

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

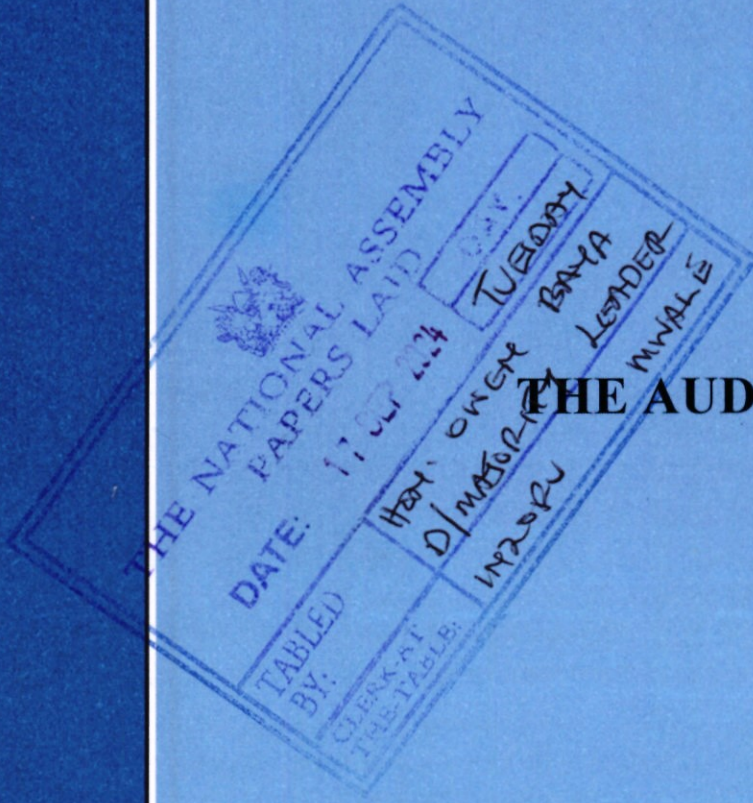
OF

THE AUDITOR-GENERAL

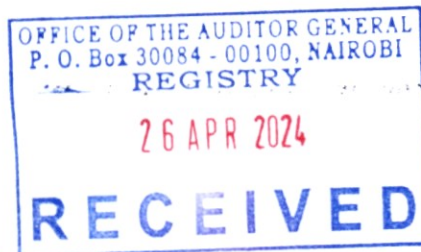
ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
DAGORETTI NORTH CONSTITUENCY**

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







DAGORETTI NORTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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

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I. Acronyms and Abbreviations

NG-CDF	-National Government Constituency Development Fund
NGCDFB	-National Government Constituencies Development Fund Board
PFM	-Public Finance Management
IPSAS	-International Public Sector Accounting Standards.
PMC	-Project Management Committee
FY	- Financial Year
PWD	- Persons with disabilities
ARMC	- Audit and Risk Management Committee

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 Dagoretti North Constituency NG-CDF 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)

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Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Paul Kipsang Magut
2.	Sub-County Accountant	Lucas Okech
3.	Chairman NGCDFC	Phoebe Wanjiku Mungai
4.	Member NGCDFC	Bertha Malesi

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Dagoretti North Constituency NGCDF. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(d) Dagoretti North Constituency NGCDF Headquarters

P.O. Box 36845-00200 Nairobi
Lavington Mijikenda Road Suits No. 22 Off Olenguruone Road
Nairobi, Kenya.

(e) Dagoretti North Constituency NGCDF Contacts

Telephone: (254) 743820603
E-mail: cdfdagorettinorth@ngcdf.go.ke
Website: www.dagorettinorthngcdf.go.ke

(f) Dagoretti North Constituency NGCDF Bankers

Equity Bank
Kilimani Supreme Branch
P. O Box 75104
Nairobi, Kenya

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

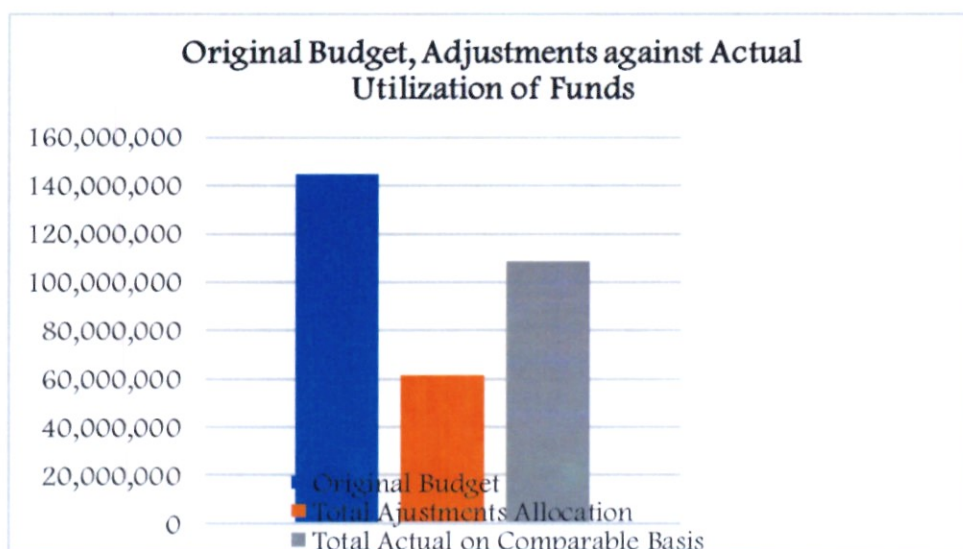
III. NG-CDFC Chairperson’s Report



Ms. Phoebe Mungai
Chairperson Dagoretti North NG-CDF

Dagoretti North Constituency is one of 17 electoral constituency of Nairobi County. It was carved from the former Dagoretti and Westlands constituencies, and borders Westlands, Kibra, Dagoretti south, Langata, and Starehe constituencies. It was created by the Independent Electoral and Boundaries Commission before the 2013 general election. The constituency has five wards, which include Kilimani, Kawangware, Gatina, Kileleshwa, and Kabiro. It has a population of about 0.5 million and 157,659 registered voters as per the 2022 voter roll. The serving Member of Parliament is Hon. Beatrice K. Elachi (CBS)

The introduction of the IPSAS mode of preparing Financial Statements is a great milestone in achieving our end goal of ensuring development and proper utilization of funds. Accountability has been enhanced and the committee has been more empowered in decision making with regards to utilization of funds



Key

- 1- Original Budget Allocation
- 2- Total Adjustment Allocation during the FY 2022/2023
- 3- Total Actual on Comparable Basis

KEY ACHIEVEMENTS

The following are some of the key projects that have been undertaken



Project 1: Construction of Perimeter Wall at Kawangware Primary School

This project involved the 1st Phase of Construction of 200M perimeter wall at Kawangware Primary School. The school is located at the slums of Kawangware near Kawangware Market. The existing wall was done in 1980s and had cracks with some sections fallen already pausing security threat and danger to the institution. This project has hence enhanced security to the Institution and we intend to continue with the remaining phases to fully secure the institution.



Project 2: Purchase and supply of 300 Lockers and Chairs to Kilimani Primary School

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The project involved the supply and delivery of 300 Lockers and Chairs to Kilimani Primary School. The school has a bigger population of over 1000 Pupils in three Categories Namely Visually Impaired (VI), Deaf and Blind(DB) and normal students integrated in the school. There is congestion of the students causing need for additional Lockers and Chairs. This project has hence improved the leaning conditions in the institution by decongesting the classes. We commit to continue supplying more Lockers, Chairs and desks for special case pupils to fully improve the learning condition in the institution



Project 3: Issuance of Bursary FY 2022/2023

This project involved the issuance of Bursary education funds to the needy and deserve cases in the constituency. It involved secondary Colleges and Tertiary Institutions. Three quarters of Dagoretti North Constituency Residents are in the slums of Kawangware, Gatina and Kabiro and they live in object poverty. Thus resulting need for more bursary funds to students to enable them access education. We allocated Ksh. 39,522,777.00 to the bursary Funds for secondary and tertiary institutions. We managed to disburse this amount within the financial to the students and this has ensured that the needy students continued with their education. We intend to give more to bursary funds in the coming financial Year.

EMERGING ISSUES

The following are some of the emerging issues that are experienced as a result of the current economy.

1. Restructuring of the Education Funding

The move by the government to restructure the education funding for the tertiary institutions through changing of the HELB funding structure has brought a lot of pressure to the NGCDF Bursary Funds as many students are now seeking for scholarships from the constituency to enable them continue with their studies

2. Junior Secondary School

The introduction of the Junior Secondary School through the CBC Education system has brought a lot of pressure to the existing facilities in various primary schools. There is need for construction and equipping of new classrooms and laboratories to accommodate the students.

3. Inflation Rates

With the current economic position where the rate of exchange of Kenyan shillings to dollar continues to rise, there has been an increased in the cost of construction materials. Hence those projects that were submitted to the board before inflation may not be completed with the original budgeted cost necessitating need for variations and additional funding.

IMPLEMENTATION CHALLENGES AND SOLUTIONS

- Many projects delayed due to the late disbursement of public funds. We hope that this will improve to enable us do the projects in time. We have been however able to utilize the funds adequately as they are disbursed by the Board
- There is also a challenge in the education funds set for bursary. The number of needy students are many compared to the available funds for the same. However, we have been able to seek for help from other government organizations on the same and enable most of the needy students get scholarships. We also wish to increase the amount allocated to bursary funds in the coming financial years.
- The range of Staff Salaries amount paid to the employees at the constituency level doesn't attract those who are capable of delivering as per the requirements set by the Board. However, we have been always able to do continuous capacity Building and Training where necessary for our staff to enable them deliver.
- Getting Acknowledgement Receipts from the members of the Public when they are issued with bursary has been a challenge. We have been able to disburse combined cheque to those schools that are closer or where students are many in one school and this has enabled us get a few Bursary Acknowledgement Receipts and hence meet the requirements set for the

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same. We have also been doing civic education and awareness of the need for the bursary beneficiaries to bring back bursary acknowledgement receipts from the institutions once they have collected their cheques and taken them to schools.

Otherwise the impact of the NG-CDF kitty is felt countrywide and we hope and pray that the fund lives longer and longer in order to impact positively more and more lives in Kenya.



.....
**Name: Phoebe Mungai
CHAIRPERSON NGCDF COMMITTEE**

IV. Statement of Performance Against Predetermined Objectives for FY 2022/23

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 *Dagoretti North Constituency 2023-2027 plan* are to:

- a. To implement comprehensive planning and prioritize development projects aimed at creating optimal learning conditions for students in schools.
- b. To empower youth, women, and persons with disabilities (PWD) by facilitating their acquisition of fundamental skills through targeted programs that equip them with the necessary tools and knowledge to thrive in society.
- c. To foster effective participation and community involvement in the development processes to create a sustainable and safe living environment where all voices are heard and valued.
- d. To strengthen the economic capacity of residents, enabling self-sufficiency and independence by providing opportunities for skills development and entrepreneurship for job creation and improved living standards.

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary	Increased number of Classrooms and Increased number of Bursary beneficiaries	In FY 2022/23 - we have improved the condition of 18 classrooms in primary schools and 6 Classrooms in Secondary Schools. We have also increased

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		institutions		the number of Bursary beneficiaries in Secondary schools from 5000 to 8000 students and tertiary institutions beneficiaries from 2000 to 4000 students.
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	We have done a toilet block at Kilimani Police station and also supplied furniture and equipment to Kawangware ACC office and Gatina Chiefs Offices
Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Equip schools with good energy saving Jikos, wash points, water tanks and environmental garbage bins	High number of energy saving jikos, Wash points, environmental Garbage bins and water tanks installed	We have done Students Wash Points in 15 Primary schools and also set up Environmental Garbage Collection Bins in 8 primary schools and 2 Secondary schools
Sports	Empower and develop youth and special groups	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	We have given Sports Kits to 10 Primary schools and also organized sports tournaments for 40 Youth teams within the constituency
Emergency	Improve the mechanism used in handling disasters	Reduce loss of live and properties	Number of staircases and rumps put in place .	We have supplied lockers meant for Disabled children to Kilimani Primary School and constructed a ramp for the walk way in Riruta HGM Primary School and also done a toilet block at Kilimani Police station that Accommodate to the PWD

V. Statement of Governance

Introduction

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43(1), (2), (3) and 57(1) 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.

In this regard section 5 and 6 of NG CDF regulations provides for procedure for nomination of the five members of the NG CDFC as outlined in section 43 (2) paragraph (b), (c), and (d) of the principal Act through a selection panel composed of:

- a) One person nominated by national Government official in charge of Sub County or designated representative who shall chair the panel
- b) Officer of the Board seconded to the constituency who is be the secretary of the selection panel
- c) Two persons one of either gender nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

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.

Appointment of National Government Constituency Development Fund Committee

- (1) There is established a National Government Constituency Development Fund Committee for every constituency.
- (2) Each Constituency Committee shall comprise of—
 - (a) the national government official responsible for co-ordination of national government functions;

- (b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
 - (c) Two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment;
 - (d) one persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
 - (e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
 - (f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
 - (g) One member co-opted by the Board in accordance with Regulations made by the Board.
- (3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.
- (4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.
- (5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.
- (6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.
- (7) The quorum of the Constituency Committee shall be one half of the total membership.
- (8) The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.
- (9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.
- (10) Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.

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(11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

Process of Formation of the NGCDF Committee

To facilitate this, the selection panel invited interested and qualified members of the public for appointment to the NG-CDF committee. The panel invited the public through advertisement publicised in churches, public offices notice boards at the chiefs and assistant Chiefs offices and other public areas in the constituency.

Out of the total 26 applicants, the selection panel developed a shortlisting criterion which enabled identification of the nominees for interviews. Two additional nominees were proposed by Dagoretti North Constituency Office as per section 43 of the NG-CDF Act, 2015.

NO	NAME	CATEGORY	WARD
1.	Kenneth Adiara Mbalanya	Male (Adult)	Kabiro
2.	Edwin Mugonyi	Male (Youth)	Gatina
3.	Phoebe Wanjiku Mungai	Female (Adult)	Kileleshwa
4.	Lucy Wambui Musa	Female (Youth)	Kawangware

Nominee of the Body representing Persons with Disability

NO	NAME	NOMINATING ORGANIZATION	NATURE OF PHYSICAL IMPAIRMENT	WARD
1.	Zebedi O. Nyanganga	Dagoretti North Special Talent SHG	Ambulatory	Kawangware

Nominee of the Constituency Office

NO	NAME	CATEGORY	OCCUPATION	WARD
1.	Evans Gichuki Miano	Male	Business Person	Kabiro
2.	Bertha Malesi Shivachi	Female	Business Lady	Kileleshwa

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.	Jackline Morebu	Female	Kawangware

The above committee was gazetted on 9th December 2022 by the Chief Executive Officer of the Board via Gazette Notice Vol. CXXIV-No. 266

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The members took over the office on the first meeting on 13th December 2022 and went through the process electing the chairperson and the secretary of the committee. The following members were elected.

- | | | |
|----------------|-----------------------------|-----------------|
| 1. Chairperson | -Ms. Phoebe Wanjiku Mungai | ID No. 22770246 |
| 2. Secretary | -Ms. Bertha Malesi Shivachi | ID No. 21847375 |

During its first meeting, a Constituency Committee established Sub-Committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board. The two subcommittee are as follows:

- i. Bursary Sub Committee
- ii. Complaints Resolution Sub Committee
- iii. Sports and Environment Sub Committee

The following were appointed to the different committee

a. Bursary committee

1. Bertha Malesi - Member
2. Edwin Mugonyi - Member
3. Lucy Wambui - Member

b. Complaints Resolution Committee

1. Kenneth Adiarra - Member
2. Jackline Morebu - Member
3. Zebedi Ombidi - Member
4. Evans Miano - Member

c. Sports and Environment Sub Committee

1. Kenneth Adiarra - Member
2. Lucy Wambui - Member
3. Evans Miano - Member
4. Edwin Mugonyi - Member

The chairperson and the secretary are members of all the committees. The DCCs are members of the complaints committee, while representative from the ministry of education office is also coopted to be in the Bursary committee.

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.

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;

- Convene public meetings in every ward in the constituency to deliberate to on development matters.
- Deliberate on project proposals and any other projects considers beneficial to constituency.
- List of projects to be submitted in accordance with the Act to be submitted to the to the Board and ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act.
- 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
- Ensure that all projects receive adequate funding and are completed within three years.
- Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board.
- 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.
- Recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act.
- Enter into performance contracting with the Board on an annual basis.

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-

- (i) lack of integrity;
- (ii) gross misconduct;
- (iii) embezzlement of public funds;
- (iv) bringing the committee into disrepute through unbecoming personal public conduct;
- (v) promoting unethical practises
- (vi) causing disharmony within the committee;
- (vii) 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 ought to be removed shall be given a fair hearing before the resolution is made.

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In Dagoretti North the NG-CDFC has not found any member to have contravened the laid down regulations and law to warrant removal.

Training of NG-CDFC Members

In the financial year 2022/2023 the NGCDF Board organized training of NGCDFC members. During the training, critical areas such as public finance, project planning, procurement, complaint management, performance management were covered to equip them with the prerequisite knowledge and skills to ensure effective and efficient management of NG-CDF Dagoretti North.

Number of Meetings Held

According to the NG-CDF Act 2015, Section 43(1), the NGCDF Committee is required to hold a maximum of 24 meetings in a year including any subcommittee meetings. Dagoretti North Constituency Held a total of 12 meetings (Two (2) meetings for the old committee and Ten (10) for the New Committee) in the financial year 2022-2023 and the attendance was as follows.

NO.	NG-CDFC COMMITTEE MEMBERS	13 th Dec 2023	14 th Dec 2023	11 th Jan 2023	3 rd Feb 2023	15 th Feb 2023	8 th March 2023	14 th April 2023	3 rd May 2023	25 th May 2023	21 st June 2023
1	Phoebe Mungai- chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Bertha Malesi- Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Kenneth Adiara- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Lucy Wambui- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Edwin Mugonyi- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Evans Miano- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Zebedi Ombidi- PWD	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Jackline Morebu- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Paul Kipsang Magut- FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	Grace Rita- ACC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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 Dagoretti North adhered to the above ethical issues.

Members Remuneration

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NG-CDFC is entitled to an allowance Ksh. 7,000.00 per meeting and all other members an allowance of Ksh. 5,000.00 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 Dagoretti North 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 Dagoretti North 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

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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

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

- a. **Education and Training:** Dagoretti North NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 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

- Dagoretti North NGCDF once every quarter normally organizes clean up exercise in schools and during the same time tree planting exercise is done.
- Through the Member of Parliament Office Sensitization programmes are normally organized to encourage the youth to stay out of drugs and crimes.
- Sports events are also always organized annually to nature talents and keep the youth out of drugs abuse and crimes.

3. Employee welfare

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

Dagoretti North NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Dagoretti North 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 gives full consideration to public input in making that decision.

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

Public Awareness

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

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



.....
**Name Paul Kipsang Magut
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-Dagoretti North 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, 202X. 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-Dagoretti North 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- Dagoretti North 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.

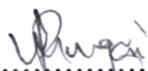
The Accounting Officer in charge of the NGCDF Dagoretti North Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were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

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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- Dagoretti North Constituency financial statements were approved and signed by the Accounting Officer on _____ 2023.



.....
Name: Phoebe Mungai
Chairperson – NGCDF Committee



.....
Name: Paul Kipsang Magut
Fund Account Manager

REPUBLIC OF KENYA

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Dagoretti North Constituency set out on pages

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Dagoretti North 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 National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Inaccuracies in Bursary Disbursements

The statement of receipts and payments reflects an amount of Kshs.80,807,411 in respect to other grants and transfers as disclosed in Note 8 to the financial statements. The expenditure includes bursaries to secondary schools and tertiary institutions amounting to Kshs.71,907,620. However, the supporting schedules and payment vouchers reflected disbursements totalling Kshs.71,748,839 resulting to an unexplained variance of Kshs.158,781. Further, no acknowledgement letters from the beneficiary institutions were provided for audit.

In the circumstances, the accuracy and completeness of bursaries amounting to Kshs.71,907,620 could not be confirmed.

2. Unsupported Project Management Committee Bank Balances

Note 19.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) bank balance totalling Kshs.1,954,464. However, the cashbooks, bank reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.1,954,464 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Dagoretti North Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing

audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis amounts of Kshs.206,431,393 and Kshs.158,343,790 respectively resulting to an under-funding of Kshs.48,087,603 or 23% of the budget. However, the Fund spent Kshs.108,481,414 against actual receipts of Kshs.158,343,790 resulting to under expenditure of Kshs.49,862,376 or 31% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Issues

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Vandalized Environmental Projects

The statement of receipts and payments reflects an amount of Kshs.80,807,411 in respect to other grants and transfers as disclosed in Note 8 to the financial statements. The amount includes environment projects expenditure of Kshs.5,482,000 for the construction of water points and piping works. However, physical inspection carried out on 14 March, 2024 revealed that the projects were not labelled while the water points equipment which includes water taps, piping works and water tanks had been vandalized and were not in working condition. Further, while the water points were worn out due to misuse and poor handling.

In the circumstances, value for money on the expenditure of Kshs.5,484,000 incurred on the construction of water points and piping works could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and 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 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 which 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 on whether, in all material respects, 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, in accordance with the provisions of Article 229(6) of the Constitution, and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

the internal controls would not necessarily disclose all matters in the internal controls which 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 which is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions 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 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 which achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 June, 2024

Dagoretti North Constituency
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IX. Statement of Receipts and Payments for the Year Ended 30th June 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	97,000,000	188,777,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	145,755	4,000
Total Receipts		97,145,755	188,781,758
Payments			
Compensation Of Employees	4	3,528,230	4,380,710
Committee expenses	5	2,186,000	4,198,000
Use Of Goods and Services	6	8,605,316	7,112,721
Transfers To Other Government Units	7	10,923,707	102,994,206
Other Grants and Transfers	8	80,807,411	50,886,917
Acquisition Of Assets	9	-	-
Oversight Committee Expenses	10	-	-
Other Payments	11	2,430,750	26,000
Total Payments		108,481,414	169,598,554
Surplus/(Deficit)		(11,335,659)	19,183,204


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 _____ 2023 and signed by:



Fund Account Manager

Name: Paul Kipsang Magut



National Sub-County Accountant

Name: Lucas Okech
ICPAK M/No: 17541



Chairperson NG-CDF Committee

Name: Phoebe Mungai

Dagoretti North Constituency
National Government Constituencies Development Fund (NGCDF)
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X. Statement of Assets and Liabilities as at 30th June, 2023

	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	11A	49,862,376	61,198,034
Cash Balances (Cash at Hand)	11B	-	-
Total Cash and Cash Equivalents		49,862,376	61,198,034
Accounts Receivable			
Outstanding Imprests	12	-	-
Total Financial Assets		49,862,376	61,198,034
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	13	-	-
Gratuity	14	-	-
Total Financial Liabilities		-	-
Net Financial Assets		49,862,376	61,198,034
Represented By			
Fund Balance B/Fwd	15	61,198,034	42,014,830
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		(11,335,659)	19,183,204
Net Financial Position		49,862,376	61,198,034

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

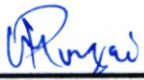
The Constituency financial statements were approved by NGCDF on _____ 2023 and signed by:


Fund Account Manager

Name: Paul Kipsang Magut


National Sub-County Accountant

Name: Lucas Okech
ICPAK M/No: 17541


Chairperson NG-CDF Committee

Name: Phoebe Mungai

Dagoretti North 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
Receipts From Operating Activities			
Transfers From NGCDF Board	1	97,000,000	188,777,758
Other Receipts	3	145,755	4,000
Total Receipts		97,145,755	188,781,758
Payments			
Compensation Of Employees	4	3,528,230	4,380,710
Committee Expenses	5	2,186,000	4,198,000
Use Of Goods and Services	6	8,605,316	7,112,721
Transfers To Other Government Units	7	10,923,707	102,994,206
Other Grants and Transfers	8	80,807,411	50,886,917
Acquisition of Assets	9	-	-
Oversight Committee Expenses	10	-	-
Other Payments	11	2,430,750	26,000
Total Payments		108,481,414	169,598,554
Total Receipts Less Total Payments		(11,335,659)	19,183,204
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		(11,335,659)	19,183,204
Cash flow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		(11,335,659)	19,183,204
Cash & Cash Equivalent At Start Of The Year	12	61,198,034	42,014,830
Cash & Cash Equivalent At End Of The Year		49,862,376	61,198,034


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 _____ 2023 and signed by:




 Fund Account Manager

Name: Paul Kipsang Magut



 National Sub-County
 Accountant

Name: Lucas Okech
 ICPAK M/No:17541



 Chairperson NG-CDF
 Committee

Name: Phoebe Mungai

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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2022-2023		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from NG-CDF Board	145,087,603	61,198,034	-	206,285,637	158,198,034	48,087,603	77%
Proceeds from Sale of Assets				-	-	-	
Other Receipts		145,755		145,755	145,755	-	100%
TOTAL RECEIPTS	145,087,603	61,343,790	-	206,431,393	158,343,790	48,087,603	77%
PAYMENTS							
Compensation of Employees	4,376,760	2,903,971		7,280,731	3,528,230	3,752,501	48%
Committee expenses	2,194,000	1,387,044		3,581,044	2,186,000	1,395,044	61%
Use of goods and services	6,487,124	3,209,318		9,696,442	8,605,316	1,091,126	89%
Transfers to Other Government Units	44,350,000	10,933,708		55,283,708	10,923,707	44,360,001	20%
Other grants and transfers	63,632,939	42,731,594		106,364,533	80,807,411	25,557,122	76%
Acquisition of Assets	-	-		-	-	-	
Oversight Committee Expenses	546,780	-		546,780	-	546,780	0%
Other Payments	3,500,000	-		3,500,000	2,430,750	1,069,250	69%
Un Approved Projects	20,000,000	178,155		20,178,155		20,178,155	0%
TOTAL	145,087,603	61,343,790	-	206,431,393	108,481,414	97,949,979	53%

***Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*

Explanatory Notes.


(a) The Unapproved projects represent the projects that are conditionally approved by the Board and the AIE raised from sale of Tender that is not yet approved by the Board.

(b) The Underutilisation of funds is as a result of the late disbursement of funds from the Board

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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	97,949,979
Less undisbursed funds receivable from the Board as at 30 th June 2023	(48,087,603)
	49,862,376
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 30th June 2023	49,862,376

The Constituency financial statements were approved by NG CDFC on _____ 2023 and signed by:



Fund Account Manager

Name: Paul Kipsang Magut



National Sub-County Accountant

Name: Lucas Okech
 ICPAK M/No:17541



Chairperson NG-CDF Committee

Name: Phoebe Mungai

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XIII. Budget Execution by Sectors and Projects for The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2022/2023	30/06/2023	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	4,376,760	2,903,971		7,280,731	3,528,230	3,752,501
1.2 Committee allowances	1,244,000	654,612		1,898,612	1,258,000	640,612
1.3 Use of goods and services	3,084,496	3,042,339		6,126,835	5,176,324	950,511
2.0 Monitoring and evaluation						
2.1 Capacity building	2,450,000	17,588		2,467,588	2,421,050	46,538
2.2 Committee allowances	950,000	732,432		1,682,432	928,000	754,482
2.3 Use of goods and services	952,628	149,391		1,102,019	1,007,942	94,077
3.0 Emergency						
3.1 Primary Schools	7,636,190	156,051		7,792,241		7,792,241
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	26,000,000	22,460,652		48,460,652	47,372,620	1,088,032
4.3 Tertiary Institutions	13,522,777	11,414,309		24,937,086	24,535,000	402,086

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2022/2023	30/06/2023	
4.4 Universities						
4.5 Social Security	1,200,000			1,200,000		1,200,000
5.0 Sports						
5.1 Sports Activities	2,381,752	3,216,387		5,598,139	3,212,791	2,385,348
5.2 Regional Sports	520,000			520,000		520,000
6.0 Environment						
6.1 Constituency Environmental Activities	1,650,000	2,742,418		4,392,418	2,742,000	1,650,418
6.2 Kilimani Pri Sch		456,963		456,963	456,667	296
6.3 Milimani Pri Sch		456,963		456,963	456,667	296
6.4 State House Pri Sch		456,963		456,963	456,667	296
6.5 State Georges Pri Sch		456,963		456,963	456,667	296
6.6 Kileleshwa Pri Sch		456,963		456,963	456,667	296
6.7 Dagoretti Muslim Pri Sch		456,963		456,963	456,667	296
7.0 Primary Schools Projects (List all the Projects)						
7.1 Riruta HGM Primary school	4,500,000			4,500,000		4,500,000
7.2 St. Georges Primary School	4,700,000	0.00		4,700,000		4,700,000
7.3 Kawangware Primary School	4,500,000	2,937,500		7,437,500	2,937,500.00	4,500,000
7.4 Kilimani Primary School	1,875,000	-		1,875,000		1,875,000
7.5 Gatina Primary School	5,625,000	1,250,000		6,875,000	1,250,000.00	5,625,000

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Programme/Sub-programme	Original Budget 2022/2023	Adjustments		Final Budget 2022/2023	Actual on comparable basis 30/06/2023	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.6 Muthangari Primary School		1,250,000		1,250,000	1,250,000.00	-
7.7 Lavington Primary School		1,260,000		1,260,000	1,250,000.00	10,000
7.8 Nairobi Primary School	4,500,000	-		4,500,000		4,500,000
7.9 Dagoretti Muslim Primary School	2,500,000	1,250,000		3,750,000	1,250,000.00	2,500,000
7.10 Milimani Primary School		1,250,000		1,250,000	1,250,000.00	-
7.11 State House Primary School		1,736,207		1,736,207	1,736,207.00	-
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Nairobi Milimani Sec School	960,000			960,000	-	960,000
8.2 Lavington Sec School	6,190,000	-		6,190,000	-	6,190,000
8.3 Dagoretti Mixed Sec School	4,500,000	-		4,500,000	-	4,500,000
8.4 Precious Blood Secondary School	4,500,000	1		4,500,001	-	4,500,001
9.0 Tertiary institutions Projects (List all the Projects)						
9.1						
10.0 Security Projects						
10.1 Kileleshwa Chiefs Office	500,000			500,000	-	500,000
10.2 Muthangari Police Station	6,500,000			6,500,000	-	6,500,000
10.3 Gatina Chiefs Office	3,517,220			3,517,220	-	3,517,220
10.4 Dagoretti National Treasury Sub County Accountant Office	205,000			205,000	205,000.00	-
11.0 Acquisition of assets						

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Programme/Sub-programme	Original Budget 2022/2023	Adjustments		Final Budget 2022/2023	Actual on comparable basis 30/06/2023	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Constituency Oversight Committee				-		-
12.1 Constituency Oversight Committee	546,780			546,780		546,780
				-		
13.0 Other Payments						
12.1 Strategic Plan	3,500,000			3,500,000	2,430,750	1,069,250
14. 0 Unallocated Funds						
14.1 Unallocated Funds - Muthangari Primary school	20,000,000			20,000,000		20,000,000
14.2 AIA		32,400		32,400		32,400
14.3 PMC savings		145,755		145,755		145,755
GRAND TOTAL	145,087,603	61,343,790	-	206,431,393	108,481,414	97,429,979

(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- Dagoretti North 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 Dagoretti North NGCDF at the end of the financial year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

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 30th June 2023.

14. Errors

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

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

15. Related Party Transactions

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

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XV. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO. B140864		33,000,000
AIE NO. B105380		34,000,000
AIE NO. B105595		10,000,000
AIE NO. B105747		24,000,000
AIE NO. B132473		5,000,000
AIE NO. B128787		12,000,000
AIE NO. B154388		12,000,000
AIE NO. B154283		18,000,000
AIE NO. B140797		22,088,879
AIE NO. A895058		5,000,000
AIE NO. B 047450	7,000,000	
AIE NO. B 041290	14,000,000	
AIE NO. B 047710	7,000,000	
AIE NO. B 049297	12,000,000	
AIE NO. B 104322	5,000,000	
AIE NO. B 096578	12,000,000	
AIE NO. B205547	20,000,000	
AIE NO. B207786	20,000,000	
TOTAL	97,000,000	188,777,758

2. Proceeds from Sale of Assets

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

3. Other Receipts

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	-	4,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	145,755	-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	145,755	4,000

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Notes to the Financial Statements (Continued)

4. Compensation of Employees

Description	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,704,970	3,001,000
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	765,700	1,349,710
Employer Contributions Compulsory national social security schemes	57,560	30,000
TOTAL	3,528,230	4,380,710

5. Committee Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,258,000	2,391,000
Other committee expenses	928,000	1,807,000
Total	2,186,000	4,198,000

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6. Use of Goods and services

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	2,915,545	2,799,155
Office rent	857,779	773,336
Communication, supplies and services	-	80,100
Domestic travel and subsistence	-	0
Printing, advertising and information supplies & services	-	0
Rentals of produced assets		
Training expenses	2,421,050	3,022,450
Hospitality supplies and services	-	9,600
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	1,400,000	0
Fuel , oil & lubricants	-	100,000
Other operating expenses	1,007,942	0
Bank service commission and charges	3,000	40,080
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	0
Routine maintenance- other assets	-	288,000
TOTAL	8,605,316	7,112,721

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Notes To The Financial Statements (Continued)

7. Transfer to Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	10,923,707	72,627,000
Transfers To Secondary Schools (See Attached List)	-	30,367,206
Transfers To Tertiary Institutions (See Attached List)	-	
Total	10,923,707	102,994,206

8. Other Grants and Other transfers

Description	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	47,372,620	8,261,750
Bursary – tertiary institutions (see attached list)	24,535,000	32,473,550
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	
Security projects (see attached list)	205,000	6,500,000
Sports projects (see attached list)	3,212,791	3,651,617
Environment projects (see attached list)	5,482,000	-
Emergency projects (see attached list)	-	-
Roads projects (see attached list)	-	-
Total	80,807,411	50,886,917

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Notes To the Financial Statements (Continued)

9. Acquisition of Assets

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

10. Oversight Committee Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
COC Members Expenses	-	-
Other COC Expenses	-	-
Total	-	-

11. Other Payments

Description	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	2,430,750	26,000
ICT Hub	-	-
Total	2,430,750	26,000

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank, Kilimani Supreme Branch, Dagoretti North NGCDF A/C no. 14702616322406</i>	49,862,376	61,198,034
<i>Name of Bank, account No. (Deposits account)</i>	-	-
Total	49,862,376	61,198,034
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

13. Outstanding Imprests

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

[Include an annex if the list is longer than 1 page.]

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Notes to the Financial Statement Continued

14. Retention

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

15. Gratuity

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

16. Fund Balance B/F

Description	(1 st July 2021-2022)	(1 st July 2020-2021)
	Kshs	Kshs
Bank accounts	61,198,034	42,014,830
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	61,198,034	42,014,830

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17. Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

** The adjusted balances are not carried down on the face of the financial statement.
 (Entity to provide disclosure on the adjusted amounts)

18. Changes in Accounts Receivable – Outstanding Imprests

	2022-2023	2021-2022
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Net changes in accounts Receivables D - A	-	-

19. Changes in Accounts Payable – Deposits and Retentions

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

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Notes to the Financial Statements (Continued)

20. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

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

19.3: Unutilized Fund (See Annex 3)

Description	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	3,752,501	5,503,970
Use of goods and services	1,091,126	1,996,363
Committee Expenses	1,395,044	-
Amounts due to other Government entities (see attached list)	44,360,001	5,010,001
Amounts due to other grants and other transfers (see attached list)	25,557,122	48,655,301
Acquisition of assets	-	-
Oversight Committee Expenses	546,780	-
Others Payments (Strategic Plan)	1,069,250	-
Funds pending approval	20,178,155	32,400
Total	97,949,979	61,198,034

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19.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	1,945,464	16,428,537
Total	1,945,464	16,428,537

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XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

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

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Compensation of employees	Funds for Payment of Employees' Salaries	3,752,501	2,903,971	The funds have been partially used as there is balance for payment of staff gratuity and engagement of few staffs (5) as opposed to the proposed 9.
Sub-Total		3,752,501	2,903,971	
Use of Goods				
Admin and Recurrent Use of Goods	Funds used for Payment of Rent and normal office operations	950,511	3,042,339	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
M&E Use of Goods	Funds used for Payment of Monitoring and evaluation expenses e.g Fuel	94,077	149,391	Funds not fully utilized as there are few implemented projects that were monitored during the financial year. The balance to be used for monitoring of the projects yet to be implemented.
Capacity Building	Funds used for PMC, NGCDFC and Staff Trainings	46,538	17,588	Funds used for training of the Pmcs, NGCDFC, and staff. The few balance to be utilized in the next financial year
Sub-Total		1,091,126	3,209,318	
Committee Expenses				
Admin and Recurrent Committee Expenses	Funds used for payment of Committee sitting allowances	640,612	654,612	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
M&E Committee Expenses	Funds used for payment of committee expenses	754,432	732,432	Funds not fully utilized as there are few implemented projects that were monitored during the financial year. The balance to be used for monitoring of the projects yet to be implemented.
Sub-Total		1,395,044	1,387,044	
Amounts due to other Government Entities				
Riruta HGM Primary	Funds for Construction of Perimeter	4,500,000	-	Delayed disbursement of the funds from the

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
school	wall			National treasury has affected the implementation of the project
St. Georges Primary School	Funds for construction of Ablution Block	4,700,000	-	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Kawangware Primary School	Funds for Construction of Perimeter wall	4,500,000	2,937,500	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Kilimani Primary School	Funds for Purchase of 300 Lockers and Chairs	1,875,000	-	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Gatina Primary School	Funds for Purchase of 100 Lockers and chairs and Rehabilitation of School entrance	5,625,000	1,250,000	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Muthangari Primary School		-	1,250,000	
Lavington Primary School		10,000	1,260,000	
Nairobi Primary School	Funds for construction of Laboratory	4,500,000	-	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Dagoretti Muslim Primary School	Funds for Rehabilitation of two Classrooms to Laboratory	2,500,000	1,250,000	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Milimani Primary School		-	1,250,000	
State House Primary School		-	1,736,207	
Nairobi Milimani Sec School	Funds for Purchase of 12 computers	960,000	-	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Lavington Sec School	Funds for Construction of 2 Classrooms and Purchase of 100 lockers and chairs	6,190,000	-	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Dagoretti Mixed Sec	Funds for construction of Laboratory	4,500,000	-	Delayed disbursement of the funds from the

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
School				National treasury has affected the implementation of the project
Precious Blood Secondary School	Funds for Construction of Perimeter wall	4,500,001	1	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Sub-Total		44,360,001	10,933,708	
Amounts due to other grants and other transfers				
Emergency	Funds to Cater for Emergency Activities	7,792,241	156,051	No emergency Activity happened during the financial year. Funds to b reallocated to new project
Environment	Funds for Purchase of Environmental Garbage Bins	1,652,195	5,484,195	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Sports	Funds for organizing constituency and Regional sports tournament	2,905,348	3,216,387	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Bursary to secondary schools	Funds for issuance of Bursary to needy students in Secondary institutions	1,088,032	22,460,652	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Bursary to Tertiary Institutions	Fund for issuance of bursary to needy students in tertiary institutions	402,086	11,414,309	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Social Security NHIF	Funds for payment of NHIF to the 200 Vulnerable Families in the society	1,200,000	-	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Kileleshwa Chiefs Office	Funds for Purchase of Furniture	500,000	-	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Muthangari Police Station	Funds for Construction of Administration office and Toilet Block	6,500,000	-	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Gatina Chiefs Office	Funds for construction of Chiefs	3,517,220	-	Delayed disbursement of the funds from the

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Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
	Office			National treasury has affected the implementation of the project
Sub-Total		25,557,122	42,731,594	
Acquisition of assets		-	-	
Sub-Total		-	-	
Oversight Committee Expenses				
Constituency Oversight Expenses	Funds meant for payment of Constituency Oversight Committee Expenses	546,780	-	Delayed disbursement of the funds from the National treasury has affected the implementation of the project
Sub-Total		546,780	-	
Others (specify)				
Strategic Plan	Funds for Preparation of Constituency Strategic Plan	1,069,250	-	Preparation of strategic Plan has been 70% done hence the partial payment. The last payment to be done after conclusion of the exercise.
Sub-Total		1,069,250	-	
Funds pending approval				
Unallocated Funds - Muthangari Primary School	Funds for construction of Kitchen	20,000,000	-	Conditional Approval by the board. However, we have requested for reallocation since the project has been done by the county government.
AIA	Funds raised from sale of tender	32,400	32,400	Funds not yet approved for use by the board
PMC savings	Funds raised from savings made from PMCs	145,755	-	Funds not yet approved for use by the board
Sub-Total		20,178,155	32,400	
Grand Total		97,949,979	61,198,034	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021/2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022/2023
Land	-	-	-	-
Buildings and structures	-	-	-	-
Transport equipment	2,050,000	-	-	2,050,000
Office equipment, furniture and fittings	1,497,000	238,500	-	1,735,500
ICT Equipment, Software and Other ICT Assets	461,000	-	-	461,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	4,008,000	238,500	-	4,246,500

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

PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Kileleshwa Police Station	1470272153382	Equity-Kilimani Branch		77,995
Muthangari Primary School	1470271830666	Equity-Kilimani Branch	-	97,067
Nairobi Primary School	1470271830574	Equity-Kilimani Branch	-	249,523
Milimani Primary School	1470269814613	Equity-Kilimani Branch	93,592	487,412
Lavington Primary School	1470271830222	Equity-Kilimani Branch		92,434
Kileleshwa Primary School	1470268910687	Equity-Kilimani Branch		111,171
Riruta HGM Primary School	1470271830060	Equity-Kilimani Branch		448,898
St. Georges Girls Sec. School	1470271425101	Equity-Kilimani Branch	67,289	2,399,096
Dagoretti Muslim Pri. Sch.	1470268579903	Equity-Kilimani Branch	538,008	676,155
Kabiro Muslim Chiefs Office	1470271424902	Equity-Kilimani Branch		448,411
Kawangware Primary School	1470271424958	Equity-Kilimani Branch	23,013	24,693
Gatina Primary School	1470268910644	Equity-Kilimani Branch	23,614	190,546
Dagoretti Mixed Secondary School	1470268910618	Equity-Kilimani Branch	-	603,000
Dagoretti Sub County Office	1470268910586	Equity-Kilimani Branch	-	2,780
Kenya High School	1470271829992	Equity-Kilimani Branch	-	18,525
Lavington Secondary School	1470268941783	Equity-Kilimani Branch	97,464	1,031,709
Jacaranda Special School	1470267814476	Equity-Kilimani Branch		42,414
Nairobi Milimani Sec. School	1470272153436	Equity-Kilimani Branch	247,850	5,160,402
Muthangari Police Station	1470276334943	Equity-Kilimani Branch	4,947	169,633
St. Georges Primary School	2036822085	Absa - Hurlingam Branch	776,000	776,000
Kawangware Acc Office	1800277697745	Equity - Kawangware Branch	6,764	253,496
State House Girls High school	1470280205222	Equity - Kilimani Branch	-	750,570
Precious Blood Secondary School Riruta	0630280149769	Equity-Kawangware Branch		
Kilimani Primary School	1470268937783	Equity-Kilimani Branch	50,735	300,239
Kilimani Police Station Pmc	1470282343887	Equity-Kilimani Branch	16,190	16,190
Kileleshwa Chiefs Office	1470282641751	Equity-Kilimani Branch	-	2,000,000
Total			1,945,464	16,428,537

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1. Budgetary Control and Performance	The Summary Statement of Appropriation reflects a final Expenditure budget of Kshs. 230,796,588 against Actual Expenditure of Ks. 169,598,554 resulting in budget under- utilization of Ksh. 61,198,034 equivalent to 27% of the approved budgeted amount.	This was as a result of late disbursement of the funds from the board. However, the following projects have hence been implemented as was budgeted.	Not Resolved	
2. Un utilization of Project Management Committee Funds	Note 17.4 to the Financial Statement indicates Project Management Committee unutilized fund balances totalling to Ksh. 16,428,537 as at June 2022 as analysed in Annex 5 to the financial statements. However, an amount of Ksh. 469,716 in respect of completed and un utilized project funds had not been returned to the Constituency account contrary to section 12(8) of the National Government Constituency Development Fund Act , 2015 which requires all un utilized funds of the PMC to be returned to the constituency account	The funds were received from the NGCDFC Board towards the end of the financial year hence 100% Utilization was not possible. The unutilized funds in the PMCs will be reversed back to the constituency Account after payment of the retention in different PMC accounts.	Not Resolved	
3. Weak Controls in Asset Management	The financial statements under Annex 4 indicates, the summary of fixed assets register with historical value of	The assets that were indicated without Values were donations by the	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Ksh. 4,008,000.00. However, the assets register provided for the Audit listed some Computers, Printers and other computer accessories without Values. Further some of the assets had the condition indicated as not usable and were not availed for physical verification, while several assets had not been tagged.	NGCDF Board, however we are in the process of disposing obsolete assets that are not in use		



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Name; Paul Kipsang Magut
Fund Account Manager.