituencies in Kenya. The constituency is divided into 6 administrative wards namely:

No	Ward name	Sub location name	Population	Total area
1	Hospital –ward	Mathare sub-location of Nairobi County	20,463	0.80
2	Mabatini Ward	Mabatini (4B and Gitathuru) sub-location of Nairobi County	28,260	0.40
3	Huruma Ward	Part of Huruma sub-location of Nairobi County	36,247	0.35
4	Ngei Ward	Part of Huruma sub-location of Nairobi County	36,248	0.35
5	MlangoKubwa Ward	MlangoKubwa sub-location of Nairobi County	38,374	0.40
6	Kiamaiko Ward	Kiamaiko sub-location of Nairobi County	33,824	0.70
			193,416	3km²

FORWARD BY CHAIRMAN NGCDF COMMITTEE ON BUDGET PERFORMANCE

I have the pleasure to present the Mathare –NCDF annual report and financial statements for the financial year 2022/2023. The people of Mathare constituency are determined to participate effectively in domesticating objectives of vision the big 5 agendas in our development planning. The constituents now have power to implement the formulation and implementation of development programs in the constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory. The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

Financial Year Budget

In the financial year 2022/2023 the NG-CDF Mathare Constituency was allocated Kshs 151,960,172.72 and we have received the Kshs. 87,000,000 allocated for the financial year 2022/2023 and the utilization has gone well in which Kshs. 73,216,254 of the funds allocated to projects has been utilized effectively as bellow.

Our NG-CDFC wishes to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. Our NG-CDF have improved the Education infrastructure, Education bursary, Sports, Environment and Security infrastructures of Mathare Constituency through the various projects that we have

KEY ACHIEVEMENTS

Mathare NG-CDF has been able to award bursaries worth kshs 53,186,060.81 to various beneficiaries within the constituency in the Financial Year 2022/2023.



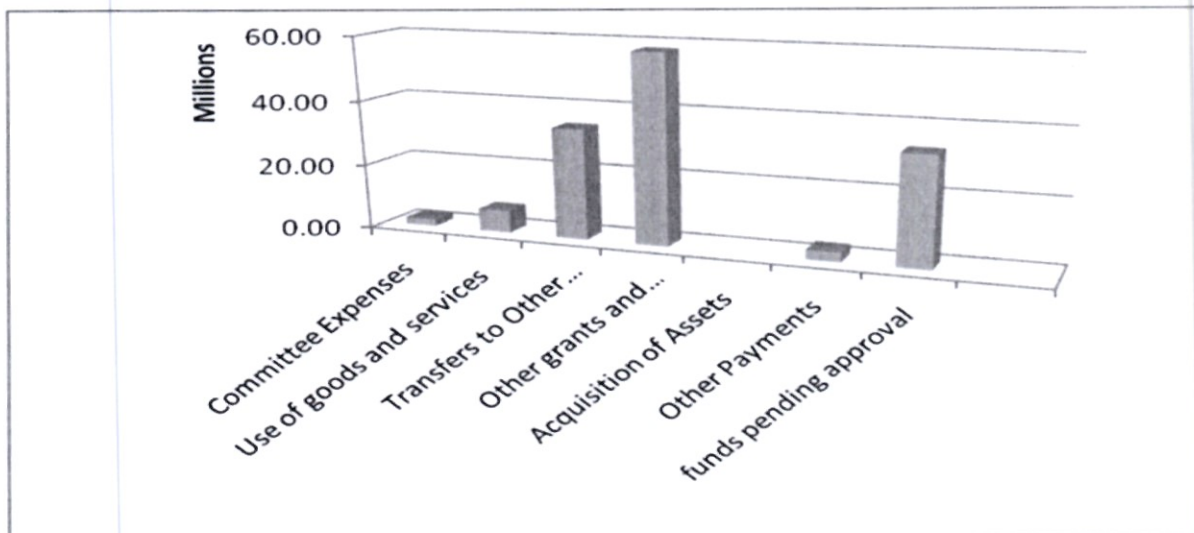
Fig 1: Bursary issuance exercise within the constituency.

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

We have completed our allocations in time, and achieved the results as stipulated in the summary graph below:

Compensation of Employees	4,599,802
Committee Expenses	2,144,000
Use of goods and services	6,932,614
Transfers to Other Government Units	34,000,000
Other grants and transfers	57,909,623
Acquisition of Assets	-
Other Payments	3,000,000
funds pending approval	33,039,203

Table 1.0 summary of budget performance



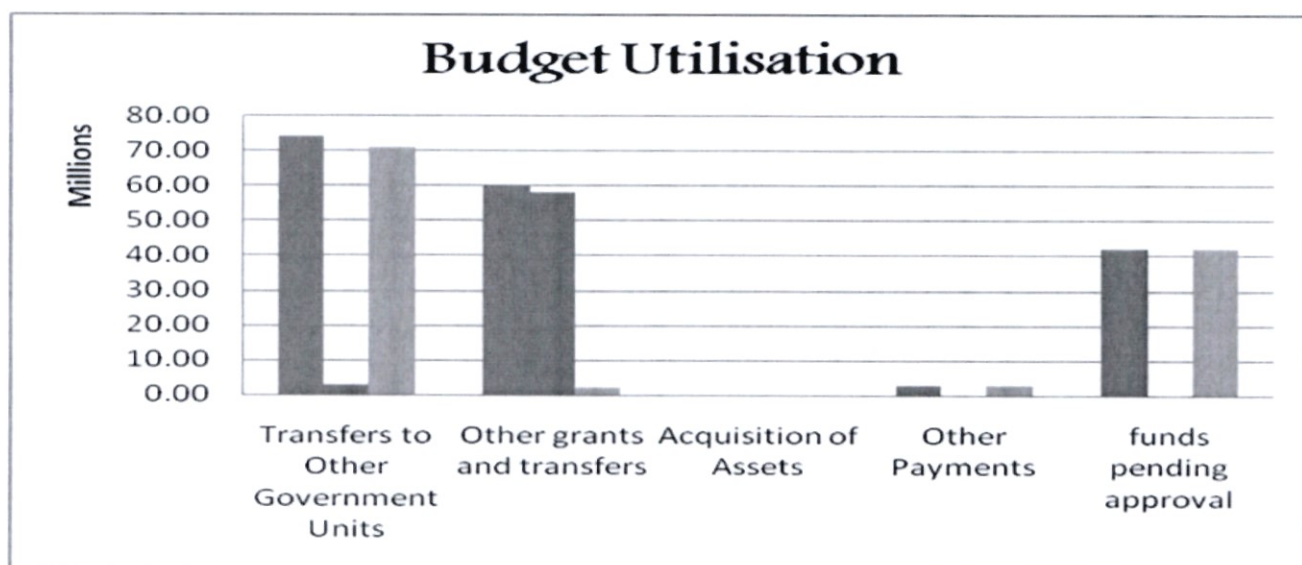
Graph:1 Allocation of funds FY 2022/2023

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

The budget performance against the actual amount for the current year are as follows:

Receipt/Expense Item	Final Budget	Actual on Comparable Basis	Budget Utilization Difference
PAYMENTS			
Compensation of Employees	5,859,680	2,603,041	3,256,639
Committee Expenses	2,144,000	2,144,000	-
Use of goods and services	6,932,614	6,932,614	-
Transfers to Other Government Units	73,887,001	2,998,800	70,888,201
Other grants and transfers	59,957,647	57,837,799	2,119,848
Acquisition of Assets	-	-	-
Other Payments	3,000,000	-	3,000,000
funds pending approval	41,854,532	-	41,854,532

The Budget Utilisation can be diagrammatically presented as follows:



Graph 2: UTILIZATION OF FUNDS

Emerging Issue

- In the FY 2022-2023 the economic hardship led to inflation of construction materials making the initial budget of projects appear insufficient. This led Mathare NGCDF to review the bills of quantities to match the escalated building materials costs.
- The high university fees and the hard economic times has led to many students and parents to seek full sponsorships from the constituency bursary fund

Challenges

There is a challenge in the education sector this is because there are many needy students who are in need of support through the bursary fund which is never enough; this is due to lower middle income economy status within the constituency.

- Main challenge that Mathare constituency faced was late funds disbursement that led to few projects being implemented and others stalled awaiting funding.
- There was also noted a challenge in the education sector since there are many needy students who need support through the bursary fund which is never enough; this is due to lower middle income economy status within the constituency.

Solutions

- The NGCDFC will engage technical officers at an early stage of project initiation in order to correctly define project scope and improve on proposal approval rate.
- The constituency has endeavored to give priority to the very needy students to enable them cater for their school fees.



.....
Name: MARTIN SHIKUKU
CHAIRMAN NGCDF COMMITTEE- MATHARE

IV. Statement of Performance Against Predetermined Objectives for FY2022/2023

Introduction

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

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

- i. To act as an overarching Constituency development framework for guiding socio-economic transformation between 2023 and 2028.
- ii. To Provide a local framework for actualizing the achievement of the Big 4 agenda and the Kenya vision 2030.
- iii. To Reduce inequality through equitable distribution of resources across the wards within the constituency.
- iv. To Create a firm foundation for socio-economic transformation through education and security infrastructural development.
- v. To Enhance local resource mobilization from other development partners and actors within and outside the constituency.
- vi. To Facilitate annual planning and budgeting for the identified projects that will spur development in the constituency, and facilitate annual review of plans and budgets to track progressing implementation and draw lessons for incorporation in subsequent planning and budgeting.
- vii. To Provide a framework for continuous monitoring and systematic evaluation of development projects.

Mission

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

Vision

Equitable Socio-economic development countrywide

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:

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	We have increased number of classrooms in primary schools from 28 To 34. In FY 22/23 - we constructed 6 classrooms in Ndururuno primary school. The number of bursary beneficiaries were 3,691 in secondary and 1,900 in tertiary institutions.
Security	To ensure adequate security of life and property to Mathare residents and visitors.	Increased security	No of physical infrastructure in security facilities	In the FY 22/23 – we constructed to completion Huruma police station to cater for 2,000 residents.
Environment	To promote waste management	Promote waste management	Construction of Toilets in security and school facilities	Funds yet to be approved by the board.
Sports	To promote sports talent and placement.	Increased talent search and placement	Number of teams benefitting from sports kits, equipment and trophies	Initiation stage
Emergency	To cater for emerging issues	Provide good working environment	Number of usable physical infrastructure	In the financial 22/23 Mathare NG-CDFc has managed to renovate Huruma chiefs camp

V. Statement of Governance

Introduction

The NGCDF Act 2016 on appointment of NGCDFC member's states; The members of a Constituency Committee provided for Appointment of under section 43 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 1951

(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.

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

(4) The selection panel referred to in paragraph (1) shall consist of—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

Mathare Constituency

National Government Constituencies Development Fund (NGCDF)

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

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The Board shall, within fourteen days after gazettment of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

In Mathare Constituency, NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board coopts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettment.

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43 and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the

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

process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency. In the month of August 2022, due to change of regime as a result of election, the serving committee was phased off. This caused the NGCDF office to carry out an appointment of the new committee.

Appointment of NGCDFC Members

The selection Panel

The selection panel was appointed in the month of September 2022. This constituted four members as follows;

SNO	NAME	DESIGNATION
1	Benard Oluoch Okwiri	Chairman
2	Olympia Musonye	Secretary
3	Harrison Muendo John	Member
4	Peter Okwang Okech	Member

In Mathare constituency, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency in the month of September 2022.

The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Mathare Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	Peter Njoroge Kamau	Male Adult	Huruma
2.	Martin Shikuku Peter	Male Youth	Ngei
3.	Mwanaisha Joel Adhiambo	Female Adult	Hospital
4.	Nancy Anyango Osiche	Female Youth	Mabatini

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

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1	Diramu Wario	PWD	Kiamaiko

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Jared Omondi Ondiek	Nominee of the Constituency (Male)	Ngei
2	Magdalene Kalondu Masila	Nominee of the Constituency (Female)	Mlango Kubwa

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Elizabeth Nyandia Wanjohi	Co-opted	Kiamaiko

The members went through the process of electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position – Martin Shikuku Peter
2. Secretary position – Mwanaisha Joel Odhiambo

The term of office for the members of the Constituency Committee is 3 years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

The appointed committee members were gazetted through Gazetted volume number 276 on 16th December 2022.

The new committee held its first meeting on 23rd December 2022

Sno.	Name	Position
1	Martin Shikuku Peter	Chairperson
2	Mwanaisha Jole Odhiambo	Secretary
3	Peter Njoroge Kamau	Member
4	Nancy Anyango Osiche	Member
5	Diramu Wario	Member
6	Jared Omondi Ondiek	Member
7	Magdalene Kalondu Masila	Member
8	Elizabeth Nyandia Wanjohi	Member

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

9	Jack Obuor Odhiambo	Member
10	Olympia Musonye	Member

Removal of NGCDFC Members

Section 43(13) of the Act provides that a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practises;
- (f) causing disharmony within the committee;
- (g) Physical or mental infirmity.

A decision to remove a member under subsection (13) is made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made. In Mathare the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal. However, the previous committee exited after the end of parliamentary term.

Roles and functions of NG-CDFC

The functions of the National Government Constituency Development Fund Committees members as stipulated in NG-CDF Regulations 2016(11) are;

- i. Convene public meetings in every ward in the constituency to deliberate to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.

- vii. 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.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

Training of NG-CDFC Members

In the financial year 2022/2023 the NGCDF Board organized training of NGCDFC members. The constituency also held a capacity building activity in Mombasa on 14th – 20th May 2023. During the training, critical areas such as overview of NG-CDF Act 2015 and Regulations, public finance, project planning, procurement, complaint management, and performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Mathare.

Number of meetings held

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than 24 meetings in the same financial year, including sub-committee meetings. During the financial year 2022/2023 the NGCDFC Mathare held 28 meetings through the year, 4 being for the previous committee while 24 for the current committee as illustrated as follows;

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

Schedule of meetings held during the FY 2022/2023

S.No	NG-CDFC	12/	27	9/	18/	6/	22	4/	17	1/	23	2/	13/	23	28	3/	20	1/0	27	07/	22	5/0	28/	10/	31/
	COMMITTEE	7/2	/7	8/	8/2	9/	/9	10	/1	11	/1	12	12/	/1	/1	01	/0	2/2	/0	03/	/0	4/2	04/	10/	05/
	MEMBERS	2	/2	22	2	22	/2	2	0/	/2	1/	/2	22	2/	2/	/2	1/	3	2/	23	3/	3	23	05/	23
1	Martin Shikuku Peter	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Mwanaisha Jole Odhiambo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Peter Njoroge Kamau	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Nancy Anyango Osiche	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Diramu Wario	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Jared Omondi Ondiek	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Magdalene Kalondu Masila	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Elizabeth Nyandia Wanjohi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Jack Obuur Odhiambo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Olympia Musonye	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & conduct

Members of NG-CDFC are required to observe the following ethical issues;

- i. Confidentiality-the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity-NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership- NGCDFC members should promote leadership in the constituency.

During the financial year 2022/2023 members of NGCDFC Mathare adhered to the above ethical issues.

Members remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance of ksh.7000 per meeting and all other members an allowance of ksh.5000 per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

Disclose policy on conflict of interest

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC Mathare contravened conflict of interest policy.

Risk management

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Mathare has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF Act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

VI. Environmental and Sustainability Reporting

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

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

- Mathare NG-CDF has not been able to implement planting of trees since funds have not been disbursed by NG-CDF Board.
- Mathare NG-CDF has constructed to completion Huruma police station to enhance security and has conducted a forum to educate residents on drug abuse and how to avoid such activities.
- Mathare NG-CDF has 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. Mathare 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. Mathare 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-

Mathare NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Mathare 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

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

policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

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

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

Public Awareness

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

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

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Name: Olympia Musonye

Fund Account Manager.

VII. Statement Of Management Responsibilities

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

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


The Accounting Officer in charge of the NGCDF Mathare 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

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

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- Mathare Constituency financial statements were approved and signed by the Accounting Officer on 14th September 2023.

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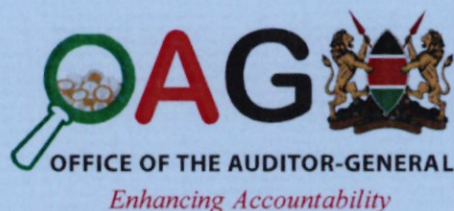
Name: Martin Shikuku
Chairman – NGCDF Committee

.....


Name: Olympia Musonye
Fund Account Manager

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mathare Constituency set out on pages 1 to 35, which comprise of the statement of assets and liabilities as at 30 June, 2023, statement of receipts and payments, statement of cash flows and the 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 the National Government Constituencies Development Fund – Mathare Constituency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1.0 Variance in Use of Goods and Services

The statement of receipts and payments reflects use of goods and services amount of Kshs.6,932,614 which differs with Note 6 to the financial statements and the trial balance amount of Kshs.6,652,584, resulting to an unexplained or reconciled variance of Kshs.280,030.

In the circumstances, the accuracy and completeness of use of goods and services amounting to Kshs.280,030 could not be confirmed.

2.0 Variance between Summary of Fixed Asset and the Asset Register

Annex 4 to the financial statements reflects summary of fixed assets historical cost balance of Kshs.53,635,262 which differs with the assets at cost totalling Kshs.53,616,262 indicated in the assets register resulting to an unexplained or reconciled variance of Kshs.19,000. Further, the Annex reflect transport equipment at cost of Kshs.4,650,495 against the assets register amount of Kshs.5,650,495 resulting to an unexplained or unreconciled variance of Kshs.1,000,000.

In the circumstances, the accuracy and completeness of the summary of fixed assets register 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 - Mathare 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 audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.189,560,855 and Kshs.90,307,902 respectively resulting to an under-funding of Kshs.99,252,953 or 52% of the budget. Similarly, the Fund spent a balance of Kshs.73,216,254 against actual receipts of Kshs.90,307,902 resulting to an under-utilization of Kshs.17,091,648 or 19% 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.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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

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 overall 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 so as to obtain assurance about whether effective processes and systems of internal control, risk management and 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 controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 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

05 June, 2024

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

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

	Note	2022/2023	2021/2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	87,000,000	150,625,980
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		87,000,000	150,625,980
Payments			
Compensation Of Employees	4	2,603,041	3,750,734
Committee expenses	5	2,144,000	-
Use Of Goods and Services	6	6,932,614	16,102,300
Transfers To Other Government Units	7	2,998,800	100,162,351
Other Grants and Transfers	8	57,837,799	75,793,310
Acquisition Of Assets	9	-	-
Other Payments	10	700,000	-
Total Payments		73,216,254	195,808,695
Surplus/ (Deficit)		13,783,746	(45,182,715)


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 14th September 2023 and signed by:




Fund Account Manager

Name: Olympia Musonye



National Sub-County
Accountant

Name: Conelius Kimori
ICPAK M/No:17636



Chairman NG-CDF
Committee

Name: Martin Shikuku

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

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

	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	11A	25,906,977	3,307,902
Cash Balances (Cash at Hand)	11B	-	-
Total Cash and Cash Equivalents		25,906,977	3,307,902
Accounts Receivable			
Outstanding Imprests	12	-	-
Total Financial Assets		25,906,977	3,307,902
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	13	-	-
Gratuity	14	-	-
Total Financial Liabilities		-	-
Net Financial Assets		25,906,977	3,307,902
Represented By			
Fund Balance B/Fwd	15	3,307,902	48,490,617
Prior Year Adjustments	16	8,815,329	
Surplus/Deficit for The Year		13,783,746	(45,182,715)
Net Financial Position		25,906,977	3,307,902

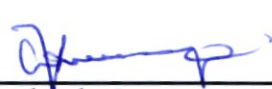
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 Fund Account Manager

Name: Olympia Musonye



 National Sub-County
 Accountant

Name: Conelius Kimori
 ICPAK M/No:17636



 Chairman NG-CDF
 Committee

Name: Martin Shikuku

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

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

	Notes	2022/2023	2021/2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	87,000,000	150,625,980
Other Receipts	3	-	-
Total Receipts		87,000,000	150,625,980
Payments			
Compensation Of Employees	4	2,603,041	3,750,734
Committee Expenses	5	2,144,000	-
Use Of Goods and Services	6	6,932,614	16,102,300
Transfers To Other Government Units	7	2,998,800	100,162,351
Other Grants and Transfers	8	57,837,799	75,793,310
Other Payments	10	700,000	-
Total Payments		73,216,254	195,808,695
Total Receipts Less Total Payments		13,783,746	(45,182,715)
Adjusted For:		-	-
Prior Year Adjustments	16	8,815,329	-
Decrease/(Increase) In Accounts Receivable	17		-
Increase/(Decrease) In Accounts Payable	18		-
Net Cash Flow from Operating Activities		22,599,075	(45,182,715)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		22,599,075	(45,182,715)
Cash & Cash Equivalent At Start Of The Year	11	3,307,902	48,490,617
Cash & Cash Equivalent At End Of The Year	11	25,906,977	3,307,902

Mathare 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 14th September 2023 and signed by:



Fund Account Manager

Name: Olympia Musonye



National Sub-County
Accountant

Name: Conelius Kimori
ICPAK M/No:17636



Chairman NG-CDF
Committee

Name: Martin Shikuku

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

XII. Summary Statement of Appropriation for The Year Ended 30th June 2023

Receipts/Payments	Original Budget a	Adjustments b		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
		Opening Balance (C/Bk) and AIA Kshs	Previous years Outstanding Disbursements Kshs				
Receipts							
Transfers From NGCDF Board	151,960,174	3,307,902	34,292,779	189,560,855	90,307,902	99,252,953	47.6%
Proceeds From Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-
Totals	151,960,174	3,307,902	34,292,779	189,560,855	90,307,902	99,252,953	47.6%
Payments							
Compensation Of Employees	4,599,802	1,259,878	-	5,859,680	2,603,041	3,256,639	44.4%
Committee Expenses	2,144,000	-	-	2,144,000	2,144,000	-	100.0%
Use Of Goods and Services	6,932,615	-	-	6,932,615	6,932,614	1	100.0%
Transfers To Other Government Units	34,000,000		31,546,351	65,546,351	2,998,800	62,547,551	4.6%
Other Grants and Transfers	66,724,952	2,048,024	2,746,428	71,519,404	57,837,799	13,681,605	80.9%
Acquisition Of Assets	-	-	-	-	-	-	-
Oversight Committee Expenses	1,519,602	-	-	1,519,602	700,000	819,602	46.1%
Other Payments	3,000,000	-	-	3,000,000	-	3,000,000	0.0%
Funds Pending Approval**	33,039,203	-	-	33,039,203	-	33,039,203	0.0%
Totals	151,960,174	3,307,902	34,292,779	189,560,855	73,216,254	116,344,601	38.6%

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	116,344,601
Less undisbursed funds receivable from the Board as at 30 th June 2023	99,252,953
	17,091,648
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	8,815,329
Cash and Cash Equivalents at the end of the 30 th June 2023	25,906,977

The Constituency financial statements were approved by NG CDFC on 14th September 2023 and signed by:



Fund Account Manager

Name: Olympia Musonye



National Sub-County Accountant

Name: Conelius Kimori
ICPAK M/No:17636



Chairman NG-CDF Committee

Name: Martin Shikuku

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

XIII. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,599,802	1,259,878	-	5,859,680	2,603,041	3,256,639
1.2 Committee allowances	1,144,000	-	-	1,144,000	1,144,000	-
1.3 Use of goods and services	3,373,808	-	-	3,373,809	3,373,809	(1)
	9,117,611	1,259,878	-	10,377,489	7,120,850	3,256,639
2.0 Monitoring and evaluation						
2.1 Capacity building	2,018,000	-	-	2,018,000	2,018,000	-
2.2 Committee allowances	1,000,000	-	-	1,000,000	1,000,000	-
2.3 Use of goods and services	1,540,805	-	-	1,540,805	1,540,805	-
	4,558,805	-	-	4,558,805	4,558,805	-
3.0 Emergency						
3.1 Primary Schools	-	-	-	-	-	-
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	7,200,000	-	-	7,200,000	7,200,000	-
3.5 Unutilised	436,190	8,122	-	444,312	-	444,312

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Total	7,636,190	8,122	-	7,644,312	7,200,000	444,312
4.0 Bursary and Social Security						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	34,009,971	186,720	-	34,196,691	29,510,299	4,686,392
4.3 Tertiary Institutions	13,662,770	-	-	13,662,770	14,615,000	(952,230)
4.4 Universities	-	-	-	-	-	-
4.5 Social Security	5,513,320	-	-	5,513,320	6,386,000	(872,680)
	53,186,061	186,720	-	53,372,781	50,511,299	2,861,482
5.0 Sports						
5.1	2,519,203	31,026	-	2,550,229	-	2,550,229
5.2	520,000		-	520,000	-	520,000
Total	3,039,203	31,026	-	3,070,229	-	3,070,229
6.0 Environment						
6.1 Kenya medical training college	-	1,822,156		1,822,156	-	1,822,156
6.1 Kenya medical training college	-	-	900,000	900,000	-	900,000
6.1 Kenya medical training college	-	-	256,428	256,428	-	256,428
6.1 Kenya medical training college	-	-	550,000	550,000	-	550,000
6.1 Kenya medical training college	-	-	840,000	840,000	-	840,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kenya medical training college	-	-	200,000	200,000		200,000
Rapogo Cleaners& Sanitary Services ltd	-	-	-	-	126,500	(126,500)
Total			1,822,156	2,746,428	4,568,584	126,500
7.0 Primary Schools Projects (List all the Projects)						
Valley Bridge primary school	14,000,000	-	-	14,000,000	-	14,000,000
Salama primary school	14,000,000	-	-	14,000,000	-	14,000,000
Daima Primary School	-	-	982,365	982,365	982,365	-
Huruma Mixed Secondary School	-	-	17,235	17,235	17,235	-
Huruma Primary School	-	-	982,365	982,365	982,365	-
Huruma Mixed Secondary School	-	-	17,235	17,235	17,235	-
Total	28,000,000	-	1,999,200	29,999,200	1,999,200	28,000,000
8.0 Secondary Schools Projects (List all the Projects)						
Old mathare secondary school	6,000,000	-	-	6,000,000	-	6,000,000
Huruma Mixed Secondary School	-	-	546,351	546,351	-	546,351

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Huruma Mixed Secondary School	-	-	-	-	982,365	(982,365)
Huruma Mixed Secondary School	-	-	-	-	17,235	(17,235)
Total	6,000,000	-	546,351	6,546,351	999,600	5,546,751
9.0 Tertiary institutions Projects (List all the Projects)						
TVET Mabatini Ward	-	-	10,000,000	-	-	-
9.2	-	-	-	-	-	-
Total	-	-	10,000,000	10,000,000	-	10,000,000
10.0 Security Projects						
Mabatini National Youth servive office	954,500	-	-	954,500	-	954,500
Hospital National Youth servive office	954,499	-	-	954,499	-	954,499
Mlango kubwa National Youth servive office	954,499	-	-	954,499	-	954,499
Total	2,863,498	-	-	2,863,498	-	2,863,498
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
12.0 Oversight Committee Expenses (itemize)	-	-	-	-	-	-
12.1 Committee expenses	300,000	-	-	300,000	-	300,000
12.2 Use of goods and services	1,219,602	-	-	1,219,602	700,000	519,602
Total	1,519,602	-	-	1,519,602	700,000	819,602
12.0 Others						
12.1 Strategic Plan	3,000,000	-	-	3,000,000	-	3,000,000
12.2 Innovation Hub	-	-	-	-	-	-
12.2	-	-	-	-	-	-
Funds pending approval**	33,039,203	-	-	33,039,203	-	33,039,203
Total	151,960,173	3,307,902	34,292,779	189,560,854	73,216,254	116,344,600

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

XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Mathare 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.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalent.

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

7. Accounts Receivable

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

8. Accounts Payable

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

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.

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

XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022/2023	2021/2022
NGCDF Board	Kshs	Kshs
AIE NO. B 105206	7,000,000	-
AIE NO. B 185454	6,000,000	-
AIE NO. B 185710	15,000,000	-
AIE NO. B 206025	5,000,000	-
AIE NO. B 206473	12,000,000	-
AIE NO. B 205818	12,000,000	-
AIE NO. B 207745	15,000,000	-
AIE NO. B 207579	15,000,000	-
AIE NO.B 105206	-	27,688,879
AIE NO.B 105663	-	44,000,000
AIE NO.B 105866	-	22,000,000
AIE NO.B 128617	-	5,000,000
AIE NO.B 128930	-	12,000,000
AIE NO.B 154127	-	12,000,000
AIE NO.B 164358	-	18,000,000
AIE NO.B 155889	-	9,937,101
TOTAL	87,000,000	150,625,980

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

2. Proceeds From Sale of Assets

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

3. Other Receipts

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

4. Compensation Of Employees

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,222,096	2,628,391
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	201,500	996,193
NHIF	74,100	
Employer Contributions Compulsory national social security schemes	105,345	126,150
TOTAL	2,603,041	3,750,734

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

5. Committee Expenses

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Sitting allowance	1,085,750	-
Other committee expenses	1,058,250	-
Total	2,144,000	-

6. Use of Goods and services

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Utilities, supplies and services	-	-
Communication, supplies and services	-	90,900
Domestic travel and subsistence	-	181,900
Printing, advertising and information supplies & services	-	1,077,598
Rentals of produced assets	-	5,865,100
Training expenses	2,018,000	761,522
Hospitality supplies and services	3,734,584	3,717,400
Insurance costs	-	2,377,000
Specialized materials and services	-	-
Office and general supplies and services	900,000	931,550
Fuel, oil & lubricants	-	-
Other operating expenses	-	407,200
Routine maintenance – vehicles and other transport equipment	-	69,600
Routine maintenance – other assets	-	622,530
Total	6,652,584	16,102,300

7. Transfer To Other Government Units

Description	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	1,999,200	80,605,216
Transfers To Secondary Schools (See Attached List)	999,600	19,557,135
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	2,998,800	100,162,351

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

8. Other Grants and Other transfers

	2022/2023	2021/2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	29,510,299	30,313,280
Bursary – tertiary institutions (see attached list)	14,615,000	9,736,000
Bursary – special schools (see attached list)	6,386,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	24,000,000
Sports projects (see attached list)	-	5,455,480
Environment projects (see attached list)	126,500	2,665,000
Emergency projects (see attached list)	7,200,000	3,623,550
Roads projects (see attached list)	-	-
Total	57,837,799	75,793,310

9. Acquisition Of Assets

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

10. Other Payments

	2022/2023	2021/2022
	Kshs	Kshs
Strategic plan	-	-

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

ICT Hub	-	-
COC Members allowance	700,000	-
Total	700,000	-

11. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022/2023	2021/2022
	Kshs	Kshs
11A: Bank Accounts (Cash Book Bank Balance)		
Equity Bank, Fourways Branch Mathare NG-CDF Account No. A/C no.0020261806785	25,906,977	3,307,902
Total	25,906,977	3,307,902
11 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

12. Outstanding Imprests

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

13. Retention

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

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

14. Gratuity

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

15. Fund Balance B/F

	(1st July 2023)	(1st July 2022)
	Kshs	Kshs
Bank accounts	3,307,902	48,490,617
Cash in hand	-	-
Imprest	-	-
Total	3,307,902	48,490,617
Less		
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	3,307,902	48,490,617

16. Prior Year Adjustments

	Balance b/f FY 2021/2022 as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	3,307,902	8,815,329	12,123,231
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	3,307,902	8,815,329	12,123,231

Mathare Constituency

National Government Constituencies Development Fund (NGCDF)

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

17. Changes In Accounts Receivable – Outstanding Imprests

	<i>2022/2023</i>	<i>2021/2022</i>
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
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

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

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

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

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

19.3: Unutilized Fund (See Annex 3)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Compensation of employees	3,256,639	1,259,878
Committee expense	-	-
Use of goods and services	-	-
Amounts due to other Government entities (see attached list)	62,547,551	3,711,027
Amounts due to other grants and other transfers (see attached list)	13,681,606	15,501,570
Acquisition of assets	-	545,755
Constituency oversight committee	819,602	-
Other Payments (specify)	3,000,000	2,378,673
Funds pending approval	33,039,203	14,203,777
Total	116,344,601	37,600,680

18.4: PMC account balances (See Annex 5)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	1,761,357	52,335,157
Total	1,761,357	52,335,157

XVI. Annexes

Annex: 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	-	-	-	-	-

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

Annex 2 - Analysis of Pending Staff Payables

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

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

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Compensation of employees	Payment of staff salaries	3,256,639	1,259,878	Delayed employment of staff due to election
Use of goods & services	Use of goods and services	-	-	
Amounts due to other Government entities		-	-	
Valley Bridge primary school	Construction of 6 classrooms	14,000,000	-	Late disbursement from the NGCDF Board
Salama primary school	Construction of 6 classrooms	14,000,000	-	Late disbursement from the NGCDF Board
Ndururuno Primary school	Construction of 6 classrooms	14,000,000	-	Late disbursement from the NGCDF Board
Ndururuno Primary school	Completion of 6 classrooms	4,000,000	-	Late disbursement from the NGCDF Board
Old mathare secondary school	Construction laboratory	6,000,000	-	Late disbursement from the NGCDF Board
TVET Mabatini Ward	Construction of TVET	10,000,000	-	Late disbursement from the NGCDF Board
Huruma Mixed Secondary School	Completion of 2 nd floor	547,551	-	Late disbursement from the NGCDF Board
Valley Bridge Primary School	Renovation of 10 classrooms	-	13,000	Due to savings
ST.Theresa Primary School	Renovation of 10 classrooms	-	(220,370)	Due to savings
Ndururuno Primary School	Renovation of 10 classrooms	-	29,121	Due to savings
Daima Primary School	Renovation of 10 classrooms	-	28,972	Due to savings
Salama Primary School	Renovation of 10 classrooms	-	28,972	Due to savings
Huruma Primary School	Renovation of 10 classrooms	-	28,972	Due to savings
Old Mathare Primary School	Renovation of 10 classrooms	-	28,972	Due to savings
Valley Bridge Primary School	Renovation of 10 classrooms	-	28,972	Due to savings

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

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
ST.Theresa Primary School	Renovation of 10 classrooms	-	251,715	Due to savings
Daima Primary School	Supply of desks	-	999,600	Late disbursement from the NGCDF Board
Huruma Primary School	Supply of desks	-	999,600	Late disbursement from the NGCDF Board
Kiboro Primary School	Supply of desks	-	493,900	Late disbursement from the NGCDF Board
Huruma Mixed Secondary School	Supply of desks	-	999,600	Late disbursement from the NGCDF Board
Sub-Total		62,547,551	3,711,027	
Amounts due to other grants and other transfers				
Bursary	Payment of bursary to need students	2,861,482	-	Late disbursement from the NGCDF Board
6.1 Kenya medical training college	Planting of trees	1,822,156	-	Late disbursement from the NGCDF Board
6.1 Kenya medical training college	Purchase of water tanks	900,000	-	Late disbursement from the NGCDF Board
6.1 Kenya medical training college	Landscaping	256,428	-	Late disbursement from the NGCDF Board
6.1 Kenya medical training college	Planting of trees	550,000	-	Late disbursement from the NGCDF Board
6.1 Kenya medical training college	Planting of trees	840,000	-	Late disbursement from the NGCDF Board
6.1 Kenya medical training college	Renovation of classrooms	200,000	-	Late disbursement from the NGCDF Board
10.1 Mabatini National Youth service Office	Renovation of 4 offices	954,500	-	Late disbursement from the NGCDF Board
10.2 Hospital National Youth Service office	Renovation of 4 offices	954,499	-	Late disbursement from the NGCDF Board
10.3 Mlango Kubwa National youth service office	Renovation of 4 offices	954,499	-	Late disbursement from the NGCDF Board

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

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
5.1 Constituency sports	Purchase of sports equipment's	2,550,229	-	Late disbursement from the NGCDF Board
5.2 Regional sports	Purchase of sports equipment's	520,000	-	Late disbursement from the NGCDF Board
Bursary		317,812	-	Late disbursement from the NGCDF Board
Emergency Reserve	Renovation of offices	-	3,047,070	Late disbursement from the NGCDF Board
Bursary	Payment of bursary to needy students	-	6,520,083	Late disbursement from the NGCDF Board
Sports		-	31,026	Late disbursement from the NGCDF Board
Environment		-	-	Late disbursement from the NGCDF Board
Kenya Medical Training College	Purchase of trees	-	550,000	Late disbursement from the NGCDF Board
Kenya Medical Training College	Landscaping	-	840,000	Late disbursement from the NGCDF Board
Kenya Medical Training College	Renovation of classrooms	-	200,000	Late disbursement from the NGCDF Board
Balance B/F	Purchase of litter bins	-	232,156	Late disbursement from the NGCDF Board
Ndururuno Primary School	Construction of 3 classrooms	-	77,338	Late disbursement from the NGCDF Board
Security		-	-	Late disbursement from the NGCDF Board
Deputy C. C. Office-Mabatini Ward	Installation of tiles	-	4,000,000	Late disbursement from the NGCDF Board
Mabatini Deputy C C. Office	Renovation of offices	-	3,898	Late disbursement from the NGCDF Board
Sub-Total		13,681,605	15,501,570	
Acquisition of assets				

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

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Construction of NG-CDF office-Mathare	Construction of 4 offices	-	11,947	Late disbursement from the NGCDF Board
Construction of NG-CDF office-Mabatini	Construction of 4 offices	-	533,808	Late disbursement from the NGCDF Board
Others				
Strategic Plan	Mathare NGCDF strategic plan	3,000,000	20,000	Late disbursement from the NGCDF Board
Innovation Hub-NGCDF Hall 4B	Installation of ICT hub	-	20,159	Late disbursement from the NGCDF Board
Innovation Hub-Huruma Sec Sch.	Installation of ICT hub	-	1,169,257	Late disbursement from the NGCDF Board
Innovation Hub-Ngei Chiefs Camp	Installation of ICT hub	-	1,169,257	Late disbursement from the NGCDF Board
Sub-Total		3,819,602	2,924,428	
Funds pending approval		33,039,203	14,203,777	
Grand Total		116,344,601	37,600,680	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	27,550,000	-	-	27,550,000
Transport equipment	4,650,495	-	-	4,650,495
Office equipment, furniture and fittings	246,631	-	-	246,631
ICT Equipment, Software and Other ICT Assets	298,631	-	-	298,631
Other Machinery and Equipment	20,889,505	-	-	20,889,505
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	53,635,262	-	-	53,635,262

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

PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
HURUMA AP CAMP PMC	Equity	1770277747669	831,967	43,430
HURUMA POLICE STATION PMC	Equity	1770278516658	485	18,128,414
HURUMA SCHOOL PMC - ST THERESA	Equity	1770277480671	7,811	3,835,486
HURUMA SECONDARY PMC	Equity	1770277613205	990	1,276,990
KIBORO DEVELOPMENT PMC	Equity	1770277480709	3,429.	7,811
KIBORO PRIMARY SCHOOL 18 PMC	Equity	0020279744805	119,751	831,967
NDURURUNO PRIMARY PMC	Equity	1770278214169	533	9,158
OLD MATHARE SECONDARY PMC	Equity	1770277748538	9,158	666
SALAMA PRIMARY PMC	Equity	1770279835038	133,744	4,573,336
VALLEY BRIDGE PRIMARY PMC	Equity	1770277755789	307,869	354,804
HURUMA PRIMARY PMC	Equity	1770280726375	303,648	17,572,166
DAIMA PRIMARY SCHOOL CDF PMC	Equity	1770282597421	4,536	5,700,930
HURUMA CHIEF OFFICE	Equity	1770284162576	25,410	-
Total			1,749,331	52,335,157

Mathare Constituency

National Government Constituencies Development Fund (NGCDF)

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

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NRO/NGCDF-MATHARE/2021-2022/(23)	<p>The summary statement of appropriation reflects a final expenditure budget of kshs 253,073,438 against actual expenditure of kshs 195,808,695, resulting in budget under-utilization of kshs 57,264,743 or 23% of the approved budget. In addition, the Fund had an approved receipts budget of Kshs. 233,409,375 but received an amount of Kshs. 199,116,597, resulting in an underfunding of Kshs. 34,292,778 or 15% of the budget. Further, it was observed that the Fund had an expenditure budget of Kshs. 253,073,438 against a revenue budget of Kshs. 233,409,375. The reason for budgeting to spend more than was to be received was not provided. The underfunding and underperformance affected the planned activities of the Fund and may have impacted negatively on service delivery to the public.</p>	<p>They were answered and awaiting clearance from parliamentary accounts committee.</p>	<p>Resolved on ML</p>	
OAG/NRO/NGCDF-MATHARE/2021-2022/(23)	<p>In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls,</p>	<p>They were answered and awaiting clearance from parliamentary</p>	<p>Resolved on ML</p>	

Mathare Constituency

National Government Constituencies Development Fund (NGCDF)

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Risk Management and Governance. However, Management had not resolved the issues or explained failure to implement the recommendations.	accounts committee.		
OAG/NRO/NGCDF-MATHARE/2021-2022/(23)	In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management had not resolved the issues or explained failure to implement the recommendations.	They were answered and awaiting clearance from parliamentary accounts committee.	Resolved on ML	
OAG/NRO/NGCDF-MATHARE/2021-2022/(23)	In the year under review, Mathare NGCDF did not implement the environment project with a budget of Kshs.2,665,000 and a security project under Deputy County Commander Office Mabatini Ward with a budget of Kshs.4,000,000. The two projects referred to above formed part of the approved projects code list. In the circumstances, the people of Mathare Constituency might not benefit from the services envisaged out of two projects referred to above.	They were answered and awaiting clearance from parliamentary accounts committee.	Resolved on ML	
OAG/NRO/NGCDF-MATHARE/2021-2022/(23)	Annex 3 to the financial statements reflects unutilized funds amount of Kshs.37,600,6806. Management did not provide the measures put in place to address the issue of unutilized funds which is a	They were answered and awaiting clearance from parliamentary	Resolved on ML	

Mathare Constituency

National Government Constituencies Development Fund (NGCDF)

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	recurring issue over the years. Failure to implement projects may lead to backlog and over rolling of projects over the years.	accounts committee.		

Aunpia Mwangi

Name

Fund Account Manager.