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**OF**

**THE AUDITOR-GENERAL**

**ON**

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

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



OFFICE OF THE AUDITOR GENERAL  
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**IJARA CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2023**

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

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I. Acronyms and Glossary of terms

*Provide a list of all applicable acronyms and abbreviation e.g.*

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project Management Committee

FY-Financial Year

## 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 Ijara 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)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Hassan Kassim
2.	Sub-County Accountant	Vincent P. Musumba
3.	Chairman NGCDFC	Yunis Arees Shirie
4.	Member NGCDFC	Fardosa Hussein Muhumed

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Ijara 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.

**(e) Ijara Constituency NGCDF Headquarters**

P.O. Box 92 – 70100,  
Opposite Ijara Kenya wildlife service office,  
Masalani, Kenya

**(f) Ijara Constituency NG-CDF Contacts**

Telephone: (254) 0720 520 268  
E-mail: [cdfijara@ngcdf.go.ke](mailto:cdfijara@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) Ijara Constituency NGCDF Bankers**

Equity Bank  
Garissa Branch  
Account Number: 0580282740155

**(h) Auditor General**

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

**(i) 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



**Mr. Yunis Shirie, Chairperson,  
Ijara Constituency NG-CDF**

It's with great pleasure to present the unaudited financial statements for Ijara constituency for the financial year ended 30<sup>th</sup> June 2023.

Ijara constituency is located in Garissa County lower eastern region in Kenya. The constituency borders Fafi to the North, Lamu to the south and Galole to the West. The constituency has a population of about 150,000 inhabitants with the dominant ethnic groups being the Somali community.

Under the leadership of Hon. Abdi Ali Abdi, Ijara NGCDF has supported the establishment of many primary and secondary schools, supported construction of security projects, water projects, and many students have benefited from the bursary kitty. All these projects have been evenly distributed to all wards across the constituency.

Apart from the constituency been expansive, Ijara also experiences some insecurity caused by bandits' invasion in parts of Bothai, Hulugho and Sangailu. This insecurity has been highly mitigated through provision of fuel to our security agents and opening of the area through road networks.

Ijara national government constituency development funds as mandated by NG-CDF Act, prioritized on projects for funding during the financial year 2022/2023.

The committee after carrying out the needed assessments and in consultation with other stake holders came up with projects for funding and forwarded to the board for approval.

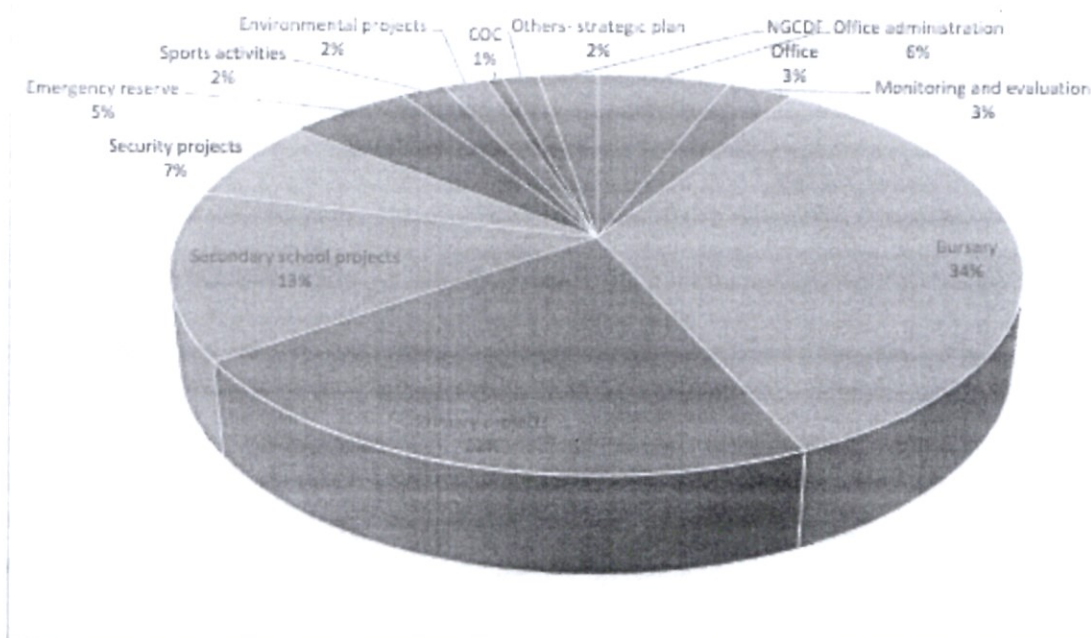
The following is the summary breakdown of proposed projects for funding during the financial year 2022/2023.

S/NO	PROPOSED NAME	AMOUNT ALLOCATED
1.	Office administration	8,292,902
2.	Monitoring and evaluation	4,088,001

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3.	Bursary	47,323,811
4.	Primary projects	30,250,000
5.	Secondary school projects	18,750,000
6.	Security projects	9,409,900
7.	Emergency reserve	7,636,190
8.	Sports activities	2,764,301
9.	Environmental projects	2,764,301
10.	COC	1,000,000
11.	Others- strategic plan	2,200,000
12.	NGCDF Office	3,735,627
	<b>TOTAL</b>	<b>138,215,033</b>

This is illustrated in the graph below;

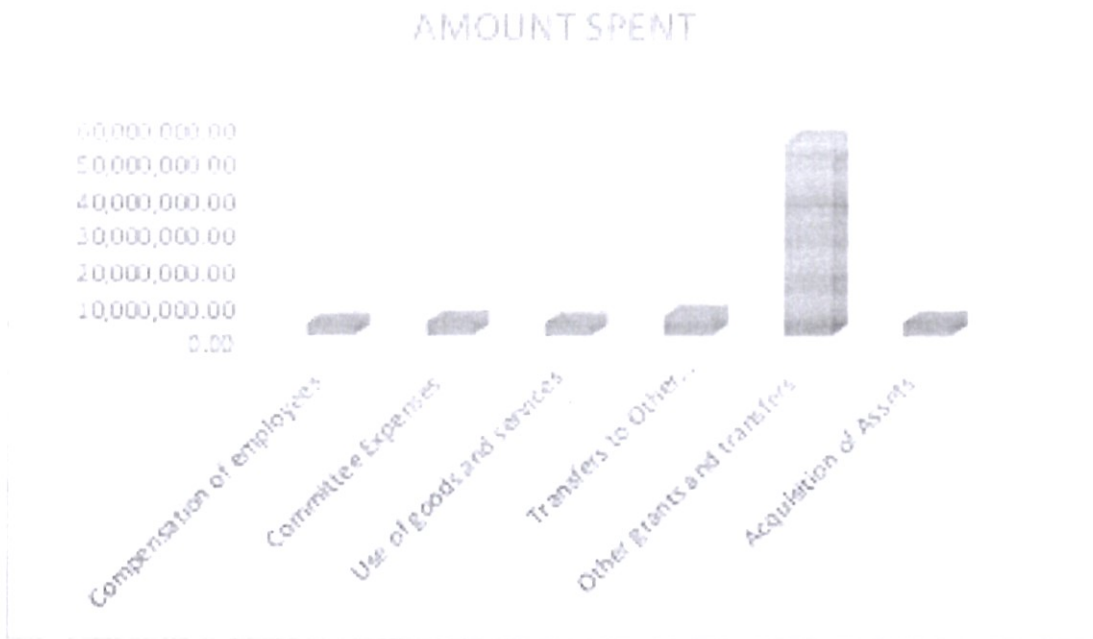


**GRAPH 1: SECTOR ALLOCATION**

During the financial year the committee received amount of Kshs.87, 000,000 from the board. The committee further managed to disburse funds and the expenditure as follows:

ITEM	AMOUNT SPENT
Compensation of employees	3,071,984.00
Committee Expenses	3,614,100.00
Use of goods and services	3,354,687.00
Transfers to Other Government Units	5,500,000.00
Other grants and transfers	53,973,790.00
Acquisition of Assets	3,735,625.00
<b>TOTAL PAYMENTS</b>	<b>73,250,186.00</b>

This is illustrated in the graph below;



**GRAPH 2: ACTUAL EXPENDITURE**

During the financial year there were several emergencies that occurred but the committee through its discretion managed to solve.

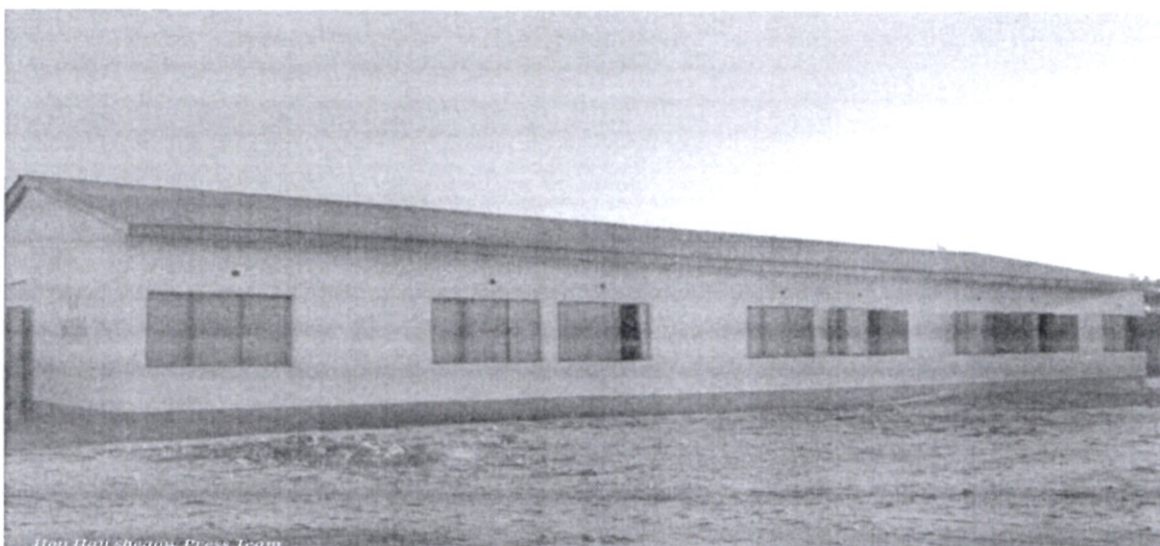
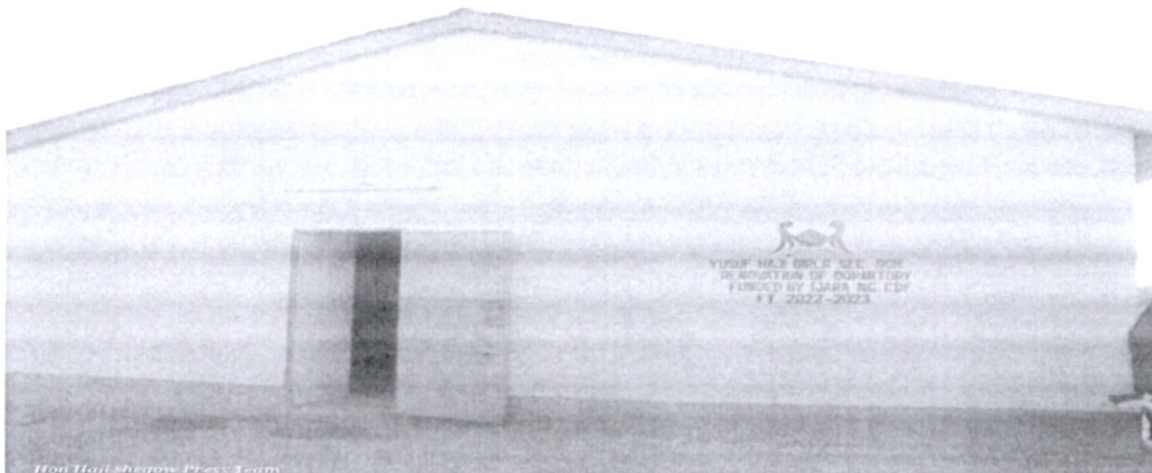
**Achievements during the financial year**

- NGCDFC Ijara managed to curb drought through distribution of food and non-food items.
- NGCDF Ijara managed to improve transition of students from both primary and secondary schools by issuing bursary to 3,500 students from Ijara.

**KEY ACHIEVEMENTS**

In terms of bursaries, 90% of the allocation was disbursed to approximately 18,000 beneficiaries. This resulted to increased retention rates of the school going children within the year hence posting improved performance index among the beneficiaries. In the financial year 2021-22 quite a number of infrastructures were developed by the aid of the Constituency Development Fund.

## 1. YUSUF HAJI GIRLS SECONDARY SCHOOL DORMITORY



**Yusuf Haji girls Secondary School** is located Masalani ward. The dormitory block is complete and the project is the pride of ijara constituency because a safe and comfortable accommodation for the students will be available. The project is a clear indication of the milestones Ijara NGCDF is willing to take to achieve modern education facilities and promote the big 4 agenda

### **Challenges during the financial year**

- **Late release of funds**

The committee experienced difficulties in project implementation due to late release of funds to the constituencies

- **Staff concerns**

The line ministry officials i.e. works officer are few hence timely response to technical issues takes time

- **Insecurity**

The committee encountered difficulties in implementing the projects in some areas like Bothai, Sangailu and Hulugho due frequent terrorist attacks from Al-shabab

**Recommendations**

- NG-CDFC to liaise with NG-CDF Board in order to find out whether the committee can establish boreholes in schools in order to provide water that will reduce the migration of communities leaving in those areas and also supply enough food stuff.
- The Board should try to release funds in time for ease of implementation.
- More technical staff to be employed so that the work may be done within the set deadlines
- More police posts to be constructed in those insecure areas.

During 2022/2023 financial year, few projects were implemented (administration, monitoring and bursary) due to late release of funds from the board.



.....  
**Yunis Aress Shirie**  
**CHAIRMAN NG-CDF COMMITTEE**

**IV. Statement of Performance against Predetermined Objectives for FY2022/23**

**Introduction**

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

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

- a) To improve access, affordability and availability of quality education.
- b) To harness talent and empower youths.
- c) To cater for any unforeseen occurrences in the constituency.
- d) To promote environmental sustainability in the constituency.
- e) To enhance security in the constituency.
- f) To improve tracking of implementation of NG-CDF programmes
- g) To promote performance management and smooth running of the NG-CDF 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:

<b>Constituency Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Education Accessibility	To improve access, affordability and availability of quality education	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of	In FY 22/23 -we did renovation of three dormitories at Shurie secondary school  - Provision of bursary 3,000 needy students in

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			bursary beneficiaries at all levels	the constituency.
Security	To enhance security in the constituency	Reduced number of insecurity cases in the constituency	-We've allocated funds for security projects	-We've allocated Kshs. 2,500,000 to Hulugho Police Camp for construction of a staff house.
Environment	To promote environmental sustainability	Increase in the number of trees and proper collection of garbage and disposal of sewerage waste	Conservation of soil by trees and usable pit latrines	We constructed additional number of 6 pit latrines in shurie secondary school and planted 200 trees at Shurie Secondary School
Sports	To empower the youth and harness their talent	Increase in the number of youth groups and active sporting initiatives	Increase in development projects among the youth and increase in the number of forums held. Ease of access on devolved funds	We created awareness among the youth on the establishment of youth groups to allow ease of access to devolved funds. We managed to reach 10 youth groups.
Emergency support	To cater for unforeseen occurrences in the constituency	Catering for any unforeseen occurrences in the constituency	Prompt response in case of any occurrences	We set aside Kshs. 7,636,190 for any emergencies. We did renovation of burnt dormitory at Yussuf Hajji Girls' Secondary School.

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Tracking of results	To improve tracking of implementation of CDF programmes	Quality work is achieved	Efficiency in work performance and within the specified period	We organised capacity building programmes for 10 NG-CDFC'S and 31 PMC'S -we organised regular projects monitoring field visits
Institutional strengthening	To promote performance management and smooth running of CDF office	Well planned and organised work to achieve office goals	Increase in the number of usable physical tools and equipment Employee satisfaction and availability of reports	We purchased working tools and equipment to make work easy and of quality.



## V. Statement of Governance

### 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.

(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 Ijara, 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 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 NG-CDF office to carry out an appointment of the new committee. The panel invited through advertisement publicised in mosques and churches, public offices, notice boards and other public areas in the constituency in the month of October.

In Ijara constituency, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee.

### **Appointment of NGCDFC Members**

#### **The selection Panel**

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

SNO	NAME	DESIGNATION
1	Dubat Mohamed Hassan	Chairman
2	Hussein Mohamud Abdulahi	Secretay
3	Joyce Akinyi Adiang	Member
4	Iman Kosar	Member

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

S/N	Name	Category representation	Ward
1.	Abdifatah Sambur	Constituency Office nominee	Hulugho
2.	Fardowsa Hussein	Constituency Office nominee	Masalani
3.	Stephen Kimanzi	Constituency Office nominee	Ijara
4.	Mohamed Dubow	Constituency Office nominee	Sangailu

#### **Nominee of the body representing persons with disability**

S/N	Name	Nature of physical Impairment	Ward
1	Abdi Hussein Bulle	Limping	Masalani

#### **Nominee of the constituency Office**

S/N	Name	Category	Ward
1	Abdifatah Sambur	Constituency Office nominee	Hulugho
2	Fardowsa Hussein	Constituency Office nominee	Masalani

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.	Bashir Jibril	Male	Masalani

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

1. Chairperson position – Mr. Yunis Arres Shirie
2. Secretary position – Ms. Fardosa Hussein Muhumed

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 Gazette volume number 276 16-12-22 on 16<sup>th</sup> December 2022.

The new committee held its first meeting on 5<sup>th</sup> January 2023.

Sno.	Name	Position
1	Mr. Yunis Arres Shirie	Chairperson
2	Mr. Hassan Khalid Kassim	Member
3	Mr. Bashir Jibril Shirie	Member
4	Ms. Qureisha Daud Ibrahim	Member
5	Mr. Abdi Issack Ali	Member
6	Ms. Fardosa Hussein Muhumed	Secretary
7	Mr. Abdi Hussein Bulle	Member
8	Mr. Abdifatah Sambur Abdullahi	Member
9	Mr. Willy Cheboi	Member
10	Mrs. Mariam Khalif Buro	Member

#### **Removal of NG-CDFC 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 Ijara 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 to on development matters.
- ii. Deliberate on project proposals and any other projects considers beneficial to constituency.
- iii. List of projects to be submitted in accordance with the Act to be submitted to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- iv. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects build the capacity of project management committees and sensitize the Community on the operations of the Fund.
- v. Ensure that all projects receive adequate funding and are completed within three years.
- vi. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- vii. Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.
- viii. Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- ix. Enter into performance contracting with the Board on an annual basis.

#### **Training of NG-CDFC Members**

In the financial year 2022/2023 the NGCDF Board organized training of NG-CDFC members. The constituency also held a capacity building activity in 6<sup>th</sup> to 9<sup>th</sup> May 2023 at Palm Oasis Resort in Garissa. 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 Ijara.

#### **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 NG-CDFC Ijara 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	05/01 /2023	18/01 /2023	02/02 /2023	24/02 /2023	03/03 /2023	22/03 /2023	05/04 /2023	14/04 /2023	9/05/ 2023	19/05 /2023	02/06 /2023	22/06 /2023
1	Mr. Yunis Arres Shirie Chairperson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Ms. Fardosa Hussein Muhumed Secretary		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	DCC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

#### **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 Ijara 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 ksh7,000 per meeting and all other members an allowance of ksh.5,000 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 Ijara 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 Ijara 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

Ijara NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

### 1. Sustainability strategy and profile -

To ensure sustainability of Ijara NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

On macro levels FY 22/23 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 tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

### **3. Employee welfare**

We invest in providing the best working environment for our employees. Ijara 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. Ijara constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

### **4. Market place practices-**

Ijara 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 are 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-**

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

**Public Participation in Project Identification and Implementation and Monitoring**

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

**Public participation** is the process that directly engages the concerned stakeholders in decision-making and considers public input in making that decision.

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

**Public Awareness**

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

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



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**Hassan Kassim**

**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-Ijara 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-Ijara 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- Ijara 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 Ijara 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

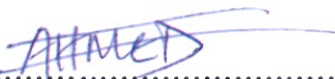
***Ijara Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023***

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used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF- Ijara Constituency financial statements were approved and signed by the Accounting Officer on 4/03/ 2024.

  
.....

**Yunis Shirie**  
Chairman – NGCDF Committee

  
.....

**Hassan Kassim**  
Fund Account Manager

# REPUBLIC OF KENYA

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**HEADQUARTERS**  
Anniversary Towers  
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P.O. Box 30084-00100  
NAIROBI

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

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### **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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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, risk management environment and 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 - Ijara Constituency set out on pages 1 to 37, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting

policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Ijara 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.

### **Basis for Qualified Opinion**

#### **1. Unsupported Bursary Payments**

The statement of receipts and payments reflects other grants and transfers of Kshs.53,973,790 as disclosed in Note 6 to the financial statements. The expenditure includes bursary payments of Kshs.23,721,600 and Kshs.22,616,000 disbursed to secondary schools and tertiary institutions respectively. However, bursary payments amounting to Kshs.4,162,000 were not acknowledged through official receipts or acknowledgement letters from the beneficiary institutions. In addition, cheque dispatch register was not maintained to record cheques issued out to the beneficiaries.

In the circumstances, it was not possible to confirm the accuracy of bursary payments amounting to Kshs.4,162,000. In addition, it was not possible to confirm whether the bursary payments were made to the intended beneficiaries.

#### **2. Unsupported Project Management Committee Bank Balances**

Note 12 to the financial statements reflects Project Management Committees bank balances totalling Kshs.3,100,400 as at 30 June, 2023. However, Management did not provide for audit bank reconciliation statements, bank statements and certificates of bank balances for four (4) Project Management Committee bank accounts disclosed in the Annex to support the balances.

In the circumstances, it was not possible to confirm the accuracy of the Project Management Committee bank balances of Kshs.3,100,400.

#### **3. Ownership and Incomplete Disclosure of Assets**

Annex 2 of the financial statements reflects summary of fixed assets register with historical cost balance of Kshs.25,882,499 as at 30 June, 2023. Included in the balance are buildings and structures disclosed at a cost of Kshs.17,185,625. However, the value of land on which the buildings and structures sit was not disclosed in the Annex and the fixed assets register. Further, ownership documents for the land were not provided for audit. The fixed assets register maintained did not contain all information required under

IPSAS 17 whose minimum disclosure requirements include; identification or serial number, accumulated depreciation and net book value.

In addition, a motor vehicle recorded in the fixed asset register was not included in the summary of fixed asset register at Annex 2. Management did not provide evidence that the assets were revalued since acquisition yet the value of some of the assets had significantly changed over time.

In the circumstances, it was not possible to confirm the accuracy and ownership of the fixed assets disclosed at a cost of Kshs.25,882,499.

#### **4. Expenditure from Emergency Reserve**

The statement of receipts and payments reflects other grants and transfers of Kshs.53,973,790 as disclosed in Note 6 to the financial statements. Included in this amount is an expenditure of Kshs.7,636,190 incurred from the emergency reserve. However, Management did not provide reports to the National Government Constituencies Development Fund Board on the utilization of emergency reserve within (30) days of occurrence of the emergency. This was contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the utilization of the emergency reserve shall be reported to the Board within thirty (30) days of the occurrence of the emergency, in the format prescribed by the Board.

Further, Project Management Committee bank statements for two secondary school projects and one primary school project all costing Kshs.7,636,190 were not provided for audit review.

In the circumstances, the propriety and accuracy of the financial statements could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Ijara 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.138,224,696 and Kshs.87,009,663 respectively, resulting in an under-funding of Kshs.51,215,033 or 37% of the budget. Similarly, the Fund spent Kshs.73,250,186 against actual receipts of Kshs.87,009,663, resulting in an under-utilization of Kshs.13,759,477.

Further, the total final expenditure budget as per the summary of statement of appropriation cast to Kshs.138,076,405 resulting to an unexplained variance of Kshs.148,292.



The under-funding and under expenditure affected implementation of 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 judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

### **Other Matter**

### **Unresolved Prior Year Audit Issues**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, and Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved the issues or provided explanation for failure to adhere to the provisions of Section 31(1)(a) of Public Audit Act, 2015 which states that within three months after Parliament or the County Assembly has debated and considered the final report of the Auditor-General and made recommendations, a State Organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution and 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. Transfer to Secondary Schools**

The statement of receipts and payments reflects transfer to other government units of Kshs.5,500,000. Included in this expenditure is an amount of Kshs.3,000,000 transferred to Shurie Secondary School Project Management Committee for renovation/refurbishment of two (2) laboratories with a capacity of fifty (50) students. However, review of payment records and project files among other records revealed that the project file for the winning bidder lacked mandatory compliance documents including valid Tax Compliance Certificate and business permit as required by the evaluation criteria. In addition, the tender opening, evaluation and awarding was done by the same Committee contrary to the requirement of Section 78(1)(b) of the Public Procurement and Disposal

Act, 2015 which requires that at least one of the Tender Opening Committee Members not to participate in the tender evaluation process.

Further, the unsuccessful bidders were not notified as required under Section 87(3) of Public Procurement and Asset Disposal Act, 2015 which provides that when a person submitting the successful tender is notified under subsection (1), the Accounting Officer of the procuring entity shall also notify in writing all other persons submitting tenders that their tenders were not successful, disclosing the successful tenderer as appropriate and reasons thereof. The Project Management Committee (PMC) bank statements for the project and engineer's estimates were not provided for audit review.

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

## **2. Failure to Open Deposit Holding Account**

The Fund did not open a deposit holding account as required by Section 7(1)(A) of the National Government Constituency 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.

## **3. Project Implementation Status**

During the year under review, the Fund budgeted to implement a total of forty (40) projects with a total allocation of Kshs.75,310,319. These comprised of twenty-seven (27) projects under education, one (1) project on acquisition of assets, five (5) security projects, two (2) projects under sports, three (3) projects under emergency and two (2) projects under environment. However, as at the closure of the financial year, only six (6) projects with a contract sum of Kshs.16,872,417 were completed while thirty-four (34) projects with a budget of Kshs.58,437,902 had not started.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 comply, 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

## **Basis for Conclusion**

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 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 control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts which would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions 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 sustain its services.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures, as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

05 June, 2024

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

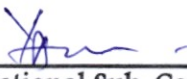
	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers from NGCDF Board	1	87,000,000	164,177,758
<b>Total Receipts</b>		<b>87,000,000</b>	<b>164,177,758</b>
<b>Payments</b>			
Compensation Of Employees	2	3,071,984	4,867,940
Committee expenses	3	3,614,100	4,690,069
Use Of Goods and Services	4	3,354,687	4,362,012
Transfers To Other Government Units	5	5,500,000	70,705,000
Other Grants and Transfers	6	53,973,790	103,714,658
Acquisition Of Assets	7	3,735,625	0
<b>Total Payments</b>		<b>73,250,186</b>	<b>188,339,679</b>
<b>Surplus/ (Deficit)</b>		<b>13,749,814</b>	<b>(24,161,921)</b>

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

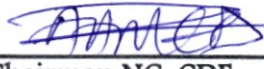
The Constituency financial statements were approved by the NGCDFC on 4/3/2024 and signed by:

  
Fund Account Manager

Hassan Kassim

  
National Sub-County  
Accountant

Vincent P Musumba

  
Chairman NG-CDF  
Committee

Yunis Shirie


*Ijara 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

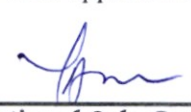
	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	8	13,759,477	9,663
<b>Total Cash and Cash Equivalents</b>		<b>13,759,477</b>	<b>9,663</b>
<b>Accounts Receivable</b>			
<b>Total Financial Assets</b>		<b>13,759,477</b>	<b>9,663</b>
<b>Net Financial Assets</b>		<b>13,759,477</b>	<b>9,663</b>
<b>Represented By</b>			
Fund Balance B/Fwd	9	9,663	24,171,586
Prior Year Adjustments		0	(2)
Surplus/Deficit for The Year		13,749,814	(24,161,921)
<b>Net Financial Position</b>		<b>13,759,477</b>	<b>9,663</b>

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

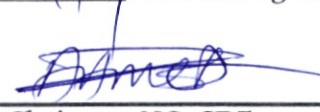
The Constituency financial statements were approved by NG CDFC on 4/3/2024 and signed by:

  
\_\_\_\_\_  
Fund Account Manager

Hassan Kassim

  
\_\_\_\_\_  
National Sub-County  
Accountant

Vincent P Musumba

  
\_\_\_\_\_  
Chairman NG-CDF  
Committee

Yunis Shirie

*Ijara Constituency  
National Government Constituencies Development Fund (NGCDF)  
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XI. Statement Of Cash Flows for The Year Ended 30th June 2023

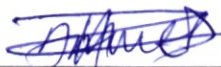
	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Receipts from Operating Activities</b>			
Transfers from NGCDF Board	1	87,000,000	164,177,758
<b>Total Receipts</b>		<b>87,000,000</b>	<b>164,177,758</b>
<b>Payments</b>			
Compensation of Employees	2	3,071,984	4,867,940
Committee Expenses	3	3,614,100	4,690,069
Use of Goods and Services	4	3,354,687	4,362,012
Transfers to Other Government Units	5	5,500,000	70,705,000
Other Grants and Transfers	6	53,973,790	103,714,658
<b>Total Payments</b>		<b>69,514,561</b>	<b>188,339,679</b>
<b>Total Receipts Less Total Payments</b>		<b>17,485,439</b>	<b>(24,161,923)</b>
Adjusted For:			
Prior Year Adjustments		0	(2)
<b>Net Cash Flow from Operating Activities</b>		<b>17,485,439</b>	<b>(24,161,923)</b>
<b>Cashflow From Investing Activities</b>			
Acquisition Of Assets	7	(3,735,625)	0
<b>Net Cash Flows from Investing Activities</b>		<b>(3,735,625)</b>	<b>0</b>
Net Increase In Cash And Cash Equivalent		13,749,814	(24,161,923)
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>		<b>9,663</b>	<b>24,171,586</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>		<b>13,759,477</b>	<b>9,663</b>

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 2/3/2024 and signed by:

  
Fund Account Manager

  
National Sub-County  
Accountant

  
Chairman NG-CDF  
Committee



*Ijara Constituency  
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**XII. Summary Statement of Appropriation for The Year Ended 30<sup>th</sup> June 2023**

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	B		c=a+b	D	e=c-d	f=d/c %
Receipts	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2022-2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	138,215,033	9,663	0	138,224,696	87,009,663	51,215,033	63%
Proceeds From Sale of Assets				0	-	-	0%
Other Receipts				0	-	-	#DIV/0!
<b>Totals</b>	<b>138,215,033</b>	<b>9,663</b>	<b>0</b>	<b>138,224,696</b>	<b>87,009,663</b>	<b>51,215,033</b>	<b>63%</b>
<b>Payments</b>							
Compensation Of Employees	3,323,162		0	3,335,222	3,071,984	251,178	92%
Committee Expenses	4,488,000	0	0	4,488,000	3,614,100	1,415,450	80.5%
Use Of Goods and Services	4,569,741	9,663	0	4,579,404	3,354,687	683,167	73.3%
Transfers To Other Government Units	49,000,000		0	49,064,745	5,500,000	43,500,000	11%
Other Grants and Transfers	69,898,503		0	69,673,407	53,973,790	15,924,713	78%
Acquisition of Assets	3,735,627	0	0	3,735,627	3,735,625	2	100%
Oversight Committee Expenses	1,000,000	0	0	1,000,000	-	1,000,000	0%
Other Payments	2,200,000	-	0	2,200,000	-	2,200,000	0.0%
Funds Pending Approval**						-	
<b>Totals</b>	<b>138,215,033</b>	<b>9,663</b>	<b>0</b>	<b>138,224,696</b>	<b>73,250,186</b>	<b>64,974,510</b>	<b>53.0%</b>

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<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	64,974,510
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	(51,215,033)
	13,759,477
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	<b>13,759,477</b>

The Constituency financial statements were approved by NG CDFC on 23/6/2024 and signed by:

  
Fund Account Manager

Hassan Kassim

  
National Sub-County Accountant

Vincent P Musumba

  
Chairman NG-CDF Committee

Yunis Shirie

*Ijara Constituency*  
*National Government Constituencies Development Fund (NGCDF)*  
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XIII. Budget Execution By Sectors And Projects For The Year Ended 30<sup>th</sup> June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,323,162		-	3,323,162	3,071,984	251,178
1.2 Committee allowances	1,860,000		-	1,860,000	1,007,100	852,900
1.3 Use of goods and services	3,109,740	9,663	-	3,119,403	1,911,870	1,207,533
<b>Sub-total</b>	<b>8,292,902</b>	<b>9,663</b>	<b>-</b>	<b>8,302,565</b>	<b>5,990,954</b>	<b>2,311,611</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	541,550		-	541,550	566,700	(25,150)
2.2 Committee allowances	2,628,000		-	2,628,000	2,607,000	21,000
2.3 Use of goods and services	918,451		-	918,451	876,117	42,334
<b>Sub-total</b>	<b>4,088,001</b>	<b>-</b>	<b>-</b>	<b>4,088,001</b>	<b>4,049,817</b>	<b>38,184</b>
<b>3.0 Emergency</b>						
3.1 Primary Schools	-	-	-	-	-	-
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-

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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			
3.5 Unutilised	7,636,190		-	7,636,190	7,636,190	-
<b>Total</b>	<b>7,636,190</b>	-	-	<b>7,636,190</b>	<b>7,636,190</b>	-
<b>4.0 Bursary and Social Security</b>						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	22,473,811		-	22,473,811	23,721,600	(1,247,819)
4.3 Tertiary Institutions	24,850,000		-	24,850,000	22,616,000	2,234,000
4.4 Universities						
4.5 Social Security	-	-	-	-	-	-
<b>Sub-total</b>	<b>47,323,811</b>	-	-	<b>47,323,811</b>	<b>46,337,600</b>	<b>986,211</b>
<b>5.0 Sports</b>						
5.1 regional tournament	600,000		-	600,000	-	600,000
5.2 constituency tournament	2,164,301		-	2,164,301	-	2,164,301
<b>Total</b>	<b>2,764,301</b>	-	-	<b>2,764,301</b>	-	<b>2,764,301</b>
<b>6.0 Environment</b>						
6.1 shurie secondary school	1,714,301		-	1,714,301	-	1,714,301
6.2 masalani district headquarters	1,050,000		-	1,050,000	-	1,050,000
6.3 bodhai primary school	-		-	-	-	-
6.4 masalani sub-county dcc office	-		-	-	-	-

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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			
6.5 bodhai sub-county dcc office	-		-	-	-	-
<b>Total</b>	<b>2,764,301</b>	-	-	<b>2,764,301</b>	-	<b>2,764,301</b>
<b>7.0 Primary Schools Projects (List all the Projects)</b>						
7.1 hulugho primary school	2,000,000	-	-	2,000,000	-	2,000,000
7.2 korahindi primary school	2,000,000	-	-	2,000,000	-	2,000,000
7.3 doi primary school	2,000,000	-	-	2,000,000	-	2,000,000
7.4 mare primary school	2,000,000	-	-	2,000,000	-	2,000,000
7.5 handaro primary school	1,000,000	-	-	1,000,000	-	1,000,000
7.6 waranweyn primary school	550,000	-	-	550,000	-	550,000
7.7 ege primary school	2,000,000	-	-	2,000,000	-	2,000,000
7.8 rahma primary school	2,000,000	-	-	2,000,000	-	2,000,000
7.9gababa primary school	1,500,000	-	-	1,500,000	-	1,500,000
7.1 ruqa primary school	1,000,000	-	-	1,000,000	-	1,000,000
7.11 ijara girls primary school	2,000,000	-	-	2,000,000	-	2,000,000
7.12 kotile primary school	1,500,000	-	-	1,500,000	-	1,500,000
7.13 mufti primary school	2,000,000	-	-	2,000,000	-	2,000,000
7.14 dabalweyn primary school	2,000,000	-	-	2,000,000	-	2,000,000
7.15 bodhai primary school			-		-	

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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			
	1,100,000	-		1,100,000		1,100,000
7.16 gesireb primary school	1,000,000	-	-	1,000,000	-	1,000,000
7.17 khalankhalderow primary school	1,100,000	-	-	1,100,000	-	1,100,000
7.18 sangailu primary school	1,500,000	-	-	1,500,000	-	1,500,000
7.19 ijara primary school	2,000,000	-	-	2,000,000	-	2,000,000
<b>Total</b>	<b>30,250,000</b>	<b>-</b>	<b>-</b>	<b>30,250,000</b>	<b>-</b>	<b>30,250,000</b>
<b>8.0 Secondary Schools Projects (List all the Projects)</b>						
8.0 hulugho secondary school	1,700,000	-	-	1,700,000	-	1,700,000
8.1 ijara secondary school	3,000,000	-	-	3,000,000	-	3,000,000
8.2 shurie secondary school	3,000,000	-	-	3,000,000	3,000,000	-
8.3 shurie secondary school	3,000,000	-	-	3,000,000	-	3,000,000
8.4 shurie secondary school	1,750,000	-	-	1,750,000	-	1,750,000
8.5 shurie sec sch	1,800,000	-	-	1,800,000	-	1,800,000
8.6 hulugho secondary school	2,500,000	-	-	2,500,000	2,500,000	-
8.7 ijara secondary school	2,000,000	-	-	2,000,000	-	2,000,000
8.8 sophira girls secondary school	-	-	-	-	-	-
<b>Total</b>	<b>18,750,000</b>	<b>-</b>	<b>-</b>	<b>18,750,000</b>	<b>5,500,000</b>	<b>13,250,000</b>
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization Difference
		Opening Balance (C/Bk) and ALA	Previous Years' Outstanding Disbursements			
9.1 vocational training institute	-	-	-	-	-	-
9.2						
9.3						
<b>Total</b>	-	-	-	-	-	-
<b>10.0 Security Projects</b>						
10.1 hulugho police camp	2,500,000	-	-	2,500,000	-	2,500,000
10.2 bodhai sub-county headquarters	900,000	-	-	900,000	-	900,000
10.3 bodhai sub-county headquarters	800,000	-	-	800,000	-	800,000
10.4 ijara deputy county commissioner's office	2,209,900	-	-	2,209,900	-	2,209,900
10.5 ijara social hall	3,000,000	-	-	3,000,000	-	3,000,000
10.6 bodhai district office	-	-	-	-	-	-
10.7 ijara directorate of criminal investigation offices	-	-	-	-	-	-
10.8 hulugho deputy county commissioner	-	-	-	-	-	-
10.9 bodhai sub-county dcc staff houses	-	-	-	-	-	-
10.10 bodhai dcc	-	-	-	-	-	-
<b>Total</b>	<b>9,409,900</b>	-	-	<b>9,409,900</b>	-	<b>9,409,900</b>
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles	-	-	-	-	-	-

*Ijara Constituency  
National Government Constituencies Development Fund (NGCDF)  
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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			
11.2 Construction of CDF office	3,735,627	-	-	3,735,627	3,735,625	2
11.3 Purchase of furniture and equipment	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
<b>Total</b>	<b>3,735,627</b>	<b>-</b>	<b>-</b>	<b>3,735,627</b>	<b>3,735,625</b>	<b>2</b>
<b>12.0 Oversight Committee Expenses (itemize)</b>						
12.1 COC Allowances	500,000	-	-	500,000	-	500,000
12.2 COC capacity building	180,000	-	-	180,000	-	180,000
12.3 COC goods and services	320,000	-	-	320,000	-	320,000
<b>Total</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>
<b>13.0 Others</b>						
13.1 Strategic Plan	2,200,000	-	-	2,200,000.00	-	2,200,000.00
13.2 Innovation Hub	-	-	-	-	-	-
13.2						
<b>Total</b>	<b>2,200,000</b>	<b>-</b>	<b>-</b>	<b>2,200,000</b>	<b>-</b>	<b>2,200,000</b>
<b>14.0 unallocated fund</b>						
Unapproved projects	-	-	-	-	-	-
AIA	-	-	-	-	-	-



*Ijara Constituency  
National Government Constituencies Development Fund (NGCDF)  
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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			
PMC savings	-	-	-	-	-	-
<b>Total</b>						
	138,215,033	9,663	-	138,224,696	73,250,186	64,974,510

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

##### **3. Reporting Currency**

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

##### **4. Significant Accounting Policies**

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

###### **a) Recognition of Receipts**

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

*Significant Accounting Policies continued*

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

***Unutilized Funds from PMCs.***

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

**External Assistance**

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

**b) Recognition of payments**

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

*Significant Accounting Policies continued*

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

*Significant Accounting Policies continued*

**6. Cash and Cash Equivalent.**

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

*Significant Accounting Policies continued*

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

*Significant Accounting Policies continued*

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30<sup>th</sup> June 2023 for the period 1<sup>st</sup> July 2023 to 30<sup>th</sup> June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**12. Comparative Figures**

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

*Significant Accounting Policies Continued*

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2023.

**14. Errors**

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

**15. Related Party Transactions**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the entity, or vice versa.

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022/2023	2021/2022
NGCDF Board	Kshs	Kshs
AIE NO B128508		16,000,000
AIE NO B105974		10,000,000
AIE NO B105601		34,000,000
AIE NO B105386		34,000,000
AIE NO B128819		26,000,000
AIE NO B154017		17,088,879
AIE NO B140896		27,088,879
AIE NO B185052	7,000,000	
AIE NO B185593	15,000,000	
AIE NO B185330	6,000,000	
AIE NO B185880	5,000,000	
AIE NO B206337	12,000,000	
AIE NO B205723	12,000,000	
AIE NO B205982	15,000,000	
AIE NO B207799	15,000,000	
<b>TOTAL</b>	<b>87,000,000</b>	<b>164,177,758</b>



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**2. Compensation Of Employees**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	3,071,984	4,717,280
Personal allowances paid as part of salary	0	0
House Allowance	0	0
Transport Allowance	0	0
Leave allowance	0	0
Gratuity to contractual employees	0	0
Employer Contributions Compulsory national social security schemes	0	150,660
<b>Total</b>	<b>3,071,984</b>	<b>4,867,940</b>

**3. Committee Expenses**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Sitting allowance	2,607,000	2,144,000
Other committee expenses	1,007,100	2,546,069
<b>Total</b>	<b>3,614,100</b>	<b>4,690,069</b>

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4. Use of Goods and services

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	0	66,000
Communication, supplies and services	123,600	90,000
Domestic travel and subsistence	1,102,600	1,195,400
Printing, advertising and information supplies & services	0	0
Rent	0	0
Training expenses	566,700	775,000
Hospitality supplies and services	255,300	676,000
Insurance costs	0	0
Specialised materials and services	0	0
Office and general supplies and services	685,670	156,195
Fuel , oil & lubricants	599,837	912,453
Other operating expenses	10,000	407,700
Bank Charges	10,980	83,264
Security operations	0	0
Routine maintenance - vehicles and other transport equipment	0	0
Routine maintenance- other assets	0	0
<b>Total</b>	<b>3,354,687</b>	<b>4,362,012</b>

5. Transfer To Other Government Units

<b>Description</b>	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Transfers To Primary Schools (See Attached List)	0	9,800,000.00
Transfers To Secondary Schools (See Attached List)	5,500,000.00	60,400,000.00
Transfers To Tertiary Institutions (See Attached List)	0	505,000.00
<b>Total</b>	<b>5,500,000.00</b>	<b>70,705,000.00</b>

*Notes To the Financial Statements (Continued)*

**6. Other Grants and Other transfers**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – secondary schools (see attached list)	23,721,600	22,420,450
Bursary – tertiary institutions (see attached list)	22,616,000	26,535,449
Bursary – special schools (see attached list)	0	0
Mock & CAT (see attached list)	0	0
Social Security programmes (NHIF)	0	0
Security projects (see attached list)	0	37,399,282
Sports projects (see attached list)	0	3,858,300
Environment projects (see attached list)	0	2,730,000
Emergency projects (see attached list)	7,636,190	10,771,177
Roads projects (see attached list)	0	0
<b>Total</b>	<b>53,973,790</b>	<b>103,714,658</b>

**7. Acquisition Of Assets**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	0	0
Construction of Buildings	3,735,625	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialized Plant, Equipment and Machinery	0	0
Rehabilitation and renovation of plant, machinery and equipment	0	0
Acquisition of Land	0	0
Acquisition Intangible Assets	0	0
<b>Total</b>	<b>3,735,625</b>	<b>0</b>

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8. Cash Book Bank Balance

<b>Name Of Bank, Account No. &amp; Currency</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>IJARA NG-CDF, Account No. 0580282740155, Equity Bank Garissa</i>	13,759,477	9,663
<i>Name of Bank, account No. ( Deposits account)</i>		
<b>Total</b>	<b>13,759,477</b>	<b>9,663</b>

*Notes To the Financial Statements (Continued)*

9. Fund Balance B/F

	1 <sup>st</sup> July 2022-30 <sup>th</sup> June 2023	1 <sup>st</sup> July 2021-30 <sup>th</sup> June 2022
	Kshs	Kshs
Bank accounts	9,663	24,171,586
Cash in hand	0	0
Imprest	0	0
<b>Total</b>	<b>9,663</b>	<b>24,171,586</b>
Less	0	0
Payables: - Retention	0	0
Payables – Gratuity	0	0
<b>Fund Balance Brought Forward</b>	<b>9,663</b>	<b>24,171,586</b>

10. Changes In Accounts Receivable – Outstanding Imprests

	2022/2023	2021/2022
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	0	0
Imprest issued during the year (B)	5,750,370	7,868,100
Imprest surrendered during the Year (C)	5,750,370	7,868,100
closing accounts in account receivables D= A+B-C	0	0
Net changes in accounts Receivables D - A	0	0

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11: Unutilized Funds (See Annex 1)

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	251,178	12,060
Committee expense	1,415,450	439,901
Use of goods and services	683,167	18,053
Amounts due to other Government entities (see attached list)	43,500,000	64,745
Amounts due to other grants and other transfers (see attached list)	15,924,713	(525,094)
Acquisition of assets	2	0
Oversight Committee Expenses	1,000,000	0
Other Payments –strategic plan	2,200,000	0
Funds pending approval	0	0
<b>Total</b>	<b>64,974,510</b>	<b>9,665</b>

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12: PMC account balances (See Annex 3)

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	3,100,400	615,646.46
<b>Total</b>	<b>3,100,400</b>	<b>615,646.46</b>

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**Annex 1 – Unutilized Funds**

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Compensation Of Employees	263,238	12,060	72,856	pending disbursement
Use Of Goods & Services	2,246,908	457,954	86,941	pending disbursement
Amounts Due to Other Government Entities				
Masalani Primary School	-	-	8,000,000	pending disbursement
Masalani Primary School	-	-	3,000,000	pending disbursement
Gumarey Primary School	-	-	3,900,000	pending disbursement
Ege Primary School	2,000,000	-	1,900,000	pending disbursement
Korahindi Primary School	2,000,000	-	600,000	pending disbursement
Doi Primary School	2,000,000	-	2,500,000	pending disbursement
Dabaramatam Primary School	-	-	1,900,000	pending disbursement
Khalankhal Primary School	1,100,000	-	1,400,000	pending disbursement
Ijara Technical Training Institute	-	-	7,200,000	pending disbursement
Ijara Secondary School	-	-	1,500,000	pending disbursement
County Council Secondary School	-	-	5,000,000	pending disbursement
Ijara District Education Headquarters	-	-	4,000,000	pending disbursement
mare primary school	2,000,000	-	-	pending disbursement
handaro primary school	1,000,000	-	-	pending disbursement
waranweyn primary school	550,000	-	-	pending disbursement
rahma primary school	2,000,000	-	-	pending disbursement
gababa primary school	1,500,000	-	-	pending disbursement
ruqa primary school	1,000,000	-	-	pending disbursement
ijara girls primary school	2,000,000	-	-	pending disbursement



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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
kotile primary school	1,500,000	-	-	pending disbursement
mufti primary school	2,000,000	-	-	pending disbursement
dabalweyn primary school	2,000,000	-	-	pending disbursement
bodhai primary school	1,100,000	-	-	pending disbursement
gesireb primary school	1,000,000	-	-	pending disbursement
sagailu primary school	1,500,000	-	-	pending disbursement
ijara primary school	2,000,000	-	-	pending disbursement
hulugho primary school	2,000,000	-	-	pending disbursement
Sub-Total	<b>32,760,146</b>	<b>470,014</b>	<b>41,059,797</b>	
<b>8.0 Secondary Schools Projects</b>				
Sophira Girls Secondary School	64,745	64,745	-	pending disbursement
hulugho secondary school	1,700,000	-	-	pending disbursement
Ijara Secondary School	3,000,000	-	-	pending disbursement
shurie secondary school	3,000,000	-	-	pending disbursement
shurie secondary school	1,750,000	-	-	pending disbursement
shurie secondary school	1,800,000	-	-	pending disbursement
Ijara Secondary School	2,000,000	-	-	pending disbursement
Sub-Total	<b>13,314,745</b>	<b>64,745</b>	-	
<b>Amounts Due To Other Grants And Other Transfers</b>				
Emergency	9,854	9,856	2,720,000	pending disbursement
Sport	2,767,348	3,047	624,686	pending disbursement
Bursary	1,286,311	100	1,785,981	pending disbursement
Social Security	-	-	2,570,000	pending disbursement

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Hulugho Dc Office			-	pending disbursement
Masalani Dcc Office			2,500,000	pending disbursement
Bothai Primary	11,779	111,779	-	pending disbursement
Bothai District Office	8,124	8,124	-	pending disbursement
Ijara Criminal Investigation Offices	2,000	2,000	-	pending disbursement
Hulugho Dcc	800,000	800,000	-	pending disbursement
Bothai Dcc Staff Houses	(2,100,000)	(2,100,000)	-	pending disbursement
Bothai Dcc	140,000	140,000	-	pending disbursement
Ijara Deputy County	500,000	500,000	-	pending disbursement
hulugho police camp	2,209,900	-	-	pending disbursement
bodhai sub-county	2,500,000	-	-	pending disbursement
bodhai sub-county	900,000	-	-	pending disbursement
ijara social hall	800,000	-	-	pending disbursement
shurie secondary school	3,000,000	-	-	pending disbursement
masalani district headquarters	1,714,301	-	-	pending disbursement
bodhai sub-county dcc office	1,050,000	-	-	pending disbursement
Sub-Total	100,000		10,200,667	
Acquisition Of Assets	15,699,617	(525,094)		
Construction Of Cdf Office				
COC	2	-	-	pending disbursement
Strategic Plan	1,000,000	-	-	pending disbursement
Sub-Total	2,200,000	-	-	
Grand Total	3,200,002	-	51,260,464	

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	64,974,510	9,665		

**Annex 2 – Summary of Fixed Asset Register**

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	0	0	0	0
Buildings and structures	13,450,000	3,735,625	0	17,185,625
Transport equipment	0	0	0	0
Office equipment, furniture and fittings	2,171,174	0	0	2,171,174
ICT Equipment, Software and Other ICT Assets	660,000	0	0	660,000
Other Machinery and Equipment	5,865,700	0	0	5,865,700
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
<b>Total</b>	<b>22,146,874</b>	<b>3,735,625</b>	<b>0</b>	<b>25,882,499</b>

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**Annex 3 –PMC Bank Balances as at 30<sup>th</sup> June 2023**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2022/23</b>	<b>Bank Balance 2021/22</b>
HULUGHO PRIMARY SCHOOL PMC	EQUITY BANK	0580284330896	499,400.00	-
IJARA PRIMARY SCHOOL PMC	EQUITY BANK	0580284467772	1,000.00	-
IJARA SPORTS TOURNAMENTS PMC	EQUITY BANK	0580284467710	600,000.00	-
IJARA GIRLS PRIMARY SCHOOL PMC	EQUITY BANK	0580284444826	2,000,000.00	-
BOTHAI DISTRICT OFFICE ADMINISTRATION PMC	FCB	00116685101	-	2,320.00
GUMAREY PRIMARY SCHOOL PMC	FCB	5000207301	-	5,337.00
KORISA PRIMARY SCHOOL PMC	FCB	5000206901	-	105,709.46
MASALANI DISTRICT PMC	FCB	2987728101	-	501,208.00
KOTILE GIRLS SECONDARY SCHOOL PMC	FCB	001667201	-	1000
<b>TOTAL</b>			<b>3,100,400</b>	<b>615,646.46</b>

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**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:	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
IJARA/CDF/AUD/VOL.II/1	<p><b>Unsupported Bursary Payments</b></p> <p>The statement of receipts and payments reflects other grants and transfers balance of Kshs.103,714,658 which, as disclosed in Note 5 to the financial statements, includes bursary amounts of Kshs.22,420,450 and Kshs.26,535,449 disbursed to secondary schools and tertiary institutions respectively, both totalling to Kshs.48,955,899. However, included in the latter amount are bursary payments totalling to Kshs.6,944,500 whose supporting acknowledgement letters or official receipts from the receiving institutions were not provided for audit.</p> <p>In the circumstances, the accuracy, completeness and authenticity of the bursary payments of Kshs.6,944,500</p>	<p>We have provided attached please find the acknowledgement letters and receipts for the various institutions requested.</p>	Unresolved	30 <sup>th</sup> June, 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>could not be confirmed.</p> <p>The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Ijara 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.</p>			
IJARA/CDF/ AUD/VOL.II/2	<p><b>Expenditure from Emergency Reserve</b></p> <p>The statement of receipts and payments reflects other grants and transfers balance of Kshs. 103,714,658 which, as disclosed in Note 5 to the financial statements, includes an expenditure of</p>	We have provided the report	unresolved	30 <sup>th</sup> June 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>Kshs. 10,771,177 from emergency reserve. However, Management spent Kshs. 10,771,177 from emergency reserve against an approved budget Kshs. 10,731,333, resulting in unauthorized over-expenditure of Kshs. 39,844. This was contrary to Regulation 44(2) of the Public Finance Management (National Government) Regulations, 2015, which provides that National Government entities shall execute their approved budgets based on the annual appropriation legislation and the approved annual cash flow plan with the exception of unforeseen and unavoidable spending dealt with through the Contingencies Fund or supplementary estimates.</p> <p>Further, the utilization of the emergency reserve was not reported to the National Government Constituencies Development Fund Board within thirty (30) days as required by Regulation 20(2) of the National Government Constituencies</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>Development Fund Regulations, 2016.</p> <p>In the circumstances, Management was in breach of the law.</p> <p>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.</p>			
IJARA/CDF/AUD/VOL.II/3	<p><b>Valuation of Asset</b></p> <p>assets with historical cost value may have significantly changed overtime after they were revalued. The Management should provide present valued of the fixed asset as it is appropriate to provide a basis for my</p>	<p>The NG-CDF land is communal land and therefore does not have documentation.</p>	Unresolved	30 <sup>th</sup> June 2023



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>conclusion.</p> <p>Responsibilities of Management and those Charged with Governance Management is responsible for the preparation and fair presentation of these financial Statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.</p> <p>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</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>to terminate the Fund or to cease operations.</p> <p>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,</p> <p>Saterion to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the applied in an effective way.</p>			

  
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**Hassan Kassim**  
**Fund Account Manager.**

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