

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

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

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

THE NATIONAL ASSEMBLY
PAPERS LAID

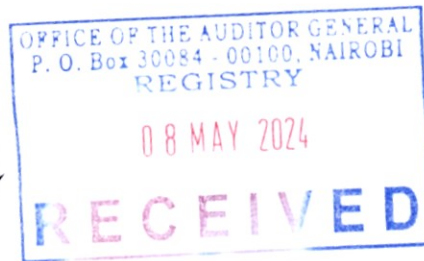
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CLERK-AT-THE-TABLE: Benson Inzofu

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WESTLANDS CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

AMENDED

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

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*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
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I. Acronyms and Abbreviations

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

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project management Committee

FY-Financial Year

II. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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- 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 Westlands Constituency NGCDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Laboso Chepngeno
2.	Sub-County Accountant	Lucas Okech
3.	Chairman NGCDFC	Freddah Kaelo

(c) Fiduciary Oversight Arrangements

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

P.O. Box 13712-00800 Bhenga House
Off Kiuna Highrise, behind the Nairobi school
P.O. Box 13712-00800
Sarit Centre.
Nairobi, KENYA

(e) Westlands Constituency NGCDF Contacts

E-mail: cdwestlands@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) Westlands Constituency NGCDF Bankers

Equity Bank, Kangemi Branch
A/c no. 1370261760659
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 Chairman's Report



**Md. FREDDAH KAELO
CHAIRPERSON WESTLANDS NGCDF**

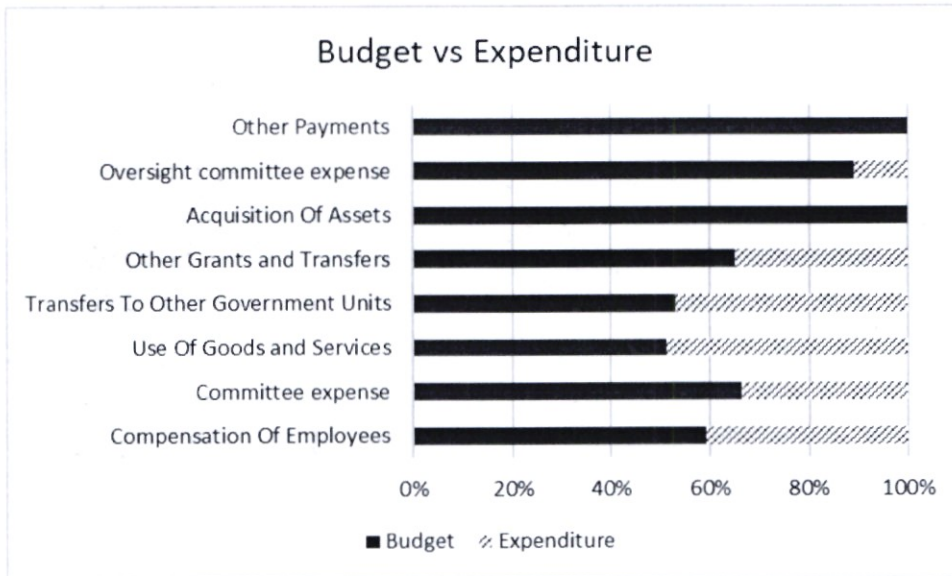
Westlands Constituency is one of the 17 Constituencies in Nairobi County, Kenya. The constituency is situated three kilometres (3km) North West of Nairobi Central Business District (CBD). The Constituency covers an area of 72.4 km². Westlands is a unique constituency because it has in it some of the most affluent localities in Nairobi as well as some of the poorest (slum) areas in Nairobi County.

Some of the affluent localities include Runda, Muthaiga, Parklands, Highridge, Kitisuru, Spring Valley, Thigiri, Kyuna and Loresho. The affluent areas boast of posh estates that accommodate the rich and powerful in Nairobi. On the other hand, there are less affluent or slum areas like Kangemi, Gichagi, NITD, Ndumbuini, Dam Village, Deep Sea, Githogoro, City Park, Kaptagat and Kibagare slums. The slum areas are the most disadvantaged and challenged due to the number of poverty-stricken people, living in dilapidated living conditions.

Westlands NG-CDF had an allocation of Kshs. 145,087,603 in the financial year 2022/2023. We were able to implement most of the projects. The constituency has so far received Kshs. 87,000,000 from the NG-CDF Board and disbursed the same to the beneficiaries.

The Westlands NG-CDF committee has worked tirelessly to ensure projects are completed in good time and that there is prudent use of the available funds.

During the financial year, 2022/2023. The challenge faced during the year was funds disbursement from the NGCDF Board delayed.



KEY ACHIEVEMENTS



Figure 1: Construction of a Kitchen at North Highbridge Secondary School

This project involved the construction of a kitchen at North Highbridge Secondary School. This has improved the learning environment in the school as the students are now able to access school meals from an improved modern Kitchen. This also improves the hygiene of the school hence help in fighting the effect of Covid 19



Figure 2: Purchase of School Buses for Kihumbuini, New Kihumbuini and Kangemi Primary Schools

This project involved the purchase of School bus for 3 Primary schools namely Kihumbuini, New Kihumbuini and Kangemi Primary School. This is one of the Projects that has enabled the primary schools to access further learning and educational trips within the country. It has also supported other co curriculum activities like sports for the schools. The fellow neighbouring schools can also access the busses and hence improved learning for the institutions.

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 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.


.....
Freddah Kaelo
CHAIRPERSON NGCDF COMMITTEE

IV. Statement Of Performance Against Predetermined Objectives for FY2022/23

Introduction

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

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

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

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:

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Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure built in primary, secondary and tertiary institutions. Number of bursary beneficiaries at all levels. Number of equipment purchased for education institutions.	Bursary issued to 4000 students in secondary schools and 2000 students in Tertiary Institutions. 10 Classrooms renovated in primary schools and 3 busses purchased for primary schools.
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 built an Assistant County commissioners office in parklands furnished
Environment	to enhance clean water supply	Provision of water tanks	High number of water tanks supplied in institutions	We installed water tanks at Loresho primary and Farasi lane primary school
Sports	to develop the talents of young people	Increased participation of youth in Sports tournaments	Increased number of girl's football teams during tournament their counterpart's boy's teams for the first time.	The office bought uniforms to various schools;Loresho secondary, Parklands and Arya secondary
Emergency	Improve the mechanism used in handling disasters	Reduce loss of live and properties	Number of staircases and rumps put in place	We Constructed a Kitchen at North highridge Secondary School is fitted with a rump to enable access by the FWD

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;

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- (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 gazettment 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.

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

NO	NAME	CATEGORY	WARD
1.	Robert Odiya	Male (Adult)	Karura
2.	Livingstone Sunday	Male (Youth)	Parklands
3.	Rebecca Balongo	Female (Adult)	Kangemi
4.	Lynne Miheso	Female (Youth)	Mountain View

Nominee of the Body representing Persons with Disability

NO	NAME	NOMINATING ORGANIZATION	NATURE OF PHYSICAL IMPAIRMENT	WARD
1.	Freddah Kaelo	Women Challenged to Challenge Westlands SHG	ambulatory	Kitisuru

Nominee of the Constituency Office

NO	NAME	CATEGORY	OCCUPATION	WARD
1.	Josephat Ngaira	Male	Pastor	Kangemi
2.	Margret Kingatua	Female	Business Lady	Mountain View

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.	Grace Owinga	Female	Karura

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

The members took over the office on the first meeting on 12th December 2022 and went through the process electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson

-Ms. Freddah Kaelo

ID No. 21375126

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2. Secretary

-Ms. Lynne Miheso

ID No. 36712338

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

The following were appointed to the different committee

a. Bursary committee

1. Livingstone Sunday - Member
2. Margaret Kingatua - Member
3. Rebecca Balongo - Member

b. Complaints Resolution Committee

1. Josephat Ngaira - Member
2. Grace Owinga - Member
3. Robert Odiya - 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.

In Westlands 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-CDFC Westlands.

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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. Westlands Constituency Held a total of 10 meetings (Two (2) meetings for the old committee and Eight (8) for the New Committee) in the financial year 2022-2023 and the attendance was as follows.

NO.	NG-CDFC COMMITTEE MEMBERS	12 th Dec 2022	5 th Jan 2023	7 th Feb 2023	6 th March 2023	28 th March 2023	18 th April 2023	18 th May 2023	22 nd June 2023
1	Freddah Kaelo- chair	✓	✓	✓	✓	✓	✓	✓	✓
2	Lynne Miheso- Secretary	✓	✓	✓	✓	✓	✓	✓	✓
3	Josephat Ngaira - Member	✓	✓	✓	✓	✓	✓	✓	✓
4	Grace Owinga- Member	✓	✓	✓	✓	✓	✓	✓	✓
5	Livingstone Sunday- Member	✓	✓	✓	✓	✓	✓	✓	✓
6	Robert Odiya - Member	✓	✓	✓	✓	✓	✓	✓	✓
7	Magret Kingatua- PWD	✓	✓	✓	✓	✓	✓	✓	✓
8	Rebbecca Balongo- Member	✓	✓	✓	✓	✓	✓	✓	✓
9	Laboso Chepngeno- FAM	✓	✓	✓	✓	✓	✓	✓	✓
10	Mwai Gicheru- DCC	✓	✓	✓	✓	✓	✓	✓	✓

Ethics & Conduct

Members of NGCDFC are required to observe the following ethical issues

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

During the financial year 2022/2023 members of NGCDFC Westlands 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 Westlands 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 Westlands has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

VI. Environmental and Sustainability Reporting

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

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

2. Environmental performance

- Westlands NGCDF 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. Westlands 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. Westlands 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-

Westlands NG-CDF Constituency is committed to fair and ethical market practises.

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

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

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-

Westlands 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.

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



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Laboso Chepngeno
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-Westlands Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

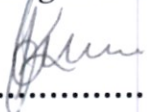
The Accounting Officer in charge of the NGCDF-Westlands Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting 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- Westlands 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 Westlands Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted

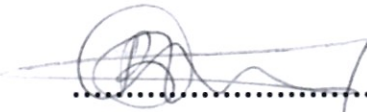
for. Further the Accounting Officer confirms that the *constituency*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Westlands Constituency financial statements were approved and signed by the Accounting Officer on 26.03.2024.



.....
Name: Freddah Kaelo
Chairperson – NGCDF Committee



.....
Name: Laboso Chepngeno
Fund Account Manager

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - WESTLANDS 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 - Westlands Constituency set out on pages 1 to 41,

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

which comprise of the statement of assets and liabilities as at 30 June, 2023, the statement of receipts and payments, statement of cash flows, summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Unsupported Project Management Committee Bank Balances

Note 19.4 to the financial statements and as disclosed in Annex 5 reflects Project Management Committee bank balances totalling Kshs.24,331,366 which were not supported with bank balance certificates, expenditure returns and Projects Implementation Status reports.

In the circumstances, the accuracy of Project Management Committee bank balances totalling Kshs.24,331,366 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 - Westlands Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.169,361,063 and Kshs.111,273,460 respectively resulting to an under-funding of Kshs.58,087,603 or 35% of the budget. Similarly, the Fund spent a balance of Kshs.91,765,105 against actual receipts of Kshs.111,273,460 resulting to an under-utilization of Kshs.19,508,355 or 17.5%.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections 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

Irregular Awarding of Bursaries

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.27,877,940 as disclosed in Note 8 to the financial statements. This amount includes bursaries to secondary schools and tertiary institutions amounting to Kshs.17,190,000 and Kshs.8,200,000 respectively. However, Management did not provide evidence of formation of the Education Bursary, Mock Examinations and Continuous Assessment Tests Committee whose responsibilities include vetting of applicants. This was in contravention with Regulation 21(3) of the National Government Constituencies Development Fund Regulations, 2016 which provides that a Constituency Committee shall vet all applicants for bursary consideration in accordance with guidelines issued by the Board and every constituency shall establish a Sub-Committee for effective and efficient administration of education bursary schemes, mock examinations and continuous assessment tests.

Further, review of records revealed that bursaries amounting to Kshs.7,400,000 were issued on behalf of students whose names could not be traced in the list of applicants and therefore the basis for awarding the bursaries could not be confirmed.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance

about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal 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 control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions which may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to 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

18 June, 2024

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	87,000,000	182,177,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		87,000,000	182,177,758
Payments			
Compensation Of Employees	4	2,172,245	3,678,382
Committee Expenses	5	2,728,500	
Use Of Goods and Services	6	5,883,420	7,754,169
Transfers To Other Government Units	7	52,955,000	142,070,000
Other Grants and Transfers	8	27,877,940	73,832,619
Acquisition Of Assets	9	-	-
Constituency Oversight Expenses	10	148,000	
Other Payments	11	-	-
Total Payments		91,765,105	227,335,170
Surplus/(Deficit)		(4,765,105)	(45,157,412)

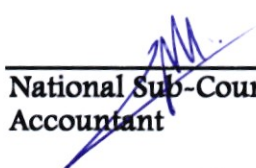
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by the NGCDFC on 26.03.2024 and signed by:




Fund Account Manager

Name: Laboso Chepngeno



National Sub-County Accountant

Name: Lucas Okech
ICPAK M/No:



Chairperson NG-CDF Committee

Name: Freddah Kaelo

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

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


	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	19,508,355	24,273,460
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		19,508,355	24,273,460
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		19,508,355	24,273,460
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12	-	-
Gratuity	13	-	-
Net Financial Assets		19,508,355	24,273,460
Represented By			
Fund Balance B/Fwd	15	24,273,460	69,430,872
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		(4,765,105)	(45,157,412)
Net Financial Position		19,508,355	24,273,460

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

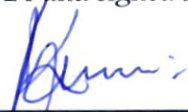
The Constituency financial statements were approved by NG CDFC on 26.03.2024 and signed by:


Fund Account Manager

Name: Laboso Chepngeno


National Sub-County
Accountant

Name: Lucas Okech
ICPAK M/No:


Chairperson NG-CDF
Committee

Name: Freddah Kaelo

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

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	87,000,000	182,177,758
Other Receipts	3	-	-
Total Receipts		87,000,000	182,177,758
Payments			
Compensation Of Employees	4	2,172,245	3,678,382
Committee Expense	5	2,728,500	
Use Of Goods and Services	6	5,883,420	7,754,169
Transfers To Other Government Units	7	52,955,000	142,070,000
Other Grants and Transfers	8	27,877,940	73,832,619
Oversight Committee Expense	10	148,000	-
Other Payments	11	-	-
Total Payments		91,765,105	227,335,170
Total Receipts Less Total Payments		(4,765,105)	(45,157,412)
Adjusted For:			
Prior Year Adjustments	15	-	-
Decrease/(Increase) In Accounts Receivable	16	-	-
Increase/(Decrease) In Accounts Payable	14	-	-
Net Cash Flow from Operating Activities		(4,765,105)	(45,157,412)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		(4,765,105)	(45,157,412)
Cash & Cash Equivalent At Start Of The Year	10	24,273,460	69,430,872
Cash & Cash Equivalent At End Of The Year	11	19,508,355	24,273,460

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

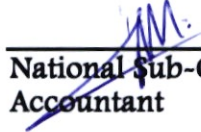
*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

The Constituency financial statements were approved by NG CDFC on 26.03.2024 and signed by:



Fund Account Manager

Name: Laboso Chepngeno



**National Sub-County
Accountant**

**Name: Lucas Okech
ICPAK M/No:**



**Chairman NG-CDF
Committee**

Name: Freddah Kaelo

***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) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

The underutilization was occasioned by delayed disbursement, conditional approval of three projects namely construction of NGCDF office, construction of constituency kitchen and construction of a ramp at Bohra pry totalling to 32,478,025. Other projects were not implemented due to changing needs and Ngcdfc are seeking reallocations approval from the NGCDF board.

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

The changes in the original budget and final budget was as a result of reallocation of funds and unutilized funds brought forward.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	77,595,958
Less undisbursed funds receivable from the Board as at 30 th June 2023	58,087,603
	19,508,355
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2023	19,508,355

The Constituency financial statements were approved by NG CDFC on 26.03.2024 and signed by:

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 NGCDF Board	145,087,603	24,273,460	-	169,361,063	111,273,460	58,087,603	
Proceeds From Sale of Assets			-				0.0%
Other Receipts			-				0.0%
Totals	145,087,603	24,273,460	-	169,361,063	111,273,460	58,087,603	65.7%
Payments							
Compensation Of Employees	1,983,280	1,161,355	-	3,144,635	2,172,245	972,390	69.1%
Committee expense	5,222,000	170,590	-	5,392,589.76	2,728,500.00	2,664,090	51%
Use Of Goods and Services	5,852,604	350,522	-	6,203,126	5,883,420	319,706	95%
Transfers To Other Government Units	45,270,000	10,700,000	-	55,970,000	52,955,000	3,015,000	94.6%
Other Grants and Transfers	51,211,594	7,780,171	-	58,991,765	27,877,940	31,113,825	47.2%
Acquisition Of Assets		312,457	-	312,457		312,457	0.0%
Oversight committee expense	1,228,100		-	1,228,100	148,000	1,080,000	12%
Other Payments	2,000,000	3,640,365	-	5,640,365		5,640,365	0.0%
Unallocated fund	32,320,025	158,000	-	32,478,025		32,478,025	0.0%
Totals	145,087,603	24,273,460	-	169,361,063	91,765,105	77,595,958	54%

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



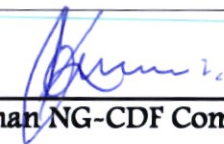
Fund Account Manager

Name: Laboso Chepngeno



National Sub-County Accountant

**Name: Lucas Okech
ICPAK M/No:**



Chairman NG-CDF Committee

Name: Freddah Kaelo

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

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			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	1,983,280	1,161,355	-	3,144,635	2,172,245	972,390
1.2 Committee allowances	2,704,000	18,557	-	2,722,557	2,170,750	551,807
1.3 Use of goods and services	4,017,976	18,258	-	4,036,234	3,954,254	81,960
Total	8,705,256	1,198,170	-	9,903,426	8,297,279	1,606,147
2.0 Monitoring and evaluation						
2.1 Capacity building	1,050,000	1,900	-	1,051,900	1,044,500	7,400
2.2 Committee allowances	2,518,000	152,033	-	2,670,033	557,750	2,112,283
2.3 Use of goods and services	784,628	330,364	-	1,114,992	884,636	230,356
Total	4,352,628	484,297	-	4,836,925	2,486,886	2,350,039
3.0 Emergency						
3.1 Primary Schools	7,636,190	3,122,178	-	10,758,368	1,982,940	8,775,428
3.2 Security projects			-			
Total	7,636,190	3,122,178	-	10,758,368	1,982,940	8,775,428

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

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			
4.0 Bursary and Social Security						
4.1 Primary Schools		-	-			
4.2 Secondary Schools	19,350,000	-	-	19,350,000	16,530,000	2,820,000
4.3 Tertiary Institutions	14,450,000	-	-	14,450,000	7,910,000	6,540,000
4.4 Social Security	1,200,000	-	-	1,200,000	-	1,200,000
4.5 Special institutions	1,271,900	-	-	1,271,900	950,000	321,900
Total	36,271,000	-	-	36,271,900	25,390,000	10,881,900
5.0 Sports						
5.1	2,901,752	645,493	-	3,547,245	-	3,547,245
Total	2,901,752	645,493	-	3,547,245	-	3,547,245
6.0 Environment						
6.1 Environmental Activities	-	7,500	-	7,500	-	7,500
6.2 Kangemi Chiefs Office	-	205,000	-	205,000	205,000	-
6.3 NG-CDF Office	1,901,752	-	-	1,901,752	-	1,901,752
6.4 Lower Kabete Primary School	250,000	-	-	250,000	-	250,000
6.5 Karura Forest Primary School	250,000	-	-	250,000	-	250,000

Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
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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			
6.6North Highridge Primary School	250,000	-	-	250,000	-	250,000
6.7Cheleta Primary School	250,000	-	-	250,000	-	250,000
Total	2,901,752	212,500	-	3,114,252	205,000	2,909,252
7.0 Primary Schools Projects						
7.1Bohra Primary School	500,000	-	-	500,000	-	500,000
7.2 Lower Kabete Primary School	660,000	-	-	660,000	660,000	-
7.3 Kangemi Primary School	8,700,000	-	-	8,700,000	8,695,000	5,000
7.4 Kabete Vet lab Primary school		700,000	-	700,000	700,000	
7.5 New kihumbuini Primary School	8,700,000	-	-	8,700,000	8,695,000	5,000
7.6 Kihumbuini Primary school	8,700,000	-	-	8,700,000	8,695,000	5,000
7.7 Kihumbuini primary school	5,500,000	-	-	5,500,000	5,500,000	-
7.8 Visa Oshwal primary school	500,000	-	-	500,000	-	500,000
7.9 Westlands primary school	500,000	-	-	500,000	-	500,000
7.10New Kihumbuini primary school	500,000	-	-	500,000	-	500,000
7.11 Kihumbuini primary school	500,000	-	-	500,000	-	500,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	2022/2023			2022-2023	30/06/2023	
7.12 North Highridge primary school	500,000	-	-	500,000	-	500,000
7.13 Kangemi primary school	500,000	-	-	500,000	-	500,000
7.14 Visa Oshwal Primary school	3,000,000	-	-	3,000,000	-	3,000,000
7.15 Hospital Hill primary school		3,500,000	-	3,500,000	3,500,000	
Total	38,760,000	4,200,000	-	42,960,000	36,445,000	6,515,000
8.0 Secondary Schools Projects						
8.1 Vetlab Secondary School	-	5,000,000	-	5,000,000	5,000,000	-
8.2 Loresho Secondary school	-	5,000,000	-	5,000,000	5,000,000	-
8.3 Kangemi High school	2,500,000	-	-	2,500,000	2,500,000	-
8.4 North Highridge Secondary school	2,529,000	-	-	2,529,000	2,529,000	-
8.5 North Highridge Secondary school	1,481,000	-	-	1,481,000	1,481,000	-
		-	-			-
Total	6,510,000	10,000,000	-	16,510,000	16,510,000	-
9.0 Tertiary institutions Projects						

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
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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			
10.0 Security Projects						
10.1 Parklands police station	1,500,000			1,500,000		1,500,000
10.2 Westlands DCC Office	-	-	-	-	-	3,500,000
10.3 kangemi chiefs office		300,000		300,000	300,000	-
Total	1,500,000	3,800,000	-	5,300,000	300,000	5,000,000
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)	-	22,200	-	22,200	-	22,200
11.2 NGCDF Motor Cycle	-	290,257	-	290,257	-	290,257
Total	-	312,457	-	312,457	-	312,457
12.0 Constituency oversight committee						
12.1 Committee Allowances	940,000	-	-	940,000	148,000	792,000
12.2 Use of goods and services	288,100	-	-	288,100		288,100
Total	1,228,100	-	-	1,228,100	148,000	1,080,100
13.0 Others						

National Government Constituencies Development Fund (NGCDF)
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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			
13.1 Strategic Plan	2,000,000		-	2,000,000	-	2,000,000
13.2 Innovation Hub		3,640,365	-	3,640,365	-	3,640,365
Total	2,000,000	3,640,365	-	5,640,365	-	5,640,365
Funds pending approval**	32,320,025		-	32,320,025	-	32,320,025
14.0 unallocated fund	-		-	-	-	
AIA	-	158,000	-	158,000	-	158,000
PMC savings	-		-	-	-	-
Total	32,320,025	158,000	-	32,478,025	-	32,478,025
Total	145,087,603	24,273,460	-	169,361,063	91,765,105	77,595,958

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx 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 202x.

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.

*Westlands Constituency
National Government Constituencies Development Fund (NGCDF)
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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. B105585		44,000,000
AIE NO. B105962		22,000,000
AIE NO. B105329		33,000,000
AIE NO. B128739		5,000,000
AIE NO. B154351		12,000,000
AIE NO. B154245		12,000,000
AIE NO. B154463		18,000,000
AIE NO. B155516		24,088,879
AIE NO. A888518		12,088,879
B185296	7,000,000	
B206240	21,000,000	
B206280	5,000,000	
B205639	12,000,000	
B205936	12,000,000	
B207715	15,000,000	
B207847	15,000,000	
TOTAL	87,000,000	182,177,758

2. Proceeds from Sale of Assets

	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	-	-

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Notes to the Financial Statements (Continued)

3. Other Receipts

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

4. Compensation of Employees

	2022/2023	2021/2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,537,920	2,799,240
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	144,664
Leave allowance	-	-
Gratuity to contractual employees	600,845	556,278
Employer Contributions Compulsory national social security schemes	33,480	178,200
Total	2,172,245	3,678,382

5. Committee Expenses

	<i>Insert current FY</i>	<i>Insert previous FY</i>
	Kshs	Kshs
Sitting allowance	961,000	-
Other committee expenses	1,767,500	2,093,813
Total	2,728,500	2,093,813

*Westlands Constituency
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Notes to the Financial Statements (Continued)

6. Use of Goods and services

	2022/2023	2021/2022
	Kshs	Kshs
Utilities, supplies and services	13,920	1,916,761
Communication, supplies and services	20,000	
Office rent	1,572,000	1,800,000
Domestic travel and subsistence		-
Printing, advertising and information supplies & services	110,050	-
Rentals of produced assets		-
Training expenses	2,890,900	1,707,563
Hospitality supplies and services	524,000	
Insurance costs	-	166,577
Specialized materials and services	-	-
Office and general supplies and services	173,421	-
Fuel, oil & lubricants	46,620	52,055
Other operating expenses	69,909	
Bank service commission and charges	12,600	17,400
Routine maintenance – vehicles and other transport equipment	-	-
Security Operations	450,000	-
Routine maintenance – other assets		-
Total	5,883,420	5,660,356

7. Transfer to Other Government Units

Description	2022/2023	2021/2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	36,445,000	61,600,000
Transfers To Secondary Schools (See Attached List)	16,510,000	80,470,000
Transfers To Tertiary Institutions (See Attached List)	-	
Total	52,955,000	142,070,000

Westlands Constituency

National Government Constituencies Development Fund (NGCDF)

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

Notes to The Financial Statements (Continued)

8. Other Grants and Other transfers

	2022/2023	2021/2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	17,190,000	45,588,860
Bursary – tertiary institutions (see attached list)	8,200,000	15,880,556
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	1,635,639
Security projects (see attached list)	300,000	3,691,899
Sports projects (see attached list)	-	3,685,308
Environment projects (see attached list)	205,000	1,350,357
Emergency projects (see attached list)	1,982,940	2,000,000
Roads projects (see attached list)		
Total	27,877,940	73,832,619

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Notes to the Financial Statements (Continued)

9. Acquisition of Assets

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

10. Oversight Committee expenses

	<i>Insert current FY</i>	<i>Insert previous FY</i>
	Kshs	Kshs
COC Member allowance	148,000	-
Other oversight expenses	-	-
Total	148,000	-

11. Other Payments

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

Westlands Constituency

National Government Constituencies Development Fund (NGCDF)

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Notes To The Financial Statements (Continued)

1. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022/2023	2021/2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
Equity Bank, Kangemi Branch . Westlands NG CDF A/C no.1370261760659	19,508,355	24,273,460
Total	19,508,355	24,273,460
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
Total				

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Notes to the Financial Statement Continued

14a. Retention

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

14b. Gratuity

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

15. Fund Balance B/F

	(1st July 2022)	(1st July 2021)
	Kshs	Kshs
Bank accounts	24,273,460	69,430,872
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	24,273,460	69,430,872

Notes To The Financial Statements (Continued)

16. Prior Year Adjustments

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

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

17. 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	-	-

18. Changes In Accounts Payable – Deposits and Retentions

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

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

	<i>Insert current FY</i>	<i>Insert previous FY</i>
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
Total	-	-

19.3: Unutilized Fund (See Annex 3)

	<i>Insert current FY</i>	<i>Insert previous FY</i>
	Kshs	Kshs
Compensation of employees	972,390	1,161,355
Committee expenses	2,664,090	-
Use of goods and services	319,706	521,112
Amounts due to other Government entities (see attached list)	3,015,000	10,700,000
Amounts due to other grants and other transfers (see attached list)	31,113,825	7,780,171
Acquisition of assets	312,457	312,457
Oversight committee expense	1,080,000	
Other Payments (specify)	5,640,365	
Funds pending approval	32,478,025	158,000
Total	77,595,958	24,273,460

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19.4: PMC account balances (See Annex 5)

	<i>Insert current FY</i>	<i>Insert previous FY</i>
	Kshs	Kshs
Balances	24,331,365.790	50,109,611
Total	24,331,365.790	50,109,611

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					

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 staff salaries and gratuity	972,390	1,161,355	Staff gratuity
Use of goods & services	Funds for payment allowances and purchase of office items	2,983,796	521,112	Delayed disbursement
Amounts due to other Government entities				Balance due to delay in disbursement.
Bohra Primary School	Purchase of lockers	500,000		Delayed disbursement
Kangemi Primary School	Balance on school bus purchase	5,000		Unspent balance
New kihumbuini Primary School	Balance on school bus purchase	5,000		Unspent balance
Kihumbuini Primary school	Balance on school bus purchase	5,000		Unspent balance
Visa Oshwal primary school	Purchase of lockers	500,000		Delayed disbursement
Westlands primary school	Purchase of lockers	500,000		Delayed disbursement
New Kihumbuini primary school	Purchase of lockers	500,000		Delayed disbursement
Kihumbuini primary school	Purchase of lockers	500,000		Delayed disbursement
North Highridge primary school	Purchase of lockers	500,000		Delayed disbursement
Kangemi primary school	Purchase of lockers	500,000		Delayed disbursement
Visa Oshwal Primary school	Construction of ablution block	3,000,000		Delayed disbursement
Total				
Sub-Total		10,471,186	11,682,467	

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Amounts due to other grants and other transfers				
Bursary and Social Security				
Secondary Schools	Bursary for needy students	2,820,000		Delayed disbursement
Tertiary Institutions	Bursary for needy students	6,540,000		Delayed disbursement
Social Security	NHIF	1,200,000		Delayed disbursement
Special institutions	Bursary for needy students	321,900		Delayed disbursement
Sports	Sports activities	3,547,245		Delayed disbursement
Environment				
Environmental Activities	Tree planting	7,500		
NG-CDF Office	Purchase of water tank and fixing gutters, tree planting and drainage works	1,901,752		Delayed disbursement
Lower Kabete Primary School	Purchase of water tank and fixing gutters	250,000		Delayed disbursement
Karura Forest Primary School	Purchase of water tank and fixing gutters	250,000		Delayed disbursement
North Highridge Primary School	Purchase of water tank and fixing gutters	250,000		Delayed disbursement
Cheleta Primary School	Purchase of water tank and fixing gutters	250,000		Delayed disbursement
Security Projects				
Parklands police station	Construction of a fence	1,500,000		Delayed disbursement
Westlands DCC Office	Renovation of the office	3,500,000		Delayed disbursement
Sub-Total		27,613,825	12,120,536	

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Acquisition of assets	Funds for purchasing a motorcycle	312,457	312,457	Funds not utilized
Oversight committee expense	Funds for payment of COC Allowances and Expenses	1,080,100		delayed disbursement
Others (<i>specify</i>)				
Strategic Plan	Funds meant for preparation of constituency strategic Plan	2,000,000		delayed disbursement
Innovation Hub	Funds meant for construction of innovation hub	3,640,365	3,640,365	delayed disbursement
Sub-Total		7,032,922	312,457	
Funds pending approval	Funds meant for construction of Ngcdf office, constituency kitchen and construction of a ramp at Bohra pry school	32,478,025	158,000	Ngcdfc have since respond to Ngcdf board resolutions
Grand Total		77,595,958	24,273,460	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures				
Transport equipment	4,820,400			4,820,400
Office equipment, furniture and fittings	303,519			303,519
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets	15,688			15,688
Intangible assets				
Total	5,139,607			5,139,607

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Annex 5 –PMC Bank Balances As At 30th June 2023

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Lower Kabete Primary school	Equity	55028206110	706,419	700,000
Hospital Hill Primary school	Equity	550282139230	474,775	2,010,000
Kabete vet lab secondary	Equity	1370282180820	458,174	648,425
Kangemi chiefs Office	Equity	1370280459067	569,185	64,185
Loresho Secondary School	Sidian	10200300002	2,573,786.00	9,998,975.00
Kabete vet lab primary school	Equity	1370278953290	2,097,862	6,788,642
Kangemi primary school	Equity	1370280603643	564,338	10,845,766
Kangemi High school	Equity	1370278999484	2,500,019	40,439
Kabete Vet Lab Seondry School	Sidian	10200300001	1,083,056.00	4,988,975.00
North highridge secondary school	Equity	5505278498177	1,633,727	218,917
North Highridge Secondary	KCB	1271931699	2,531,270.00	7,320.00
Kihumbuini Primary School	Equity	1370278458011	0.39	0.39
Kihumbuini Primary School	Equity	1370282179951	6,130,655.80	704,814
New Kihumbuini Primary School	Equity	1370277568647	247,102.30	247,102.00
Highridge Primary School	Equity	0550278438699	1,095.05	1,095.00
Loresho Secondary School	Equity	11370282049399	520,927.00	2,147,582.00
Farasi Lane Secondary School	Equity	0550282109863	458,630.00	2,687,481.00
North Highridge Primary School	Equity	0550278662302	436,466.70	436,467.00
Loresho Secondary School	Equity	137027833728	13,000.00	13,000.00

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Bohra Primary School	Equity	1370279742499	437,113.85	4,572,194.00
Bohra Primary School	Equity	1370272924891	638,749.75	831,761.00
Parklands Police Station	Equity	0550279437205	1,396.90	1,397
Cheleta Primary School	Equity	1340280705804	2,014.00	2,014.00
Kabete Vet Lab Sec School	Equity	1370278981139	11,995.65	552,116.00
Highridge ACC 1 office	Equity	0550280559210	85,549.00	1,446,886.00
Runda Police Station	Equity	0550280840976	115,940.00	115,940.00
Westlands Primary School	KCB	1205528369	38,118.40	38,118.40
Parklands Arya Girls High School	Co-operative Bank	01129587170200	0.00	0.00
Total			24,331,365.79	50,109,611

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)																				
NGCDF- WESTLANDS/2021/2022	<p>Inaccuracies in the Financial Statements</p> <table border="1" data-bbox="504 571 1070 869"> <thead> <tr> <th>Item</th> <th>Opening Balance 2020/21 Kshs.</th> <th>Closing Balance 2020/21 Kshs.</th> <th>Variance Kshs.</th> </tr> </thead> <tbody> <tr> <td>Transfer to other Govt Entities</td> <td>63,598,524</td> <td>56,963,874</td> <td>6,634,650</td> </tr> <tr> <td>Other Grants and Transfers</td> <td>16,029,390</td> <td>22,664,040</td> <td>- 6,634,650</td> </tr> <tr> <td>Transfer to Pry School</td> <td>15,791,674</td> <td>15,463,874</td> <td>327,800</td> </tr> <tr> <td>Transfer to Sec School</td> <td>47,806,850</td> <td>41,500,000</td> <td>6,306,850</td> </tr> </tbody> </table> <p>In addition, Note 7 to the financial statements reflects other grants and transfers prior year balance of Kshs. 16,029,390. However, omitted from this balance is environment projects amount of Kshs. 720,000 and emergency projects amount of Kshs. 5,514,650.</p> <p>Further Note 17.4 to the financial statements and as analysed under Annex 5 reflects PMC account balances totalling to Kshs. 28,951,743 as at 1 July, 2021 which is at variance with the amount of Kshs.42,197,586 reflected in the financial statements for</p>	Item	Opening Balance 2020/21 Kshs.	Closing Balance 2020/21 Kshs.	Variance Kshs.	Transfer to other Govt Entities	63,598,524	56,963,874	6,634,650	Other Grants and Transfers	16,029,390	22,664,040	- 6,634,650	Transfer to Pry School	15,791,674	15,463,874	327,800	Transfer to Sec School	47,806,850	41,500,000	6,306,850	Amended financial statements to correct typing error	Not resolved	By 30 th October 2023
Item	Opening Balance 2020/21 Kshs.	Closing Balance 2020/21 Kshs.	Variance Kshs.																					
Transfer to other Govt Entities	63,598,524	56,963,874	6,634,650																					
Other Grants and Transfers	16,029,390	22,664,040	- 6,634,650																					
Transfer to Pry School	15,791,674	15,463,874	327,800																					
Transfer to Sec School	47,806,850	41,500,000	6,306,850																					

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)
	the year ended 30 June, 2021. The variances were not explained.			
	<p>Unutilized PMC Balances</p> <p>Project Management Committee unutilized fund balances as at 30 June, 2022 totaling to 34,401,617, were not returned to the Constituency Main account contrary to Section 12(8) of the National Government Constituency Development Fund Act, 2015.</p> <p>Consequently, the cash and cash equivalents balance of Kshs. 24,273,460 reflected in the statement of assets and liabilities may be understated by the amount of unutilized funds of the project management committees account balances not returned to the constituency fund account.</p>	The funds were meant to facilitate ongoing projects	resolved	
	Note 5 to the financial statements reflects use of goods and services amount totaling to Kshs.7,754,169, which includes office rent totaling to Inconsistency in rent payment	The minutes of NG-CDFC held on 17 th February 2022, the members agreed to renew the tenancy lease for two years,	Not resolved	30 th October 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs.1,800,000 paid to Icuga Development Limited. A review of the payment vouchers provided for audit review revealed the following;</p> <ul style="list-style-type: none"> i. Rent paid for the first two quarters (July -September 2021 and October- December 2021) was Kshs.900,000 against the demand letters amount of Kshs.750,000 per quarter which totals to Kshs.1,500,000. However, the tenancy agreement shows that monthly rent is Kshs.262,500 translating to Kshs 787,000 per quarter. ii. Records in respect of the third quarter (Jan-March 2022) indicate that Kshs. 486,000 was paid against the demand letter of similar amount. Minutes attached show that there was an approval of rent increment of Kshs 20,000 per month. iii. For the fourth quarter (April- June 2022) records shows that Kshs. 	<p>NGCDF to pay Icuga Development Limited 486,000 quarterly rent as per attached documents. Documents attached confirms that there was rent review upwards due which was approved by management.</p>		

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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)
	<p>414,000 was paid against the demand letter of Kshs 486,000. A letter attached addressed to the Sub County Accountant- Dagoretti South shows that the variance of Kshs.74,000 will be paid in the financial year 2022/2023. However, there was no disclosure in the financial statements that there is rent arrears to be paid in the pending bills list.</p> <p>iv. The tenancy agreement for the last two quarters shows that monthly rent is Kshs.270,000 translating to Kshs 810,000 per quarter.</p> <p>No explanation was provided for the inconsistency in rent amounts paid.</p> <p>The accuracy and authenticity of office rent totalling to Kshs.1,800,000 could not be confirmed.</p>			



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Name
Fund Account Manager.