

REPUBLIC OF KENYA



Enhancing Accountability



REPORT

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CLERK-AT-THE-TABLE: FINLAY MURIUKI

OF THE AUDITOR-GENERAL ON

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

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

OFFICE OF THE AUDITOR GENERAL
NORTH EASTERN REGIONAL OFFICE

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FAFI 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)

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

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I. Acronyms and Glossary of terms

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project management committee

FY-Financial Year

NG-CDFC-National Government Constituency Development Committee

ARMC-Audit and Risk Management Committee

SMART -specific, measurable, achievable, realistic and time-bound

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;

- 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 Fafi 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)

Fafi Constituency

National Government Constituencies Development Fund (NGCDF)

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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	Omar Hassan Maha
2.	Sub-County Accountant	Evans E.Mugwanga
3.	Chairman NGCDFC	Abdirahman Yussuf Ibrahim

(c) Fiduciary Oversight Arrangements

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

P.O. Box 1914-Garissa
NG-CDF Office Building
Bura-masalani road, Adjacent to Bura hospital

(e) Fafi Constituency NGCDF Contacts

Telephone: (254) 722911803
E-mail: faficdf@ngcdf.go.ke
Website: www.fafi.ng-cdf.go.ke

(f) Fafi Constituency NGCDF Bankers

Equity Bank-Garissa Branch

A/C Name: Fafi National Government Constituency Development Fund

A/C no: 0580262524480

P.o.box 75104-0020

Nairobi

(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



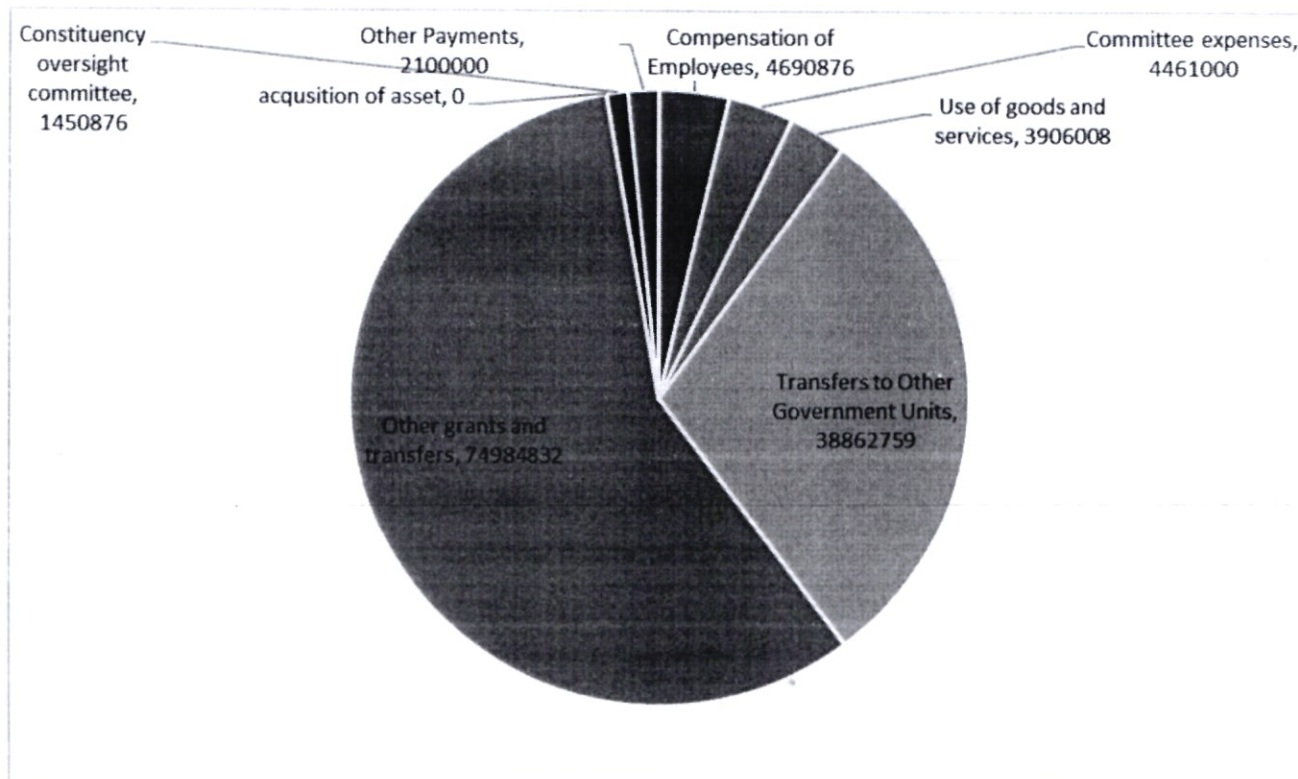
**ABDIRAHMAN YUSSUF IBRAHIM
FAFI NG-CDF-CHAIRPERSON**

Fafi Constituency is an electoral constituency in Kenya. It is one of six constituencies in Garissa County. The constituency comprises of Fafi and Alinjugur districtis .Fafi District was curved out of Garissa District in 2007. The constituency borders Ijara constituency to the South, Tana River District to the South West, Dadaab constituency to the North and Garissa township constituency to the West and the Republic of Somali to the East. The constituency lies approximately between latitudes 0015`N and 1030`S and longitude 39051E and 41032`E. The district covers an area of 16,325 km². Figure 1 below indicates the map of the Constituency.The constituency is one of the six (6) constituencies of Garissa County. The others are Fafi,Garissa township,Dadaab.Ijara,and balambala

In the Financial year 2022/2023 NG-CDF Fafi was allocated Ksh 145,087,603, out of this figure the NG-CDF Board approved Ksh 130,456,351.Ksh 14,631,252 was however not approved by the board as 30th June 2023.The final budget to be utilized for the same year amounted to ksh 155,870,724, out of this the management spent Ksh 61,657,780 bringing the utilization difference to Ksh 94,212,944.

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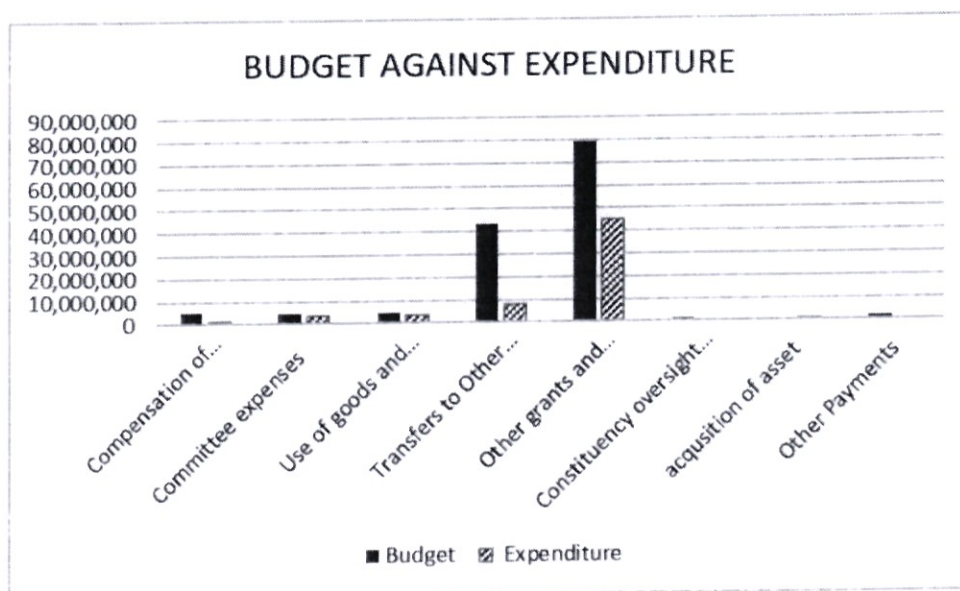
The summary of the original budget is as follows:



Analysis of budget against expenditure is tabulated below:

Item description	Budgeted amount	Actual expenditure
	ksh	ksh
Compensation of Employees	5,534,830	1,154,534
Committee expenses	4,461,000	3,540,600
Use of goods and services	4,699,699	3,519,334
Transfers to Other Government Units	43,433,092	7,918,333
Other grants and transfers	79,392,753	45,357,757
Constituency oversight committee	1,450,876	
acquisition of asset	167,222	167,222
Other Payments	2,100,000	-
UNALLOCATED FUND	14,631,252	
Total	155,870,724	61,657,780

Table showing budgeted amount against the actual expenditure



KEY ACHIEVEMENTS

To improve the education standard the NG_CDFC supported both secondary and tertiary institutions through construction of classes, equipment of classes, renovation of dormitories, administration blocks, beds and mattresses etc.

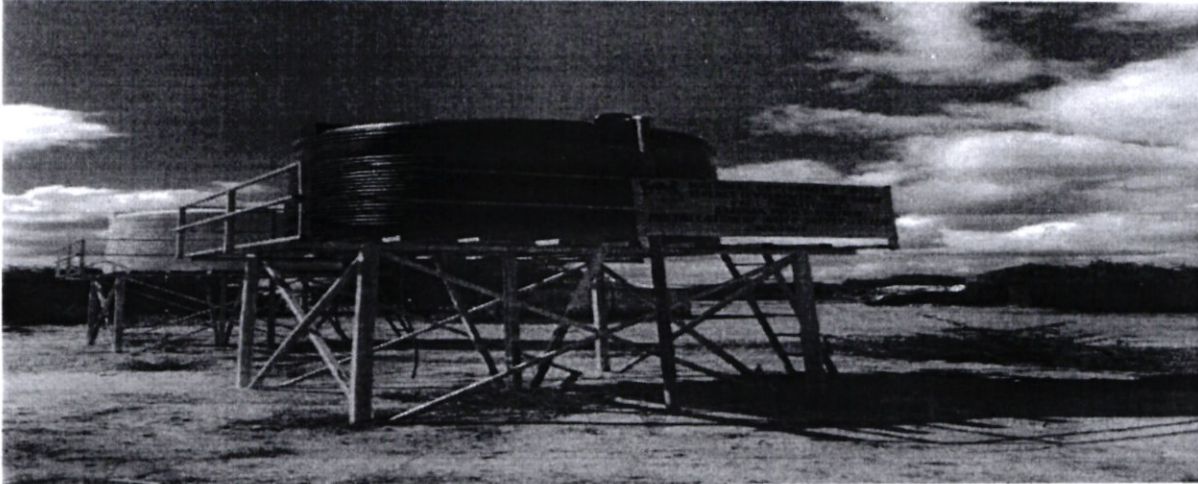
To promote proper teaching environment the NG-CDF Fafi constructed administration block for Bore5 secondary school

On the security sector, the committee also constructed houses for the security personnel, renovation of existing houses, and construction of toilets and fencing of police posts to support security agencies and promote security in the area.

To upgrade and improve the learning environment the committee funded the supply of lockers, chairs and beds to various schools.

On environment the committee installed water supply system with several water points to improve water and sanitation.

AMUMA POLICE STATION WATER SUPPLY SYSTEM



Amuma Police station is located in Jarajilla ward. The project provided water to 30 regular police personnel and 100 rapid boarder patrol unit personnel .The water supply system is complete and the project is pride of the Fafi constituency because safe and sufficient water supply will be available. The project is a clear indication of the milestones Fafi NGCDF is wiling to take to achieve modern facilities and promote the big 4 agenda.

2. SCIENCE LAB AT BOREHOLE 5 SECONDARY SCHOOL



Borehole 5 Secondary School is located in Fafi ward. The science lab block is complete and the project is the pride of Fafi constituency because a higher education facility for the students will be available. The project is a clear indication of the milestones Fafi NGCDF is wiling to take to achieve modern education facilities and promote the big 4 agenda.

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Emerging issues

The Board has also introduced new reporting templates and tools such as the introduction of vote book management system where constituencies have moved from the use of the manual vote book and this has helped in increased efficiency and improved performance of the NG-CDFC to a great extent.

Increased need of extra classrooms and laboratories due to introduction of junior secondary school.

Too many bursary applicants since Higher education loan board beneficiary might decrease due to new government directives hence putting pressure on scarce bursary allocations.

Challenges during the financial year

During financial year under review, few projects were implemented that includes: some emergency projects including renovation of nanighi admin block ,administration, monitoring and bursary due to late disbursement of funds from the board.

Numerous settlement demanding construction of schools and placement of teachers. Most of the settlements established through ngcdf funds thus affecting the learning programs in schools within these settlements.

The biggest challenge is that Fafi Constituency has some number of schools with diminishing population because of the insecurity in major part of the constituency.

There is also 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 prevailing economy status within the constituency i.e. low-income consistency experiencing prolonged drought.

Way forward

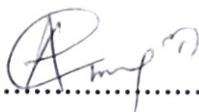
NG-cdf committee to liaise with the national government constituency development fund board in order to find out whether boreholes established in schools can be piped to the community in order to provide water that will reduce the migration of communities leaving in those areas and also supply enough food stuffs.

The board should try to address issue delayed disbursement to the constituencies

NGCDFC to plan and initiate construction of extra classrooms and laboratories i.e. over many classroom was built and also renovated various classrooms across all wards in the constituency .

I wish to urge the NGCDF Board/NASC to continually increase the NGCDF funding to enable more projects uptake in the constituencies.

Lastly would like to thank all the stake holders in my constituency especially the Ng-cdf committee members for their continued support



.....
NAME: Abdirahman Yussuf Ibrahim
CHAIRMAN NGCDF COMMITT

Fafi Constituency

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IV. Statement of Performance Against Predetermined Objectives for FY 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 **Fafi Constituency 2021-2025** plan are to:

- i. To improve access to quality education
- ii. To harness youth talent and local culture by funding school tournaments
- iii. To improve access to safe drinking water in schools
- iv. To improve access to health services by providing social security benefits
- v. To improve security in the constituency by construction and fencing of police stations and chiefs office

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To improve access to quality education	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	-The number of usable physical infrastructure built in primary, secondary, and tertiary institutions The number of bursary's beneficiaries at all levels	In FY 2022/23 -Fafi NGCDFC commutatively undertook 4 additional classrooms one classroom for secondary and three classrooms for primary since 2021-2022 etc - In FY 2022/23 Fafi NGCDFC renovated Nanighi dining hall - In FY 2022/23 Fafi NGCDFC More than 1000 secondary and mere 500 students were awarded

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				bursaries including 100 medical students given partial sponsorship - In FY 2022/23 Fafi NGCDFC through NG-CDF bursary public schools in the constituency were given priority and their school fees fully settled
Security	To support government agencies in improving security	Improved security	Number of police post fenced The no of housing provided to the personnel	In FY 2022/23 Fafi NGCDFC one police post and stations fenced, constructed bura police houses and toilets
Environment	To improve hygiene and sanitation	Improved the level of hygiene and sanitation in institutions	Number of pit latrines constructed. Number of water installation points	In FY 2022/23 Fafi NGCDFC undertook Construction of two door toilet and a bathroom with shower at kamuthey police station and nanighi police station
Sports	To harness youth talent and local culture by funding school tournaments	Improved youth talent	The no of event sponsored	In FY 2022/23 Fafi NGCDFC Sponsored four sports activities in different wards in the course of the financial year
Emergency	To respond to unforeseen occurrences	Improved response to issues emergency in nature	The no of projects or emergency issues addressed	In FY 2022/23 Fafi NGCDFC Refurbished 3 schools upon destruction by huge wind

V. Governance Statement

Introduction

The NGCDF Act 2016 on appointment of NGCDFC members 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.

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(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 gazettelement 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 Fafi, 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 coopted 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 gazettelement.

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

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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. The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency in the month of 10/10/2022

In Fafi constituency, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee.

Appointment of NGCDFC Members

The selection Panel

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

SNO	NAME	DESIGNATION
1	Eric gitembe oronyi	chair
2	Omar Hassan Maha	secretay
3	Abdiwahab Omar Gure	member
4	Hawo Billow Abdullahi	member

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

S/N	Name	Category representation	Ward
1.	Hodhan Noor Bare	Woman(youth)	Fafi
2.	Amina Burale Aden	woman	Bura
3.	Mohamed Aden Dubow	Man	Dekaharja
4.	Abdirahman Yussuf Ibrahim	Man(youth)	Dekahrja

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Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1	Abdirahman Mohamed Gure	Blind	Nanighi

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Sahara Abdullahi Abdi	Woman youth	Jarajilla
2	Awale Abdullahi	Man youth	Jarajilla

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.	Abdi Aden	man	Nanighi

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

1. Chairperson position – Abdirahman Yussuf Ibrahim
2. Secretary position – Mohamed Aden Dubow

The term of office for the members of the Constituency Committee is two 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 16/12/2022

The new committee held its first meeting on 20/12/2022

Sno.	Name	Position
1	Abdirahman Yussuf Ibrahim	Chairman
2	Mohamed Aden Dubow	Secretary
3	Thomas .K. Bett	Member
4	Omar Hassan Maha	member
5	Mumina Burale Aden	Member
6	Hodhan Noor Bare	Member
7	Abdi Aden Ahmed	Member

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8	Sahara Abdullahi Abdi	Member
9	Awale Abdullahi Abdi	member
10	Abdirahman Mohamed Gure	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 Fafi the NGCDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

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 on development matters.
- ii. Deliberate on project proposals and any other projects considered beneficial to the constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted 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.

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- 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-CDF Members

In the financial year 2022/2023 the NGCDF Board organized training of NGCDF members. The constituency also held a capacity building activity in almond -garissa on 28-2nd 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 Fafi

Number of meetings held

Section 43(11) 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 NGCDF Fafi held 12 meetings through the year for the current committee as illustrated as follows;

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Schedule of meetings held during the FY 2022/2023

S.No	NG-CDFC COMMITTEE MEMBERS	20/ 12/ 202 2	5/1 /20 23	1/2/ 202 3	10/1/20 23	3/3/20 23	10/3/202 3	3/4/20 23	7/4/20 23	19/5/202 3	29/6/ 2023
1	Chairperson Abdirahman Yussuf Ibrahim	✓ ✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Secretary Mohamed Dubow Aden	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	member Mumina Burale Aden	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Member. Hodhan Noor Bare	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	member Abdi Aden Ahmed	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	member Awale Abdullahi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	PWD Abdirahman Mohamed Gure	✓		✓	✓	✓	✓	✓	✓	✓	✓
8	Member Sahara Abdullahi Abdi	✓		✓	✓	✓	✓	✓	✓	✓	✓
9	-FAM Omar Hassan maha	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	-ACC Thomas .K. Bett	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & conduct

Members of NGCDFC 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 Fafi 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 Fafi 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 Fafi 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

Fafi NG-CDF exists to transform lives. This is our purpose and 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 Fafi NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

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 construction of bit latrines, tree planting once in every year, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion. NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.

3. Employee welfare

We invest in providing the best working environment for our employees. Fafi 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. Fafi constituency invests in capacity building

Fafi Constituency

National Government Constituencies Development Fund (NGCDF)

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

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-

Fafi 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-

Fafi NGCDF has endeavoured to sustain community engagement through locational committees 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

***Fafi Constituency
National Government Constituencies Development Fund (NGCDF)
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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.

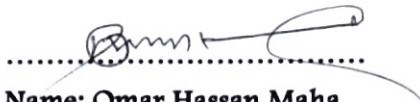
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary and social security 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.

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


.....
Name: Omar Hassan Maha
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-Fafi 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-Fafi Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- FAFI 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.

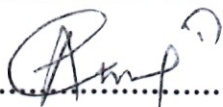
The Accounting Officer in charge of the NGCDF FAFI Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the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

***Fafi Constituency
National Government Constituencies Development Fund (NGCDF)
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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.

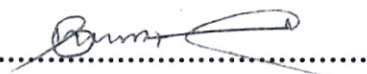
Approval of the financial statements

The NGCDF- FAFI Constituency financial statements were approved and signed by the Accounting Officer on 23rd Feb 2024.



.....

**Name: Abdirahman Yussuf Ibrahim
Chairman – NGCDF Committee**



.....

**Name: Omar Hassan Maha
Fund Account Manager**

REPUBLIC OF KENYA

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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 - FAFI 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 – Fafi Constituency set out on pages 1 to 34, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement

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

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Fafi 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

Unsupported Bursary Payments

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects other grants and transfers amount of Kshs.45,357,757. Included in the amount is bursary payments of Kshs.15,370,353 and Kshs.19,999,040 disbursed to various secondary schools and tertiary institutions respectively. However, bursary payments amounting to Kshs.2,222,000 were not supported with acknowledgement letters or receipts from the beneficiary institutions.

In the circumstances, the accuracy of bursary payments amounting to Kshs.2,222,000 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 - Fafi Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.155,870,724 and Kshs.97,783,121 respectively resulting to an under-funding of Kshs.58,087,603 or 37% of the budget. Similarly, the Fund spent a balance of Kshs.61,657,779 against actual receipts of Kshs.97,783,121 resulting to an under-utilization of Kshs.36,125,342 or 37% of 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, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Open Deposit Holding Account

The Fund did not open a deposit holding account as required by Section 7(1A) of the National Government Constituencies Development Fund (Amendment) Act, 2022 which provides that each constituency shall open one deposit account for holding third party monies which shall so be designated and such an account shall be known by the name of the constituency for which it is opened.

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

2. Lack of Constituency Oversight Committee

During the year under review, the Constituency did not have a Constituency Oversight Committee. This was contrary to Section 53(1) of the National Government Constituencies Development Fund Act, 2015 which requires establishment of a Constituency Oversight Committee for projects undertaken by the Fund.

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

3. Delay in Implementation of Projects

Analysis of the Project Implementation status revealed that the Fund had planned to implement twenty-seven (27) projects with a total allocation of Kshs.89,416,372. However, only twelve (12) projects costing Kshs.11,998,159 were completed while fourteen (14) projects with a budget of Kshs.75,478,213 had not started. One (1) Project with a contract sum of Kshs.1,940,000 was ongoing.

Delay in implementation of projects denied the residents of the Constituency the expected services.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Weaknesses in Management of Fixed Assets Register

Annex 3 to the financial statements reflects summary of fixed assets register balance of Kshs.21,337,895 as at 30 June, 2023. Included in the amount are buildings and other structures at a cost of Kshs.14,976,405. However, value of land on which the buildings are located was not disclosed in the Annex and the fixed assets register.

In addition, the ownership documents for the land were not provided for audit. Further, the fixed asset register maintained did not contain all the information as required by IPSAS 17 whose minimum disclosure requirements for assets include; identification or serial number, acquisition date, description of asset, location, class, cost of acquisition, accumulated depreciation and net book value. Also, the assets were not tagged with identification codes.

In the circumstances, it was not possible to confirm the effectiveness of internal controls on management of fixed assets.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 controls 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 Fund's 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions which 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 controls 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

22 May, 2024

Fafi 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	182,177,758
Total Receipts		87,000,000	182,177,758
Payments			
Compensation Of Employees	2	1,154,533	3,567,195
Committee expenses	3	3,540,600	5,049,719
Use Of Goods and Services	4	3,519,334	4,874,974
Transfers To Other Government Units	5	7,918,333	100,555,117
Other Grants and Transfers	6	45,357,757	87,634,311
Acquisition Of Assets	7	167,222	4,103,200
Other Payments	8	-	800,000
Total Payments		61,657,780	206,584,516
Surplus/ (Deficit)		25,342,220	(24,406,758)

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 23rd Feb 2024 and signed by:


 Fund Account Manager


 National Sub-County
 Accountant


 Chairman NG-CDF
 Committee

Name: Omar Hassan Maha

Name: Evans E. Mugwanga

Name: Abdirahman Yussuf
 Ibrahim

ICPAK M/No:15684

Fafi 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)	9A	36,125,341	10,783,121
Total Cash and Cash Equivalents		36,125,341	10,783,121
Accounts Receivable			
Total Financial Assets		36,125,341	10,783,121
Financial Liabilities			
Accounts Payable (Deposits)			
Total Financial Liabilities			
Net Financial Assets		36,125,341	10,783,121
Represented By			
Fund Balance B/Fwd	10	10,783,121	35,189,878
Surplus/Deficit for The Year		25,342,221	(24,406,758)
Net Financial Position		36,125,341	10,783,121

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 23rd Feb 2024 and signed by:



Fund Account Manager

Name: Omar Hassan Maha

ICPAK M/No: 15684


National Sub-County Accountant

Name: Evans E. Mugwanga


Chairman NG-CDF Committee

Name: Abdirahman Yussuf Ibrahim

Fafi 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

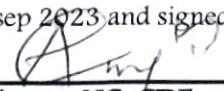
		2022-2023	2021-2022
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	87,000,000	182,177,758
		87,000,000	182,177,758
Payments for operating activities			
Compensation of Employees	2	1,154,533	3,567,195
Committee expenses	3	3,540,600	5,049,719
Use of goods and services	4	3,519,334	4,874,974
Transfers to Other Government Units	5	7,918,333	100,555,117
Other grants and transfers	6	45,357,757	87,634,311
Other Payments	7	-	800,000
		61,490,557	202,481,316
Net cash flow from operating activities		25,509,443	(20,303,558)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	8	(167,222)	(4,103,200)
Net cash flows from Investing Activities		(167,222)	(4,103,200)
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	10	10,783,121	35,189,879
Cash and cash equivalent at END of the year	9A	36,125,341	10,783,121

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 22nd sep 2023 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

Name: Omar Hassan Maha

Name: Evans E. Mugwanga

Name: Abdirahman Yussuf Ibrahim

ICPAK M/No: 15684

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

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	145,087,603	10,783,121	-	155,870,724	97,783,121	58,087,603	57%
Proceeds from Sale of Assets	-	-	-	0	-	-	0%
Other Receipts	-	-	-	0	-	-	0%
TOTAL RECEIPTS	145,087,603	10,783,121	-	155,870,724	97,783,121	58,087,603	63%
PAYMENTS							
Compensation of Employees	4,690,876	843,954	-	5,534,830	1,154,533	4,380,297	21%
Committee expenses	4,461,000		-	4,461,000	3,540,600	920,400	79%
Use of goods and services	3,906,008	793,691	-	4,699,699	3,519,334	1,180,365	75%
Transfers to Other Government Units	38,862,759	4,570,333	-	43,433,092	7,918,333	35,514,759	18%
Other grants and transfers	74,984,832	4,407,921	-	79,392,753	45,357,757	34,034,996	57%
acquisition of asset	-	167,222	-	167,222	167,222	-	100%
Constituency oversight committee	1,450,876	-	-	1,450,876		1,450,876	0%
Other Payments	2,100,000	-	-	2,100,000	-	2,100,000	0%
UNALLOCATED FUND(funds pending approval)	14,631,252	-	-	14,631,252		14,631,252	0%
TOTAL	145,087,603	10,783,121	0	155,870,724	61,657,779	94,212,944	40%

Explanatory Notes.

(a) There is significant underutilization in compensation of employees, committees expenses, use of goods and services, transfer to other government units, other grants and other transfers, constituency oversight committee and other payment(strategic plan) as a result of late disbursement from the board. Most of the AIES with significant amount was received towards the end of the financial year.

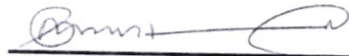
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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities		
Description	Amount	
Budget utilisation difference totals	94,212,944	94,212,944
Less undisbursed funds receivable from the Board as at 30th June 2023	58,087,603	
	36,125,341	
Add Accounts payable		
Less Accounts Receivable		
Add/Less Prior Year Adjustments		
Cash and Cash Equivalents at the end of the FY 2022/2023	36,125,341	94,212,944

The Constituency financial statements were approved by NG-CDFC on 23rd Feb 2024 and signed by:



Fund Account Manager

Name: Omar Hassan Maha

ICPAK M/No: 15684


National Sub-County Accountant

Name: Evans E. Mugwanga


Chairman NG-CDF Committee

Name: Abdirahman Yussuf Ibrahim

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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	4,690,876	843,954.00		5,534,830	1,154,533	4,380,297
1.2 Committee allowances	1,128,000			1,128,000	734,000	394,000
1.3 Use of goods and services	2,886,380	793,691.00		3,680,071	2,471,934	1,208,137
Total	8,705,256	1,637,645	-	10,342,901	4,360,468	5,982,433
2.0 Monitoring and evaluation						
2.1 Capacity building	1,333,000			1,333,000	1,113,100	219,900
2.2 Committee allowances	2,000,000			2,000,000	1,937,100	62,900
2.3 Use of goods and services	1,019,628			1,019,628	803,800	215,828
Total	4,352,628		-	4,352,628	3,854,000	498,628
3.03.0 Emergency						
3.1 Primary Schools	4,455,100			4,455,100	4,455,100	-
3.2 Secondary schools	771,750			771,750	771,750	-
3.3 Tertiary institutions				-		-
3.4 Security projects	1,600,000			1,600,000	1,600,000	-
3.5 Unutilised	809,340	580,374		1,389,714		1,389,714
Total	7,636,190	580,374		8,216,564	6,826,850	1,389,714

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/B) and AIA	Previous Years' Outstanding Disbursements			
4.0 Bursary and Social Security				-		
4.1 Secondary Schools	23,526,281	666,033.00		24,192,314	15,370,353	8,821,961
4.2 Tertiary Institutions	20,000,000			20,000,000	19,999,040	960
4.3 Social Security	7,254,380			7,254,380		7,254,380
4.4 Special Needs				-	-	
Total	50,780,661	666,033	-	51,446,694	35,369,393	16,077,301
5.0 Sports				-		-
5.1.constituency sports activities	2,301,752	490,779		2,792,531	490,779	2,301,752
5.2.regional sports activities	600,000			600,000		600,000
Total	2,901,752	490,779		3,392,531	490,779	2,901,752
6.0 Environment						
6.1.kamuthey police station		45,001		45,001	45,001	-
Total		45,001		45,001	45,001	-
7.0 Primary Schools Projects						
7.1.Gubis primary	350,000			350,000	350,000	-
7.2.Nadhir primary	2,400,000			2,400,000		2,400,000
7.3.borehole5 school for special education	13,000,000			13,000,000		13,000,000
7.4.warable primary school	308,159			308,159	308,000	159

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.5.galmagala primary school	350,000			350,000	350,000	-
7.6.Bullagolol primary school	350,000			350,000	350,000	-
7.7.welmarer primary school	320,000			320,000	320,000	-
7.8.bura primary school	320,000			320,000	320,000	-
7.9.Galmagala primary school		170,000		170,000	170,000	-
7.10Warable primary school		1,400,333		1,400,333	1,400,333	-
7.11.Galmagala primary school	1,940,000			1,940,000	1,350,000	590,000
Total	19,338,159	1,570,333	-	20,908,492	4,918,333	15,990,159
8.0 Secondary Schools Projects						-
8.1.galmagala secondary school	9,762,300			9,762,300		9,762,300
8.2.alinjugur secondary school	9,762,300			9,762,300		9,762,300
8.3.Alinjugur secondary school		1,800,000		1,800,000	1,800,000	-
8.4.Borehole five secondary		650,000		650,000	650,000	-
8.5Bura secondary school		550,000		550,000	550,000	-
Total	19,524,600	3,000,000	-	22,524,600	3,000,000	19,524,600
9.0 Security Projects				-		-
9.1.bura subcounty headquarters	13,666,229			13,666,229		13,666,229
9.2.Nanighi chiefs office		200		200	200	-
9.3.Hargardera police station		350,000		350,000	350,000	-
9.4.Kamuthe police station		150,000		150,000	150,000	-
9.5.Amuma police station		1,088,001		1,088,001	1,088,001	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/B) and AIA	Previous Years' Outstanding Disbursements			
9.6.Bura police station		900,000		900,000	900,000	-
9.7.Kamuthe police station		137,533		137,533	137,533	-
Total	13,666,229	2,625,734	-	16,291,963	2,625,734	13,666,229
10.0 Oversight Committee Expenses (itemize)				-		-
10.1.allowance for C.O.C members	130,876			130,876		130,876
10.2.Hire of Training Facilities and Equipment	250,000		-	250,000	-	250,000
10.3.Hire of Transport	600,000		-	600,000	-	600,000
10.4Travel costs	470,000		-	470,000		470,000
Total	1,450,876		-	1,450,876		1,450,876
11.Acquisition of asset						
11.1.ng-cdf office		167,222		167,222	167,222	-
12.0 Other payments				-		-
12.1.strategic plan	2,100,000			2,100,000		2,100,000
13.0 unallocated fund						
Unapproved projects						-
13.1.galmagala secondary school	11,729,500			11,729,500		11,729,500
14.Enviroments						
14.1.Galmagala secondary	726,752			726,752		726,752

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
14.2..Shill secondary	725,000			725,000		725,000
14.3..Fafi girls secondary	725,000			725,000		725,000
14.4..Nanighi secondary	725,000			725,000		725,000
Total	14,631,252			14,631,252		14,631,252
AIA						-
PMC savings						
Total	145,087,603	10,783,121		155,870,724	61,657,779	94,212,944

(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-FAFI Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the entity for all the years presented.

a) Recognition of Receipts

The entity recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Entity.

Significant Accounting Policies continued

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

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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.

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
	Kshs	Kshs
B140877		33,000,000
B105382		34,000,000
B105597		10,000,000
B105757		22,000,000
B132489		5,000,000
B128801		12,000,000
B154399		12,000,000
B154292		19,000,000
B155808		23,088,879
B155939		12,088,879
B185050	7,000,000	
B185377	7,000,000	
B185591	14,000,000	
B185878	5,000,000	
B206335	12,000,000	
B205721	12,000,000	
B205981	15,000,000	
B207798	15,000,000	
TOTAL	87,000,000	182,177,758

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Notes To the Financial Statements (Continued)

2. Compensation Of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,040,053	2,816,492
Personal allowances paid as part of salary		
House allowance	40,800	-
Transport allowance	-	-
Leave allowance		-
Gratuity-contractual employees	-	453,759
Employer Contributions Compulsory national social security schemes	73,680	296,945
TOTAL	1,154,533	3,567,196

3. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	734,000	2,528,319
Other committee expenses	2,806,600	2,521,400
TOTAL	3,540,600	5,049,719

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Notes To the Financial Statements (Continued)

4. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	61,000	96,000
Communication, supplies and services	82,700	28,350
Domestic travel and subsistence	1,795,200	-
Training expenses	304,000	1,400,000
Hospitality supplies and services	197,000	-
Office and general supplies and services	111,500	180,200
Fuel , oil & lubricants	215,405	700,000
Other operating expenses	121,400	2,095,800
Bank charges	42,229	223,824
Routine maintenance - vehicles and other transport equipment	304,900	150,800
Routine maintenance- other assets	284,000	-
TOTAL	3,519,334	4,874,974

5. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
	Kshs	Kshs
Transfers to Primary Schools	4,918,333	68,595,117
Transfers to Secondary Schools	3,000,000	31,960,000
Transfers to Tertiary Institutions		
TOTAL	7,918,333	100,555,117

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Notes To The Financial Statements (Continued)

6. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary - Secondary (see attached list)	15,370,353	24,191,000
Bursary -Tertiary (see attached list)	19,999,040	21,599,000
Social Security programmes (NHIF)		110,950
Security Projects (see attached list)	2,625,734	25,917,767
Sports Projects (see attached list)	490,779	3,692,777
Environment Projects (see attached list)	45,001	2,696,777
Emergency Projects (see attached list)	6,826,850	9,426,040
TOTAL	45,357,757	87,634,311

7. Acquisition Of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Construction of Buildings	167,222	4,103,200
TOTAL	167,222	4,103,200

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Notes To the Financial Statements (Continued)

8. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Subcounty education office		800,000
		800,000

9. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
9A: Bank Accounts (Cash Book Bank Balance)		
Equity bank 0580262524480 -ksh	36,125,341	10,783,121
TOTAL	36,125,341	10,783,121
9B: Cash on Hand		
Location 1		
Location 2		
Location 3		
Other Locations (<i>Specify</i>)		
Total		

10. Fund Balance B/F

	(1 st July 2023-1)	(1 st July 2023-2)
	Kshs	Kshs
Bank accounts	10,783,121	35,189,878
Cash in hand		
Imprest		
TOTAL	10,783,121	35,189,878

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Notes To the Financial Statements (Continued)

11. Other Important Disclosures

11.1: Unutilized Fund (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	4,380,296	843,954
Use of goods and services	2,100,765	793,691
Amounts due to other Government entities (see attached list)	35,514,759	4,570,333
Amounts due to other grants and other transfers (see attached list)	34,034,996	4,407,921
Acquisition of assets		167,222
constituency oversight committee(coc)	1,450,876	
Others (strategic plan)	2,100,000	-
Funds pending approval	14,631,252	
Total	94,212,944	10,783,121

12. PMC account balances (See Annex 2)

	2022-2023	2021-2022
	Kshs	Kshs
	Kshs	Kshs
PMC account balances (see attached list)	14,888	1,147,415
Total	14,888	1,147,415

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XVI. Annexes

Annex 1 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY 2022-2023	Outstanding Balance Previous FY 2021-2022	Comments
Compensation of employees	Payment of staff Basic salaries for NG_CDF staffs	4,380,297	843,954	Balance for the 2021-2022 utilized, balance for 2022-20233 pending payment
Use of goods & services	purchase of fuel,repairs and maintainance,office equipment and stationaries	1,423,965	793,691	Balance for the 2021-2022 utilized, balance for 2022-20233 pending payment
committee allowance	payments of committee allowances	456,900		Pending payment
capacity building	training of ngcdfcs,pmcs and ng-cdf staffs	219,900		Pending payment
Amounts due to other Government entities				
Primary school.				
Galmagala primary school	contrsuction of admin block		170,000	balanced fully utilized
Warable primary school	renovation two classrooms		1,400,333	Balance fully utilized
.Nadhira primary	construction of two classes	2,400,000		Pending payments
.borehole5 school for special education	construction of one storey building up first floor	13,000,000		Pending payments
warable primary school	purchase and supply of 50 wooden desks	159		Pending payments
Galmagala primary school	purchase and supply of 50 double decker mettalic beds and 100 mattresses	590,000		Pending payments
Secondary school				Pending payments
.Alinjgur secondary school	construction of teachers houses		1,800,000	Pending payments
Borehole five secondary	construction administration block		650,000	Pending payments

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Name	Brief Transaction Description	Outstanding Balance Current FY 2022-2023	Outstanding Balance Previous FY 2012-2022	Comments
.Bura secondary school	construction of two toilets		550,000	Fully utilized
.galmagala secondary school	Purchase of 46 seater, isuzu FSR90N COWL E2 KENYA school bus	9,762,300		Pending payments
alinjugur secondary school	Purchase of 46 seater, isuzu FSR90N COWL E2 KENYA school bus	9,762,300		Pending payment
Sub-Total		35,514,759	4,570,333	
Amounts due to other grants and other transfers				
Emergency		1,389,714	580,374	2021-2022 closing balance fully utilized
Bursary and Social Security			666,033	Fully utilized
Bursary secondary	Payment of bursary to needy students in secondary schools	8,821,961		Pending payment
Bursary tertiary	Payment of bursary to needy students in tertiary institutions	960		Pending payment
Social security	provision of annual medical insurance cover for 1209 vulnerable families including orphans and vulnerable children,poor older persons,persons with disabilities and destitute families	7,254,380		Pending payment
subtotal		16,077,301		
Sports			490,779	Fully utilized
constituency sports	Carry out Constituency Sports tournament (Kshs.2,700,000) and the winning teams/Schools to be awarded with trophies, balls, goal nets and games kits(Kshs.201,752)	2,301,752		Pending payments
Regional sport	Facilitate regional sporting tournament in partnership with other constituencies within the region	600,000		Pending payments
subtotal		2,901,752		Pending payments

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Name	Brief Transaction Description	Outstanding Balance Current FY 2022-2023	Outstanding Balance Previous FY 2018-2022	Comments
Environment	construction of nanighi police toilets		45,001	Fully utilized
Security Projects				
.Nanighi chiefs office	renovation of nanighi chiefs office		200	Fully utilized
Hargardera police station	construction of admin block		350,000	Fully utilized
Kamuthe police station	construction two houses		150,000	Fully utilized
Amuma police station	installation of water supply system		1,088,001	Fully utilized
Bura police station	construction of three houses		900,000	Fully utilized
Kamuthe police station	construction four double bedroom houses		137,533	Fully utilized
bura subcounty headquarters	Construction of one(1) -storey building offices upto ground and first floor to accommodate the Deputy county commissioner and other 14 offices	13,666,229		Payment pending
subtotal			4,407,921	
Oversight Committee Expenses (itemize)				
allowance for C.O.C members	Payment of Transport Expenses During inductions and trainings	130,876		Payment pending
Hire of Training Facilities and Equipment	Hire of Training Facilities and Equipment- undertake training of COCs on ng-cdf related issues	250,000		Payment pending
Hire of Transport	Payment of Hire of Transport for monitoring and project visits	600,000		Payment pending
trave costs	payment of Constituency Oversight Committee allowance	470,000		Payment pending
subtotal		1,450,876		Payment pending
Constituency strategic plan	To facilitate Development of a new 5 year Constituency Strategic Plan 2023-2027	2,100,000		Payment pending
Acquisition of assets				
Ng cdf office	construction of ng-cdf perimeter wall		167,222	Balance fully utilized

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Name	Brief Transaction Description	Outstanding Balance Current FY 2022-2023	Outstanding Balance Previous FY 2012-2022	Comments
sS			167,222	
Funds pending approval				
.Galmagala secondary	establishment of a green belt to include tree planting, installation of piping ,5,000 liter tank and fencing to protect the plantations .the project will be managed by the school enviromental club. The targeted trees include, mango, neem, quava, acacia tortilla, gum arabic	726,752		Environment votes remains unutilized as at the closure of the financial year
.Shill secondary	establishment of a green belt to include tree planting, installation of piping ,5,000 liter tank and fencing to protect the plantations .the project will be managed by the school enviromental club. The targeted trees include, mango, neem, quava, acacia tortilla, gum arabic	725,000		Environment votes remains unutilized as at the closure of the financial year
.Fafi girls secondary	establishment of a green belt to include tree planting, installation of piping ,5,000 liter tank and fencing to protect the plantations .the project will be managed by the school environmental club. The targeted trees include, mango, neem, quava, acacia tortilla, gum arabic	725,000		Environment votes remains unutilized as at the closure of the financial year
.Nanighi secondary	establishment of a green belt to include tree planting, installation of piping ,5,000 liter tank and fencing to protect the plantations .the project will be managed by the school enviromental club. The targeted trees include, mango, neem, quava, acacia tortilla, gum arabic	725,000		Environment votes remains unutilized as at the closure of the financial year
galmagala secondary school	Purchase and supply of 18,000 litres isuzu water bowser to serve both secondary and primary schools in Dekaharja ward	11,729,500		Purchase not made and hence the amount remained unutilized at the end of the financial year

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Name	Brief Transaction Description	Outstanding Balance Current FY 2022-2023	Outstanding Balance Previous FY 2012-2022	Comments
subtotal		14,631,252		
Grand Total		94,212,944	10,783,121	

Annex 2

PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Amuma primary school	580280155082	EQUITY		1020
Garasweino primary school	580279334341	EQUITY		480
Halgan youth group	580181300467	EQUITY		880
Harbole primary school	580181158475	EQUITY		29220
Nanighi secondary school	0580279321950	EQUITY	2,868	
Hajijimay primary school	580181253267	EQUITY		1280
Alinjugur boarding primary school	580279289465	EQUITY		295
Abaqdera infrastructure	580279321402	EQUITY		1379
Alinjugur secondary school	580279624353	EQUITY	2,400	
Kamuthe primary pmc	580280168245	EQUITY		25200
Hawajod primary school	580281300745	EQUITY		1000
Mofam self help group	580181300386	EQUITY	7,720	
Welmarer primary school	580179379102	EQUITY		176,119
Nanighi primary school	580279309927	EQUITY	1,900	
Jambele primary school	580279311216	EQUITY		455

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Mofam self help group	580181300386	EQUITY		2,320
Bullagolol primary school	580279295923	EQUITY		924
Mansabubu infrastructure	580279371241	EQUITY		347
Nadhir primary school	580279301449	EQUITY		477
Taqal primary school pmc	580280043156	EQUITY		219,680
Galmagala primary management committee	580282482353	EQUITY		3800
Marash community based organisation	580179579690	EQUITY		4360
Alfaraj self help group	580177505255	EQUITY		2897
Shill secondary school p.m.c	580278998131	EQUITY		248040
Galmagala infrastructure	580279291402	EQUITY		315,537
Alinjugur secondary school	580279624353	EQUITY		90520
Borehole 5 girls secondary school	580180989654	EQUITY		479
Nanighi secondary school	580279321950	EQUITY		2,467
Abaqdera mixed group	580179371342	EQUITY		37
Amuma peace building	1360179952536	EQUITY		120
Awal self help group	580180123021	EQUITY		40
Bura youth supplies	580182512777	Equity		900
Hogaan youth group	1553241405600	National		2,100
Gubis primary school pmc	580168553133	EQUITY		1110

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PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Taqal water pmc	580182101306	EQUITY		4540
Mustaqbal self help group	580179908124	EQUITY		1261
Lafageni women group	580182350421	EQUITY		1,380
Bura East youth group	580182445571	EQUITY		1380
Salbath self help group	580179682873	EQUITY		90
Al hamdu farm group	580161617283	EQUITY		81
Mathaxgesi water pmc	580182398412	EQUITY		2,140
Borehole 5 secondary school	580279922234	EQUITY		1260
Billan self help group	580182525638	EQUITY		1800
Hawajot primary	1521231495200	National Bank		
Doi women Group	1280369612	KCB		
TOTAL			14,888	1,147,415

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Annex 3 – 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)
	2021-2022			2022-2023
Transport equipment	5,184,140			5,184,140
Buildings and structures	14,809,183	167,222		14,976,405
Office equipment, furniture and fittings	868,500			868,500
ICT Equipment, Software and Other ICT Assets	308,850			308,850
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	21,170,673	167,222		21,337,895

Annex 4: 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/NERO/AUD/CDF/GSA.5(6)	<p>Project implementation status</p> <p>Analysis of the project's implementation status for the year under review indicated that the management had planned implementing 57 projects with total allocation of ksh 137,088,877. however, 39 projects were completed while 19 projects with budget of ksh 69,087,998 were still ongoing. Failure to complete projects on time</p>	<p>The management despite some delayance of disbursement from the board commits to implement projects immediately upon receipt of disbursement. The amount received was approved and spent by the NG-CDFC immediately</p>	Not resolved	15/12/2023
OAG/NERO/AUD/CDF/GSA.5(6)	<p>Unspent bursary payments</p> <p>The statements of receipts and payments reflects other grants and other payments of ksh 87,863,311 which includes bursary payments to secondary and tertiary institutions of ksh 24,191,0000 and ksh 21,599,000 respectively. however, the supporting documents provided for audir review did not</p>	<p>The management confirms the list of the beneficiaries including the name of the students, the name of the institution and the form are attached to the payments voucher as availed</p>	Not resolved	15/12/2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	indicate the learning institutions to which the bursary amounting to 40,869,000 was paid			
OAG/NERO/AUD/CDF/GSA.5(6)	<p>Budgetary control and performance</p> <p>The summary statement of appropriation reflects final receipts budget and actual on comparable basis of ksh 217,367,637, resulting to 100% funding for the budget. similarly, the and spent Ksh 206,584,516 of the approved budget of ksh 217,367,637 resulting to an underexpenditure of ksh 10,783,120 of 5% of the budget.</p>	the under absorption reflects balance of ongoing projects or projects which procurements is underway. the management commits to spend the balance upon completion of the processes	Not resolved	15/12/2023
OAG/NERO/AUD/CDF/GSA.5(6)	<p>Unresolved prior year matters</p> <p>Prior year audit issues remained unresolved as at 30th June 2022.</p>	The management intends to resolve with Kenao office and clear the matter	Not resolved	15/12/2023
OAG/NERO/AUD/CDF/GSA.5(6)	<p>Emergency projects</p> <p>The utilization of emergency was not reported to the board within 30 days of the occurrences</p>	The management submits quarterly reports including bursary and emergency among other reports .in the future the management will adopt emergency reporting on monthly basis	Not resolved	15/12/2023
OAG/NERO/AUD/CDF/GSA.5(6)	<p>Project committee bank balances</p> <p>Annex 3 of the financial statement</p>	Except for small balances, the other material figures	Not resolved	15/12/2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	reflects PMC bank balances of 1,147,415 and the balances was not supported with respective bank balances and certificates and the management did not explain reasons and for failure to return the unutilized funds to the constituency account	were retention money or second payments yet to be made to contractors since the project was ongoing. the management henceforth intends to write to the bank to wire to a deposit account which the intends to open.		
OAG/NERO/AUD/CDF/GSA.5(6)	<p>Lack of constituency oversight committee</p> <p>The management didn't establish constituency oversight committee .in the circumstances the management was in breach of the law</p>	The Management awaits to received names of the nominees to the constituency oversight committee for onward submission to the NG-cdf board since the power to appoint is vested on with the member of parliament	Not resolved	15/12/2023
OAG/NERO/AUD/CDF/GSA.5(6)	<p>Ownership and valuation of asset</p> <p>Management did not provide ownership of the land where the office is located</p>	The land was donated by the community through the chief to then CDF in the financial year 2007/20008.	Not resolved	15/12/2023
OAG/NERO/AUD/CDF/GSA.5(6)	<p>In adequate fixed asset register</p> <p>Although the fixed asset register was maintained, it did not contain all asset details including serial numbers, acquisition date ,description of asset,location,class,cost of</p>	The management keeps detailed asset register in the format prescribed by the board	Not resolved	15/12/2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	acquisition etc			
OAG/NERO/AUD/CDF/GSA.5(6)	Unsupported Bursary payments The supporting documents provided for audit review did not indicate the learning institutions to which bursary was paid to	During the audit exercise the management provided ledgers supporting the financial statements total figures. The ledger contained detail list of payees and the date paid	Not resolved	15/12/2023



OMAR HASSAN MAHA
 Fund Account Manager.