

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY	
REPORT	
DATE: 27 JUL 2023	DAY: Thursday
TABLED BY: OF	Hon. Naomi Wago, MP Deputy Majority Whip
CLERK-A-THE-TABLE:	Finlays Mwaruki

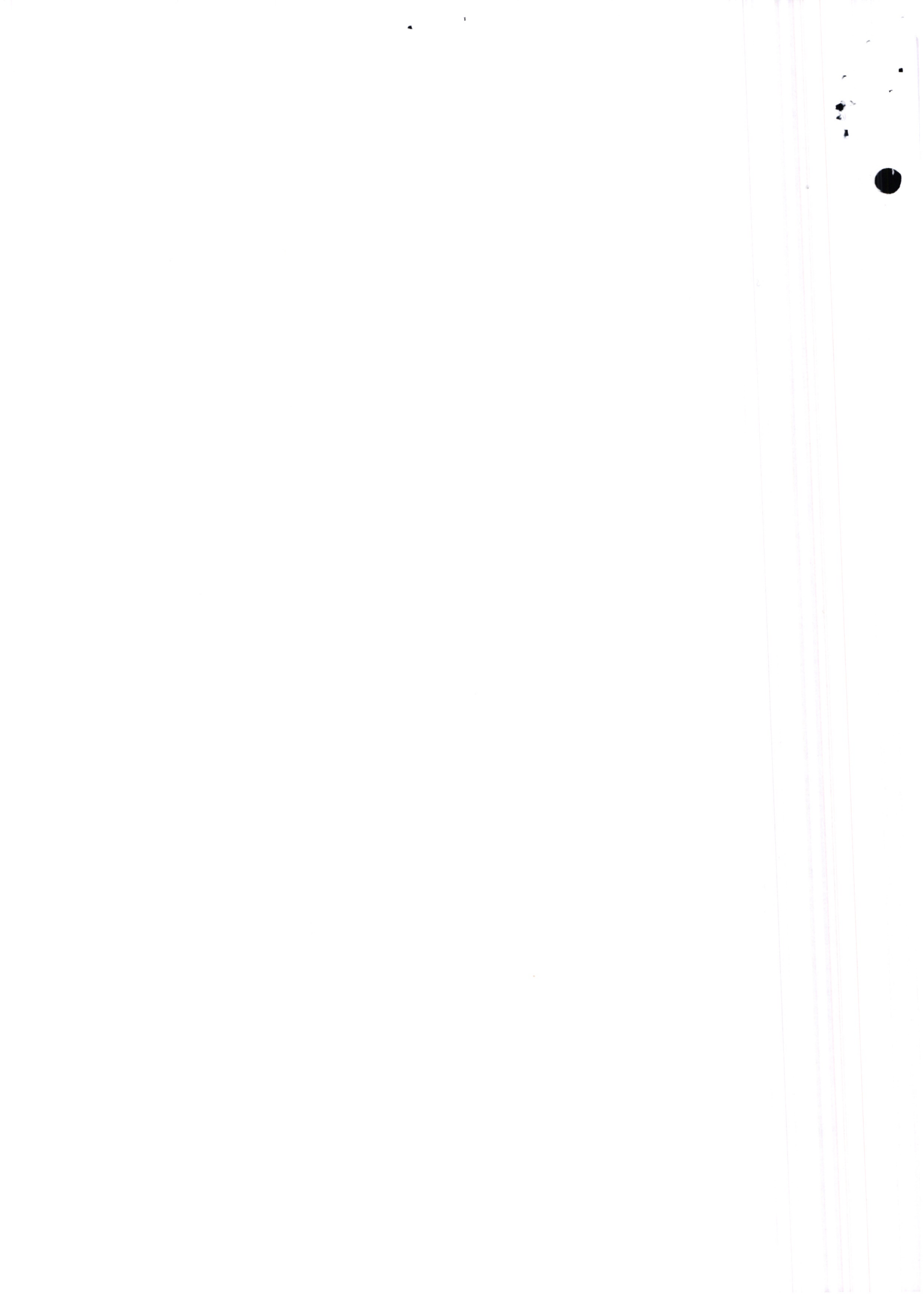
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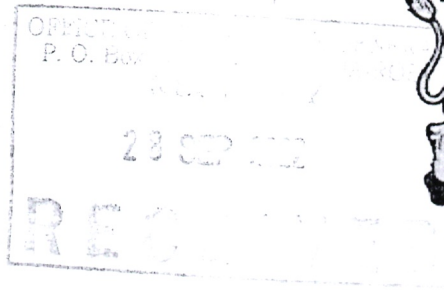
THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND - KASARANI
CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2022**





KASARANI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITTUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

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*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Table of Contents

	Page
I. Key Constituency Information and Management	iii
II. NG-CDFC Chairman's Report.....	vii
III. Statement Of Performance Against Predetermined Objectives for FY2021/22	xiii
IV. Environmental and Sustainability Reporting.....	xvi
V. Statement Of Management Responsibilities	xx
VI. Report Of the Independent Auditors On The NG-CDF- xx Constituency.....	xxii
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022	1
VIII. Statement Of Assets and Liabilities As At 30 th June, 2022	2
IX. Statement Of Cash Flows for The Year Ended 30th June 2022.....	3
X. Summary Statement of Appropriation for The Year Ended 30 th June 2022	5
X. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2022.....	7
XI. Significant Accounting Policies	11
XII. Notes To the Financial Statements	17

I. 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 2016. 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;

***Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022***

- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Kasarani Constituency NG-CDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)

***Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022***

ii. National Government Constituency Development Fund Committee (NG-CDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Jane Kariuki
2.	Sub-County Accountant	Penninah Munyao
3.	Chairman NG-CDFC	Samuel Nyoike
4.	Member NG-CDFC	Marriam Gatuma

(d) Fiduciary Oversight Arrangements

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

(e) Kasarani Constituency NG-CDF Headquarters

P.O. Box 50990-00100
Njiru NG-CDF Office Building
Off Kangundo Road
Nairobi, KENYA

(f) Kasarani Constituency NG-CDF Contacts

Telephone: (254) 722270378
E-mail: cdfkasarani@NG-CDF.go.ke
Website: www.ng-cdf.go.ke

*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

(g) Kasarani Constituency NG-CDF Bankers

Family Bank
017000012562
Kasarani Branch

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. NG-CDFC Chairman's Report



I. FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE

Annual allocation

On behalf of Kasarani NG-CDF, I am pleased to present the unaudited financial statements for the Constituency for the financial year ended 30th June 2022. The constituency was allocated Kshs. 137,088,879 in the financial year 2021/2022. The total amount had been received by the end of the financial year. The NG-CDFC, in pursuant to the provisions of the NG- CDF Act 2015, as amended in 2016, allocated the funds to various projects with reference to the constituency strategic plan and priorities of the public participation meetings held across the Constituency. These projects and programmes includes, but not limited to, construction of schools, security projects, sports activities and disbursement of bursaries.

Budgetary appropriation

The total amount available for use in the FY 021/022 was Ksh. 218,919,375 This amount comprised of the financial year allocation of Kshs. 137,088,879, brought forward from previous years amounting to Kshs. 78,975,870 and refund of unutilized funds by Project Management Committees amounting to Kshs.2, 854,626. The total amount utilized as at 30th June 2022 was Kshs. 206,029,747, equivalent to 94 % thus unutilized amount stood at Kshs. 12,889,628. This level of utilization was commendable as compared to last year utilization level which was at 70 %.

Figure 1.0

Total budget for the year	Actual funds utilised within the year	Unutilised funds
Kshs. 218,919,375	Kshs. 206,029,747	Kshs. 12,889,628

Figure 1.1

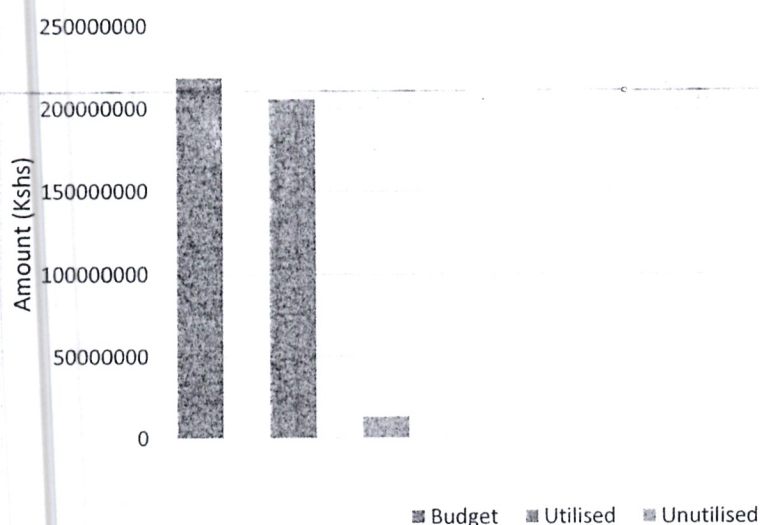


Figure 1.0 and 1.1 shows the total budget as compared to actual utilisation within the year, representing 94 % of utilization.

Sector Prioritization

During the year the committee allocated Kshs. 58,800,000 as transfers to other government entities. This comprised of an allocation of Kshs.32, 600,000 being transfer to primary school projects and Kshs. 26,200,000 being transfers to secondary school projects. An amount of Kshs. 65,950,881 was also allocated as other grants and transfers. This comprised of security, bursary, sports and emergency projects amounting to Kshs.16, 000,000, Kshs.40, 016,897, Kshs.2, 741,777 and Kshs. 7,192,207 respectively. Use of goods and services was allocated Kshs.8, 634,918 while compensation to employees was allocated Kshs. 3,703,080.

Figure 2.0

Allocation	Amount (Kshs)
Transfer to other government entities	58,800,000
Other grants & transfers	65,950,881
Use of goods and services	8,634,918
Compensation to employees	3,703,080
Total financial year allocation	137,088,879

Figure 2.1

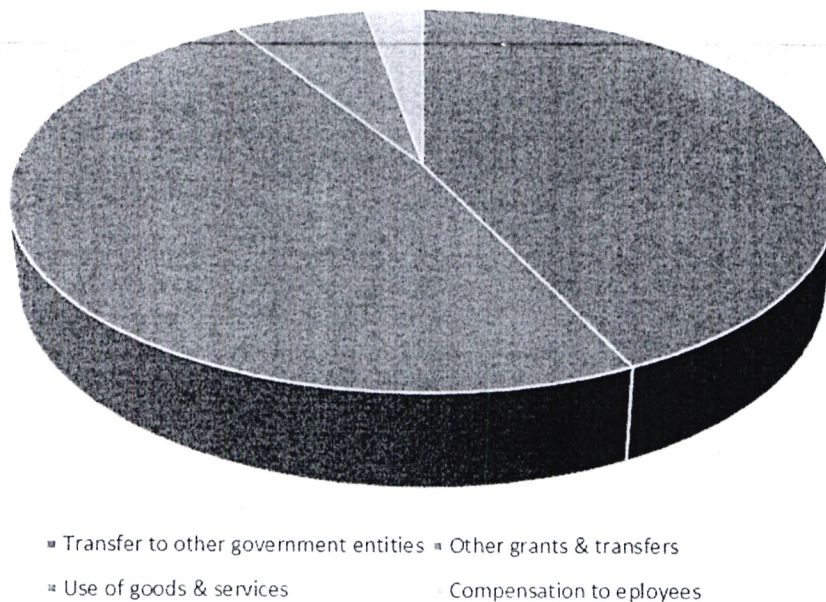
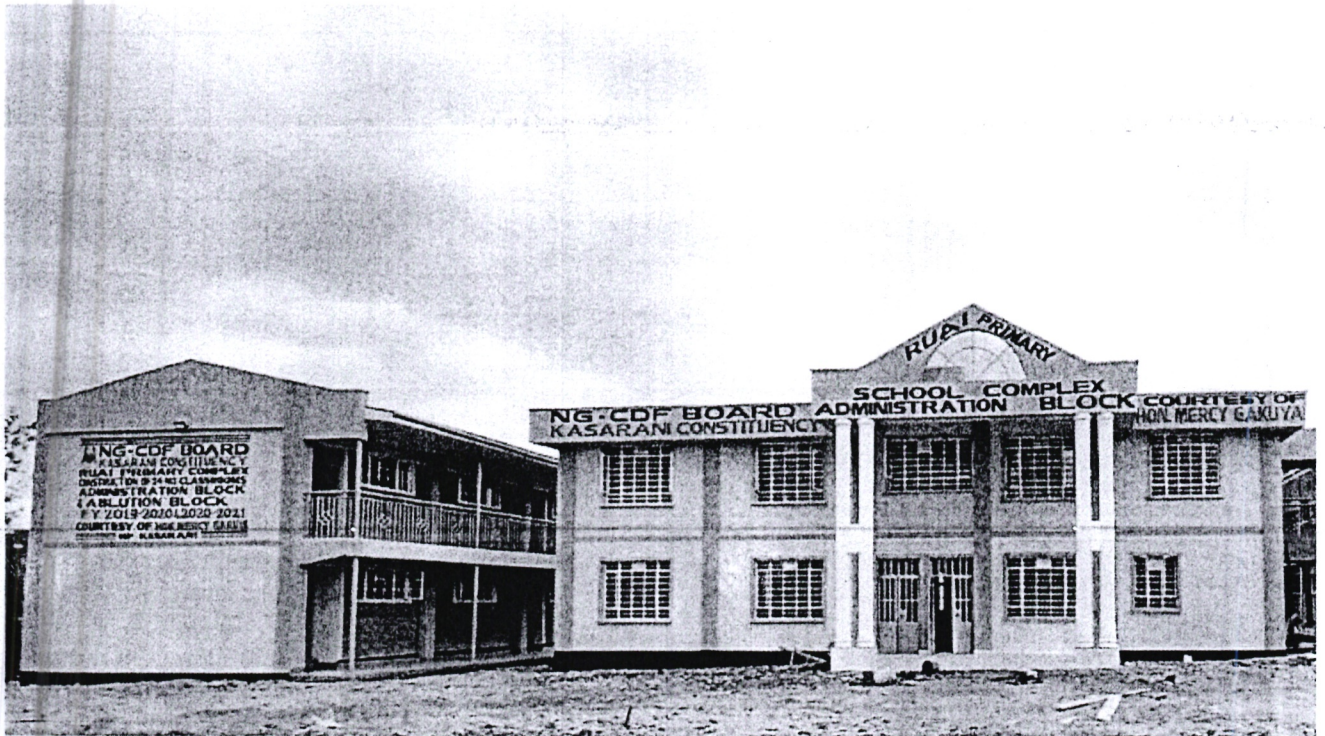


Figure 2.0 and 2.1 shows the distribution of the total allocation for the financial year 021/022

Achievements

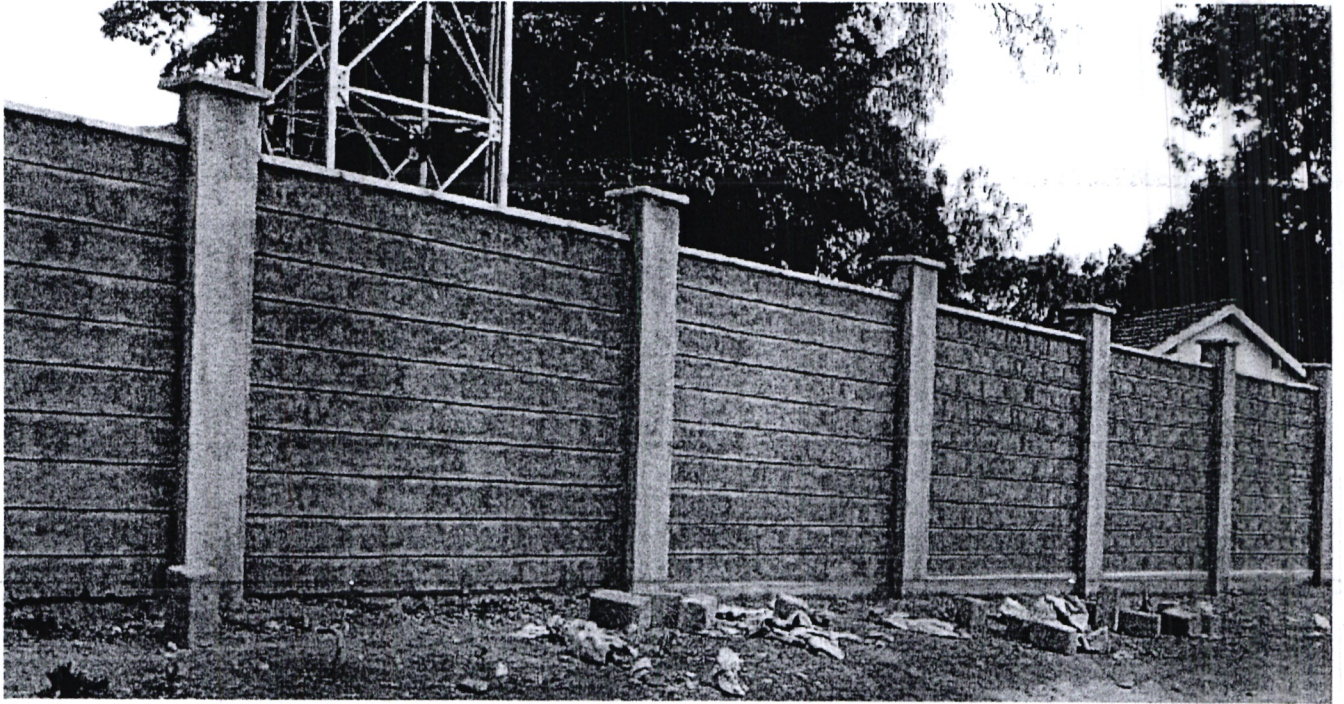
During the year, the Committee disbursed a total of Kshs 74,276,364 as bursary to needy students in secondary and tertiary institutions. There was also construction of physical facilities in primary schools, secondary schools as well as security projects. These infrastructures includes, among others, classrooms, administration blocks, ablution blocks, perimeter walls, lockers, chairs and desks. Some key achievements in terms of projects implemented are as shown below;



Ruai Primary School complex- 24 classrooms, Administration block and Ablution block



Njiru Secondary School Ablution block



Kasarani Primary school Perimeter Wall



Kasarani Police Station Perimeter Wall

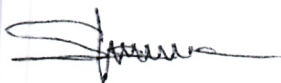
*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Challenges

While it hasn't been without challenges, the committee has ensured excellent performance in projects implementation and management through mitigation of the challenges encountered. Some of the challenges include inadequate record keeping by Project Management Committees and inadequate knowledge by some Project Management Committees on Public Procurement and Disposal Act 2015 and its regulation. There is also limited number of technical officers needed to provide the necessary technical advice in project implementation. To mitigate the challenges, the NG-CDFC undertook a comprehensive capacity building programme for Project Management Committees before project implementation was initiated. The committee also ensured that a qualified Clerk of Works was hired to assist the technical person in matters relating to project implementation and management.

I wish to sincerely thank the NG-CDF Board, NG-CDF Committee, NG-CDF staffs, Project Management Committees and all other stakeholders for their cooperation and unwavering support which resulted to great achievement by the constituency.

Sign



**Samuel Nyoike
Chairman NG-CDF Committee**

III. Statement of Performance against Predetermined Objectives for FY 2021/22

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 NG-CDF-KASARANI Constituency's *2018-2022* plan are to:

Strategic Pillar 1 - Education Projects

Strategic objective: Ensure access to quality education

Strategic objective: Enhance access to educational facilities

Strategic Pillar 2 - Security Projects

Strategic objective: Improve sanitation and hygiene for security personnel

Strategic objective: Enhance public safety

Strategic Pillar 3 - Youth and Sports Projects

Strategic objective: Increase the level of youth engagement in sports

Strategic objective: Increase access and capacity for utilization of sports fund allocation

Strategic Pillar 4 - Environment Projects

Strategic objective: Achieving a clean Kasarani

Strategic objective: Improve on dispose of waste

Strategic Pillar 5 - Operations- NG-CDF

Strategic objective: Ensure a secure working environment for NG-CDF staff

Strategic objective: Efficient, citizen-responsive service delivery

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To 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 build in primary, secondary, and tertiary institutions Number of bursary's beneficiaries at all levels	In FY 21/22, the constituency disbursed funds to 9 primary schools and 13 secondary schools for improvement of school physical structures. More than 15 classrooms were completed whereas a few were still ongoing at the end of the year. Also 1 administration block was completed with 3 ongoing & 1 perimeter wall complete & 4 ongoing by 30 th June 2022. - An amount of Kshs. 74,276,364 was issued as bursary to students at different levels.
Security	Improved security and reduced crime rate	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built within the constituency and furnishing & equipping of new or existing physical structures	Kasarani Police station was secured with a perimeter wall thus enhancing service delivery.
Sports	Nurtured talents and increase in income	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	A sports tournament which attracted constituency football teams was successfully held within the year. The participating teams were later awarded

Kasarani Constituency

National Government Constituencies Development Fund (NG-CDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

				with sports uniforms, balls and trophies
Environment	Mitigate adverse impacts on various environmental components	Safe, healthy, and quality working lives	Extent of trees planted Extent to which constructed buildings are environmental friendly Number of people educated on environmental issues	The committee has ensured tree planting within the office compound to not only beautify the place, but also uplift the overall atmosphere of the workplace All constructed structures were fixed with gutters for water harvesting. Environmental education was achieved during the capacity building of CDFC, Staffs and PMCs
NG-CDF Operations	Transformed quality and efficiency of public service delivery Efficient, citizen-responsive service delivery	Proportion of citizens satisfied with service delivery provided by Kasarani NG-CDF (%)	Building and utilisation of NG-CDF office Fully equipping of NG-CDFC office. Training of NG-CDFC and NG-CDF staffs	The NG-CDF office is also fully equipped and staffs have got the required equipment's and work in a conducive environment We have undertaken two trainings for both NG-CDFC and staffs

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Kasarani 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; NG-CDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Kasarani NG-CDF values the natural environment and the need to protect it. Keeping our environment unpolluted and clean is paramount to the success of our communities. Though the ecosystem stability is in danger as the relationship between human beings and the environment has deteriorated, the committee believes the relationship can be harmonised if people start encouraging activities like conservation, regeneration, and protection of nature.

The committee has ensured that there is adequate trees within the NG-CDF compound that does not only beautify the place, but also uplift the overall atmosphere of the workplace. The green environment also boosts oxygen levels and removes harmful pollutants such as carbon dioxide.

The committee is also committed in ensuring that we promote a paperless office. This is being achieved by encouraging digital platform communication with the relevant stakeholders' therefore reducing paper and ink consumption thus an eco-conservative alternative.

Kasarani NG-CDF also ensured that issues on environmental conservation were tackled during capacity building exercise of NG-CDFCs, PMCs and staffs. Environmental education was also given preference during public gatherings like sporting activities and public participation exercises.

3. Employee welfare

We invest in providing the best working environment for our employees. Kasarani Constituency recruitment is guided by Employment Act, NG-CDF 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. Kasarani 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-

Kasarani 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.

NG-CDF 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-

Kasarani NG-CDF 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.

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



.....
Jane Kariuki
Fund Account Manager

V. 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 NG-CDF-Kasarani 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, 2022. 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.

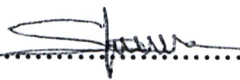
The Accounting Officer in charge of the NG-CDF-Kasarani Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the Kasarani constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NG-CDF- Kasarani 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 NG-CDF Kasarani 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 NG-CDF- Kasarani Constituency financial statements were approved and signed by the Accounting Officer on 12th Sept 2022.

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Name: Samuel Nyoike
Chairman – NG-CDF Committee

.....


Name: Jane Kariuki
Fund Account Manager

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KASARANI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

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 - Kasarani Constituency set out on pages 1 to 36, which comprise the statement of assets and liabilities as at 30 June, 2022, statement of

*Report of the Auditor-General on National Government Constituencies Development Fund - Kasarani Constituency
for the year ended 30 June, 2022*

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kasarani Constituency as at 30 June, 2022, 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 National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Irregular Payments under Compensation of Employees

The statement of receipts and payments and Note 4 to the financial statements reflect compensation of employees amount of Kshs.3,805,890. Examination of salary schedules provided revealed that out of this amount, Kshs.703,080 was paid to ten (10) former employees of the Fund. However, the related staff records were not provided for audit. In the absence of staff records it was not possible to confirm whether the beneficiaries were actually former employees. Similarly, their contracts provided for payment of gratuity which was not paid at the end of their service period. Additionally, in the absence of staff records referred to above, it was not possible to confirm the amount of entitlement and the reason for non-payment. Further, the payments to the former employees were not reflected in the Fund's bank statement for the year under review.

In the circumstances, the accuracy and completeness of the compensation of employees amount of Kshs.3,805,890 could not be confirmed.

2. Other Grants and Other Transfers

2.1 Unexplained Variances in Bursaries

Note 7 to the financial statements reflects bursary issued totaling to Kshs.74,276,363. Examination of payment vouchers revealed total bursaries issued in the year amounting to Kshs.75,422,862 resulting to unexplained variance of Kshs.1,146,498.

Additionally, the total bursary of Kshs.74,276,363 constitutes Kshs.57,342,653 to secondary schools and Kshs.16,933,711 to tertiary institutions. However, schedules provided reflected Kshs.58,554,217 for bursary to secondary schools and Kshs.13,967,572 for bursary to tertiary institutions. The resultant variances of Kshs.1,211,564 and Kshs.2,966,139 were not explained or reconciled.

Further, review of extracts of the cheques dispatch register revealed cheques drawn in the year under review but could not be traced to the bursary analysis schedules.

2.2 Unsupported Bursary

Examination of records provided revealed that one hundred and eight (108) students were awarded bursary of between Kshs.40,000 and Kshs.150,100 each, totalling Kshs.8,718,117 in the year under review. However, it was observed that the Board only approved a list of sixty-two (62) students and therefore the list of 108 students awarded exceeded the approved sixty-two (62) students. The approval for the extra forty-six (46) students was not provided.

In addition, a payment voucher number 73 for an amount Kshs.1,380,000 was supported with a listing of three hundred (300) students. However, details of bursary entitlement of the students were not provided.

2.3 Irregular Bursary to Driving Schools

Examination of records provided revealed that Kshs.4,122,122 was paid to two driving schools for training of boda boda riders. It was observed that the Request for Quotations (RFQ) method of procurement was used even though the amount involved exceeded the maximum limit of Kshs.3,000,000 provided for use of this method. Further, there was no contracts or terms of engagement between the Fund and the driving schools.

In the circumstances, the accuracy and completeness of other grants and other transfers amounting to Kshs.74,276,363 could not be confirmed.

3. Unsupported and Unutilized Project Management Committee Funds

Annex 5 to the financial statements reflects thirty-six (36) Project Management Committee (PMC) bank balances amounting to Kshs.84,274,602. However, it was established that, PMC account balance of Kshs.2,200,000 for Honourable John Njoroge Secondary School was omitted from the above balance.

Further, it was observed that the Project Management Committees unutilized fund balances amounting to Kshs.86,474,602 were not returned to the Constituency account, contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015. In the circumstances, the cash and cash equivalents balance of Kshs.12,889,628 reflected in the financial statements may be understated by the amount of unutilized funds of Kshs.86,474,602, not returned to the Constituency fund account.

In the circumstance, the accuracy and completeness of the cash and cash equivalents balance of Kshs.12,889,628 could not be confirmed.

4. Lack of Ownership Documents

Annex 4 to the financial statements reflects the summary of fixed asset register balance of Kshs.8,712,172. Included in the register are buildings and structures valued at Kshs.5,785,540. However, the ownership documents for the land where the buildings are constructed were not provided for audit review.

In the circumstances, the accuracy and completeness of the fixed assets amounting to Kshs.8,712,172 could not be confirmed.

5. Unsupported Legal Fees

The statement of receipts and payments and Note 5 to the financial statements reflect use of goods and services expenditure amount of Kshs.13,850,875. The amount includes other operating expenses of Kshs.463,950, out of which an amount of Kshs.418,950 is for legal fees paid to a legal firm for legal services. However, the details of the legal suit, including the nature and financial impact to the Fund, were not disclosed as a contingent liability in the financial statements. Further, records provided revealed that the total fee to defend the Fund in the legal suit was Kshs.700,000. However, details of the current status of the legal suit were not provided for audit review.

In the circumstances, the validity, accuracy and completeness of other operating expenses amounting to Kshs.418,950 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 - Kasarani Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

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 matters to report in the year under review.

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final expenditure budget and actual on comparable basis totaling Kshs.218,919,375 and Kshs.206,029,747 respectively, resulting in an under performance of Kshs.12,889,628 (or 6%) of the budget.

The under-performance may have had a negative impact on implementation of planned activities, and this may have negatively affected the provision of services to the people of Kasarani Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Excess Allocation on Bursary

The statement of receipts and payments and Note 7 to the financial statements reflect other grants and other transfers of Kshs.94,304,704. Included in this amount is bursary to secondary schools and tertiary institutions of Kshs.57,342,653 and Kshs.16,933,711 respectively. The total bursary amount of Kshs.74,276,364 represents a 39% of the total transfers from NG-CDF Board, which is 4% above the allowable limit of 35% as provided for Section 48 of the National Government Constituencies Development Fund Act, 2015.

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

2. Unutilized Project

The Tender No. KAS/NG-CDF/027/020/021 for works on construction of 16No. classrooms, administration block and ablution block at Ruai Primary School was awarded at a cost of Kshs.46,472,300. Examination of documents relating to the project revealed that the project was complete and certificate of practical completion issued by the Supervisor (Clerk of Works or Consultant) in 13 May, 2021.

Physical verification carried out on the project on March, 2023, revealed that, although the project was complete and the contractor not on site, the building had not been put into use. According to Management, the reason for not utilizing the building was that the furniture had not been acquired.

In the circumstances, it was not possible to confirm that value for money was obtained in the construction of the building.

3. Failure to Maintain a Retention Money Register

The Fund deducted 10% of the contract sum from the amount paid to the contractors as per the interim payment certificates, as retention amounts. Examination of sampled payment documents revealed that a total of Kshs.6,486,463 was deducted as retention amounts from payments made to various contractors. However, no retention register was provided for audit to confirm that all amounts deducted from contractors for payments made on interim certificates in the year under review were recorded. Further, Note 12A to the financial statements does not indicate any retentions withheld or paid during the year.

In the circumstances, the Project Management Committee's bank account balances reflected as Kshs.84,274,602 may be incorrect since the retentions deducted are liabilities refundable to the contractors.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 July, 2023



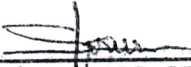
*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

VII. Statement of Receipts and Payments for the Year Ended 30th June 2022

	Note	2021-2022	2020-2021
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	185,777,758	159,767,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	2,854,626	335,638
TOTAL RECEIPTS		188,632,384	160,103,363
PAYMENTS			
Compensation of employees	4	3,805,890	2,987,607
Use of goods and services	5	13,850,875	11,127,558
Transfers to Other Government Units	6	94,068,278	119,213,033
Other grants and transfers	7	94,304,704	44,964,721
Acquisition of Assets	8	-	2,794,255
Other Payments	9	-	2,338,514
TOTAL PAYMENTS		206,029,747	183,425,688
SURPLUS/DEFICIT		(17,397,363)	(23,322,325)

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

The Constituency financial statements were approved on 12th Sept 2022 and signed by:

 _____ Fund Account Manager	 _____ National Sub-County Accountant	 _____ Chairman NG-CDF Committee
Name: Jane Kariuki	Name: Penninah Munyao ICPAK M/No: 14195	Name: Samuel Nyoike

*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

VIII. Statement of Assets and Liabilities as At 30th June, 2022


	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	12,889,628	30,286,991
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		12,889,628	30,286,991
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		12,889,628	30,286,991
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL SSETS		12,889,628	30,286,991
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	30,286,991	53,609,317
Prior year adjustments	14	-	-
Surplus/Defict for the year		(17,397,363)	(23,322,325)
NET FINANCIAL POSITION		12,889,628	30,286,991

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


The Constituency financial statements were approved on 12th Sept 2022 and signed by:


Fund Account Manager

Name: Jane Kariuki


National Sub-County
Accountant

Name: Penninah Munyao
ICPAK M/No: 14195


Chairman NG-CDF
Committee

Name: Samuel Nyoike

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022


IX. Statement of Cash Flows for the Year Ended 30th June 2022

		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	185,777,758	159,767,724
Other Receipts	3	2,854,626	335,638
		188,632,384	160,103,363
Payments for operating activities			
Compensation of Employees	4	3,805,890	2,987,607
Use of goods and services	5	13,850,875	11,127,558
Transfers to Other Government Units	6	94,068,278	119,213,033
Other grants and transfers	7	94,304,704	44,964,721
Other Payments	9	-	2,338,514
		206,029,747	180,631,433
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(17,397,363)	(20,528,070)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	(2,794,255)
Net cash flows from Investing Activities		-	(2,794,255)
NET INCREASE IN CASH AND CASH EQUIVALENT			
		(17,397,363)	(23,322,325)
Cash and cash equivalent at BEGINNING of the year	10	30,286,991	53,609,317
Cash and cash equivalent at END of the year		12,889,628	30,286,991

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022


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

The Constituency financial statements were approved on 12th SEPT 2022 and signed by:



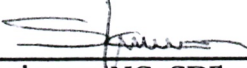
Fund Account Manager

Name: Jane Kariuki



**National Sub-County
Accountant**

Name: Penninah Munyao
ICPAK M/No: 14195



**Chairman NG-CDF
Committee**

Name: Samuel Nyoike

*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2021/2022	30/06/2022		
Transfers from NG-CDF Board	137,088,879	30,286,991	48,688,879	216,064,749	216,064,749	-	100%
Other Receipts-PMCs savings		2,854,626		2,854,626	2,854,626	-	100%
TOTAL RECEIPTS	137,088,879	33,141,617	48,688,879	218,919,375	218,919,375	-	100%
PAYMENTS							
Compensation of Employees	3,703,080	1,357,463	0	5,060,543	3,805,890	1,254,653	75%
Use of goods and services	8,634,918	5,396,812	1,748,868	15,780,598	13,850,875	1,929,723	88%
Transfers to Other Government Units	58,800,000	5,036,264	30,619,632	94,455,896	94,068,278	387,618	100%
Other grants and transfers	65,950,881	21,267,572	16,320,380	103,538,833	94,304,704	9,234,129	91%
Acquisition of Assets	0	83,505	0	83,505	-	83,505	0%
TOTAL	137,088,879	33,141,616	48,688,880	218,919,375	206,029,747	12,889,628	94%

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%)]

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

ITEM	%	EXPLANATION
Acquisition of Assets	0	The total unspent amount of Kshs.83, 505 is unutilized funds or saving after the completion of NG-CDF building. This amount was reallocated in FY 022/023

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	12,889,628
Less undisbursed funds receivable from the Board as at 30th June 2022	-
	12,889,628
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	12,889,628

The Constituency financial statements were approved on 12th Sept. 2022 and signed by:



 Fund Account Manager

Name: Jane Kariuki



 National Sub-County Accountant

Name: Penninah Munyao
 ICPAK M/No: 14195



 Chairman NG-CDF Committee

Name: Samuel Nyoike

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2021/2022			2021/2022	30/06/2022	
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,703,080	1,357,463	-	5,060,543	3,805,890	1,254,653
1.2 Committee allowances	2,800,000	1,871,266	1,583,956	6,255,222	5,946,971	308,251
1.3 Use of goods and services	1,722,252	468,517	164,912	2,355,681	2,233,110	122,571
Total	8,225,332	3,697,246	1,748,868	13,671,446	11,985,971	1,685,475
2.0 Monitoring and evaluation						
2.1 Capacity building	2,000,000	630,882	-	2,630,882	2,618,400	12,482
2.2 Committee allowances	1,800,000	1,397,529	-	3,197,529	2,198,944	998,585
2.3 Use of goods and services	312,666	1,028,618	-	1,341,284	853,450	487,834
Total	4,112,666	3,057,029	-	7,169,695	5,670,794	1,498,901
3.0 Emergency						
3.1 Primary Schools						
Mwiki Fry sch desks	650,000			650,000	650,000	-
3.2 Secondary schools						
3.3 Tertiary institutions						

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

3.4 Security projects						
3.5 Unutilized	6,542,207	66		6,542,273	-	6,542,273
Total	7,192,207	66	-	7,192,273	650,000	6,542,273
4.0 Bursary and Social Security						
4.1 Secondary Schools	25,016,897	16,048,067	16,277,743	57,342,706	57,342,653	53
4.2 Tertiary Institutions	15,000,000	1,940,000		16,940,000	16,933,711	6,289
Total	40,016,897	17,988,067	16,277,743	74,282,706	74,276,364	6,342
5.0 Sports						
5.1	2,741,777	2,705,039	42,638	5,489,454	5,378,340	111,114
Total	2,741,777	2,705,039	42,638	5,489,454	5,378,340	111,114
6.0 Environment						
	-	-				
Total	-	-	-	-	-	-
7.0 Primary Schools Projects						
Ruai pry Complex			8,500,000	8,500,000	8,500,000	-
Mwiki Pry 250 desks		1,656,895		1,656,895	1,652,500	4,395
Chieko Pry 250 desks		1,656,895		1,656,895	1,650,000	6,895
Athi pry renovation		341,546		341,546	341,546	-
Gituamba Pry class		265,400		265,400	265,400	-
Murema pry school perimeter wall	12,000,000			12,000,000	12,000,000	-
Kasarani Pryscool perimeter					14,000,000	

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

wall	14,000,000			14,000,000		-
Kasarani Pry classes renovation	1,500,000			1,500,000	1,500,000	-
Ngundu Pry school 3 classrooms	5,100,000			5,100,000	5,100,000	-
Total	32,600,000	3,920,736	8,500,000	45,020,736	45,009,446	11,290
8.0 Secondary Schools Projects						
Ruai Girls perimeter wall			16,685,228	16,685,228	16,308,900	376,328
Njiru sec 3 classes- FY 016/017			2,000,000	2,000,000	2,000,000	-
Njiru sec school 3 classes (Additional)- FY 020/021			2,742,197	2,742,197	,742,197	0
Njiru Sec ablution block construction	3,100,000			3,100,000	3,100,000	-
Njiru Sec ablution block completion		307,439		307,439	307,439	-
Mwiki sec ramp completion			606,433	606,433	606,433	-
Claycity sec ramp completion		606,433		606,433	606,433	-
Muhuri Muchiri sec class completion		201,656	49,564	251,220	251,220	(0)
Drumvale sec 3 classes construction	5,100,000			5,100,000	5,100,000	-
Highway manyatta	6,800,000			6,800,000	6,800,000	-
John Njoroge ablution block	2,200,000			2,200,000	2,200,000	-
Jehova Jire administration block	4,000,000			4,000,000	4,000,000	-
Ruai Boys administration block	5,000,000			5,000,000	5,000,000	-
Kasarani Treeside Sec ablution block completion			36,210	36,210	36,210	-

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Total	26,200,000	1,115,528	22,119,632	49,435,160	49,058,832	376,328
9.0 Tertiary institutions Projects				-		-
				-		-
Total	-		-	-	-	-
10.0 Security Projects				-		-
Kasarani Police Tank- Unutilized		44,400		44,400	-	44,400
Kasarani Police station perimeter wall	12,000,000			12,000,000	12,000,000	-
Kamunyonge Police Post	2,000,000			2,000,000	-	2,000,000
Ngundu Policen Post	2,000,000			2,000,000	2,000,000	-
Kasarani DCC ICT Hub works stations		250,000		250,000	-	250,000
Njiru DCC ICT Hub works stations		280,000		280,000	-	280,000
Total	16,000,000	574,400	-	16,574,400	14,000,000	2,574,400
11.0 Acquisition of assets				-		-
NG-CDF Office completion- Unutilized	-	83,505		83,505	-	83,505
Total	-	83,505	-	83,505	-	83,505
Total	-	-	-	-	-	-
	137,088,879	33,141,616	48,688,880	218,919,375	206,029,747	12,889,628

XI. 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 NG-CDF-Kasarani 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 Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

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 NG-CDF 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 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

Significant Accounting Policies continued

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.

*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

XII. Notes to the Financial Statements

1. Transfers from NG-CDF Board

	Description		2021-2022	2020 - 2021
			Kshs	Kshs
		AIE NO. B104941		67,767,724
1330407	Normal Allocation	AIE NO. B124768		1,000,000
		AIE NO. B124846		1,600,000
		AIE NO. B124972		8,500,000
		AIE NO. B119827		13,000,000
		AIE NO. B128117		6,900,000
		AIE NO. B128429		10,000,000
		AIE NO. B132173	-	6,000,000
		AIE NO. B138841	-	12,000,000
		AIE NO. B126428	-	11,000,000
		AIE NO. B126136	-	9,000,000
		AIE NO. B140572	-	13,000,000
		AIE NO. B140921	33,000,000	
		AIE NO. B105456	44,000,000	
		AIE NO. B105795	22,000,000	
		AIE NO. B128533	5,000,000	
		AIE NO. B128844	12,000,000	
		AIE NO. B154042	12,000,000	
		AIE NO. B164484	19,000,000	
		AIE NO. B155840	23,088,879	
		AIE NO. A888999	2,000,000	
		AIE NO. B155957	13,688,879	
1330408	Conditional Grants	AIE NO...		
1330409	Receipt from other Constituency			
	TOTAL		185,777,758	159,767,724

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

2. Proceeds From Sale of Assets

3510000	PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS		
	Description	2021-2022	2020 - 2021
		Kshs	Kshs
3510202	Receipts from the Sale of Buildings		-
3510601	Receipts from the Sale of Vehicles and Transport Equipment		-
3510801	Receipts from the Sale Plant Machinery and Equipment		-
3510803	Receipts from the Sale of Office and General Equipment		-
	TOTAL	-	-

3. Other Receipts

1400000	OTHER RECEIPTS		
	Description	2021-2022	2020 - 2021
		Kshs	Kshs
1410107	Interest Received		-
1410405	Rents		-
1420601	Receipts Sale of Tender Documents	-	-
	Hire of plant/equipment/facilities	-	-
	Unutilized funds from PMCs	2,854,626	335,638
1450207	Other Receipts Not Classified Elsewhere (specify)	-	-
	TOTAL	2,854,626	335,638

*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Notes to the Financial Statements (Continued)

4. Compensation of Employees

2110000	COMPENSATION OF EMPLOYEES		
	Description	2021-2022	2020 - 2021
		Kshs	Kshs
2110201	NG-CDFC Basic staff salaries	1,968,854	1,347,811
	Personal allowances paid as part of salary		
2110301	House allowance	410,250	481,750
2110314	Transport allowance	220,000	272,000
2110320	Leave allowance	-	-
2710120	Gratuity-contractual employees	1,190,786	872,446
2120101	Employer Contributions Compulsory national social security schemes	16,000	13,600
	TOTAL	3,805,890	2,987,607

5. Use of Goods and Services

2200000	USE OF GOODS AND SERVICES		
	Description	2021-2022	2020 - 2021
		Kshs	Kshs
2210100	Utilities, supplies and services	12,600	
2210101	Electricity	23,080	0
2210200	Communication, supplies and services	189,530	0
2210300	Domestic travel and subsistence	129,180	0
2210500	Printing, advertising and information supplies & services	180,680	296,004
2210600	Rentals of produced assets	309,610	
2210700	Training expenses	2,618,400	2,305,000
2210800	Hospitality supplies and services	391,723	0
2210802	Other committee expenses	4,974,150	1,345,447
2210809	Committee allowance	3,540,960	4,202,764
2211100	Office and general supplies and services	700,658	2,827,334
2211200	Fuel , oil & lubricants	-	0
2211300	Other operating expenses	463,950	0
2211301	Bank service commission and charges	270,404	151,009
2220200	Routine maintenance- other assets	45,950	
	TOTAL	13,850,875	11,127,558

*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022
Notes to the Financial Statements (Continued)*

6. Transfer to Other Government Units

2630200	TRANSFER TO OTHER GOVERNMENT ENTITIES		
	Description	2021-2022	2020 - 2021
		Kshs	Kshs
2630204	Transfers to Primary Schools	45,009,446	77,650,783
2630205	Transfers to Secondary Schools	49,058,832	41,562,250
2630206	Transfers to Tertiary Institutions		
	TOTAL	94,068,278	119,213,033

7. Other Grants and Other transfers

2640000	OTHER GRANTS AND OTHER PAYMENTS		
	Description	2021-2022	2020 - 2021
		Kshs	Kshs
2640101	Bursary - Secondary (see attached list)	57,342,653	24,914,071
2640102	Bursary -Tertiary (see attached list)	16,933,711	5,930,000
2640507	Security Projects (see attached list)	14,000,000	9,600,000
2640509	Sports Projects (see attached list)	5,378,340	3,270,650
2640200	Emergency Projects (see attached list)	650,000	1,250,000
	TOTAL	94,304,704	44,964,721

8. Acquisition of Assets

3100000	ACQUISITION OF ASSETS		
	Non-Financial Assets	2021-2022	2020 - 2021
		Kshs	Kshs
3110202	Construction of Buildings	-	2,680,540
	Purchase of Household Furniture and Institutional Equipment		
	Purchase of office furniture and and General Equipment	-	113,715
	Acquisition of Intangible Assets		
	TOTAL	-	2,794,255

*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022
Notes to the Financial Statements (Continued)*

9. Other Payments

	Other Payments	2021-2022	2020 - 2021
2211310	Strategic Plan	-	2,338,514
2211311	ICT Hubs	-	-
			-
	TOTAL	-	2,338,514

10: Cash Book Bank Balance

10A: Bank Balances (cash book bank balance)			
Name of Bank, Account No. & currency	Account Number	2021-2022	2020 - 2021
		Kshs (30/6/2022)	Kshs (30/6/2021)
Family Bank, Kasarani Branch. Kasarani NG-CDF	A/C no. 17000012562	12,889,628	30,286,991
		-	-
		-	-
TOTAL		12,889,628	30,286,991

10B: CASH IN HAND)		
	2021-2022	2020 - 2021
	Kshs (30/6/2022)	Kshs (30/6/2021)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
TOTAL	-	-

11: Outstanding Imprests

OUTSTANDING IMPRESTS				
Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2022)
	Date imprest taken	Kshs	Kshs	Kshs
		-	-	-
		-	-	-
TOTAL		-	-	-

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Notes to the Financial Statement Continued

12A. Retention

Retention	2021-2022	2020-2021
	KShs	KShs
Retention as at 1st July (A)	-	-
Retention held during the year (B)	-	268,054
Retention paid during the Year (C)	-	268,054
Closing Retention as at 30th June D= A+B-C	-	-

12B. Gratuity

Gratuity	2021-2022	2020-2021
	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	-	-

13. Balances Brought Forward

	2021-2022	2020- 2021
	Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts	30,286,991	53,609,317
Cash in hand		
Imprest		
TOTAL	30,286,991	53,609,317

*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Notes to the Financial Statement Continued

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	30,286,991		30,286,991
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-
Total	30,286,991	-	30,286,991

15. Changes in Accounts Receivable – Outstanding Imprests

Name of Officer	Date imprest taken	Amount Taken Kshs	Amount Surrendered Kshs	Balance (30/6/2022) 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		-	-	-
Changes in Account Receivables E= D-A				

16. Changes in Accounts Payable – Deposits and Retentions

	2021-2022 KShs	2020-2021 KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	268,054
Deposit and Retentions paid during the Year (C)	-	268,054
closing account payables D= A+B-C	-	-
Changes in Accounts Payable E= D-E	-	

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020- 2021
	Kshs	Kshs
NGCDF Staff	492,240.30	1,236,876
Others (specify)	-	-
	492,240.30	1,236,876

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020- 2021
	Kshs	Kshs
Compensation of employees	1,254,653	1,357,463
Use of goods and services	1,001,117	1,590,403
Committee expenses	928,606	5,299,677
Amounts due to other Government entities (see attached list)	387,618	8,632,750
Amounts due to other grants and other transfers (see attached list)	9,234,129	37,660,987
Acquisition of assets	83,505	202,307
Others (<i>strategic plan</i>)	-	2,613,790
Refunds from PMCs	-	146,296
Funds pending approval	-	21,472,197
	12,889,628	78,975,870

*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

17.4: PMC account balances (See Annex 5)

	2021-2022	2020- 2021
	Kshs	Kshs
PMC account balances (see attached list)	84,274,601	116,901,667

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Annexes

Annex 1- Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	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	-		-	-	

*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance	Comments
			30 th June 2021	
NG-CDFC Staff				
1.. MAGDALENE MUNGAI	ACCOUNTS ASSISTANT	Jul-21	94,749	
2. SIMON GICHUHI	FIELD CORDINATOR	Jan-22	47,374	
3. GEORGE KINYANJUI	FIELD CORDINATOR	Apr-22	23,687	
4. JOSEPH OGOLLA	DRIVER	Mar-14	14,570	
5. LILIAN WAWERU	ACCOUNTS ASSISTANT	Mar-14	122,760	
6. BONIFACE NGUNGU	OFFICE MESSENGER	Mar-14	12,090	
7. SAMUEL MWIRIGI	DAY SECURITY OFFICER	Mar-14	9,300	
8. JOSEPH NGANGA	NIGHT SECURITY OFFICER	Mar-14	9,300	
9. ZIPPORAH MORAA	OFFICE ASSISTANT-TEA GIRL	Mar-14	8,680	
10. BENSON KEGA	CLERK OF WORKS	Aug-14	56,420	
11. SOPHIA WANGARI	OFFICE ASSISTANT	Aug-14	28,210	
12. JAMES GATHENGE	FIELD OFFICER	Aug-14	32,550	
13. COLLETA GITAU	OFFICE ASSISTANT-FRONT OFFICE	Jul-15	32,550	
	Sub-Total			
	Grand Total		492,240	

*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/2022	2020/21	
Compensation of employees		1,254,653	1,357,463	
Use of goods & services		1,001,117	1,590,403	
Committee Exp/Capacity Building		928,606	5,299,677	
Amounts due to other Government entities				
RUAI PRY SCHOOL BUS PURCHASE			132,750	
RUAI PRIMARY CLASSES CONSTRUCTION			8,500,000	
Ruai Girls perimeter fence		376,328		
Njiru sec classes- FY 020/021		0		
Mwiki Pry school 250 desks-unutilized		4,395		
Chieko Pry school 250 desks-Unutilized		6,895		
Sub-Total		387,618	8,632,750	
Amounts due to other grants and other transfers				
EMERGENCY		6,542,273	6,692,273	
BURSARY		6,342	28,221,037	
SPORTS		111,114	2,747,677	
Kamunyonge Police		2,000,000		
Kasarani DCC ICT Hub works stations		250,000		

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Njiru DCC ICT Hub works stations		280,000		
Kasarani Police Tank- Unutilized		44,400		
Sub-Total		9,234,129	37,660,987	
Acquisition of assets				
NG-CDF OFFICE FURNITURE & EQUIPMENT		-	6,985	
NG-CDF OFFICE COMPLETION- Unutilized		83,505	195,322	
Sub-Total		83,505	202,307	
Others (specify)				
NG-CDF Office landscaping		-	2,613,790	
Sub-Total		-	2,613,790	
Funds pending approval				
Kasarani Sub County headquarters field landscaping		-	2,742,197	
Ruai Girls Secondary School		-	18,730,000	
Sub-Total		-	21,472,197	
Refund of balances from PMCs accounts				
		-	146,296	
Sub-Total		-	146,296	
Grand Total		12,889,628	78,975,871	

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/2022
Buildings and structures	5,785,540	-	-	5,785,540
Transport equipment	0	-	-	-
Office equipment, furniture and fittings	1,630,332	-	-	1,630,332
ICT Equipment, Software and Other ICT Assets	1,296,300	-	-	1,296,300
Total	8,712,172	-	-	8,712,172

*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Annex 5 –PMC Bank Balances As At 30th June 2022

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 20120/21
CHIEKO PRIMARY SCHOOL	EQUITY	1180279813977	1,588,920	13,847,074
MWIKI PRIMARY SCHOOL	EQUITY	1180279831933	2,516,704	22,897,043
KASARANI DCCS OFFICE	EQUITY	1180279696891	1,168	2,125,187
KASARANI PRIMARY SCHOOL	EQUITY	1180278982078	1,200	486,224
ST. DOMINIC PRIMARY SCHOOL	EQUITY	1440279495073	68,764	1,015,745
JEHOVAH JIREH PRIMARY SCHOOL	EQUITY	1440278971019	359,435	1,924,124
RUAI PRIMARY SCHOOL	EQUITY	1440278971690	12,008,037	42,744,329
NJIRU PRY SCHOOL	EQUITY	1440278979155	302,312	1,206,420
ST DOMINIC SECONDARY SCHOOL	EQUITY	1180278575240	22,033	1,005,633
MUREMA PRIMARY SCHOOL	EQUITY	1180278576415	43,852	430,888
HIGHWAY MANYATTA PRIMARY SCHOOL	EQUITY	1440278572278	489,057	489,237
NILE ROAD SEC SPECIAL SCHOOL	EQUITY	1440278611298	440,265	2,757,725
ATHI PRIMARY SCHOOL	EQUITY	1440278930974	132,164	1,001,508
KASARANI TREESIDE SEC SCHOOL	EQUITY	1180280714094	57,069	999,488
MWIKI SEC SCHOOL	EQUITY	1180280724192	173,313	998,950
CLAY CITY SEC SCHOOL	EQUITY	1180280823325	88,007	999,550
TREESIDE SPECIAL SCHOOL	EQUITY	1180280775140		

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

			142,959	1,000,000
GITUAMBA PRIMARY SCHOOL	EQUITY	1440280643537	149,281	1,200,000
RUAI DCC OFFICE	EQUITY	1440280742139	10,680	1,588,220
DRUMVALE SECONDARY SCHOOL	EQUITY	1440280534213	232,469	999,308
DRUMVALE PRIMARY SCHOOL	EQUITY	1440280590109	258,935	1,499,550
ST GEORGES ATHI SECONDARY SCHOOL	EQUITY	1440280615621	214,650	1,200,000
MUHURI MUCHIRI SECONDARY SCHOOL	EQUITY	1440280739305	279,921	1,200,000
RUAI GIRLS SECONDARY SCHOOL	EQUITY	1440280975800	5,035,023	1,300,000
JEHOVA JIRE SECONDARY SCHOOL	EQUITY	1440279480392	5,000,000	1,000,000
GITUAMBA SECONDARY SCHOOL	EQUITY	1440279959003	873,356	9,985,465
NGUNDU PRIMARY SCHOOL	EQUITY	1440280755093	1,000,000	1,000,000
MUREMA PRIMARY , PERIMETER WALL	EQUITY	1180282137132	11,999,075	
KASARANI PRIMARY, PERIMETER WALL	EQUITY	1180282137377	9,642,522	
KASARANI POLICE, PERIMETER WALL	EQUITY	1180282137387	6,901,205	
NJIRU SECONDARY SCHOOL	EQUITY	1440280881889	342,227	
NGUNDU POLICE POST	EQUITY	1440282680716	2,000,000	
RUAI BOYS SECONDARY SCHOOL	EQUITY	1440282578133	5,000,000	
DRUMVALE SECONDARY SCHOOL	EQUITY	1440282658344	5,100,000	
HIGHWAY MANYATTA MIXED SEC.SCHOOL	EQUITY	1440282568875	6,800,000	

*Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

JEHOVA JIRE SECONDARY SCHOOL	EQUITY	1440279480392	5,000,000	
		TOTAL	84,274,602	116,901,667

Kasarani Constituency

National Government Constituencies Development Fund (NG-CDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	<p>Budgeted under absorption expenditure</p> <p>The summary statement of appropriation reflects a final budget of Kshs. 262,401,558 against actual expenditure of Kshs.183,425,688 resulting to budget under absorption Kshs. 78,975,870 or approximately 30 % of the budgeted funds. The under absorption was mainly recorded under approved projects, other grants and transfers, use of goods and services and compensation of employees</p>	<p>The underutilization of Kshs. 78,975,870 comprises of Kshs. 48,688,879 which was still unreleased from the Board by the end of the financial year and of Kshs. 30,286,991 being the unutilized amount in the cash book. Out of the unreleased amount of Kshs. 48,688,879, Ksh. 33,000,000 was later released in the current year (2021/2022) as evidenced by the attached AIEs while Kshs. 15,688,879 is yet to be released.</p> <p>Therefore, Kshs. 30,286,991 is the amount that was available for use by the end of the financial year. Out of this money, Kshs. 2,899,821 was reallocated and was approved by the Board in the current FY. There was also an AIE of 13 million (enclosed) which was received on 18th June 2021, thus it was not possible to utilize the entire amount before the end of the financial year</p> <p>The unutilized money comprised an amount of Kshs. 17,988,067 for bursary which was affected by the delay in operations in the last financial year due to covid 19 restrictions. The beneficiaries of 2019/2020 bursary were put into hold due to unexpected closure of the schools, only to receive the amount in January</p>		

Kasarani Constituency


National Government Constituencies Development Fund (NG-CDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

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)
		22021 (2 nd term). The constituency thereafter embarked on the 2020/2021 bursary application process and the said amount was issued to the successful beneficiaries in July 2021 (Term 1).		
2	<p>Budget under receipts</p> <p>In addition, the summary statement of appropriation reflects a final receipts budget of Kshs. 262,401,558 against actual receipts of Kshs. 213,712,679 resulting to budget under receipt of Kshs. 48,688,879 or approximately 18 % of the budgeted funds. Under receipt of budgeted funds from the NG-CDF Board may impact the management ability to implement planned projects hence affecting negatively the residents of Kasarani Constituency.</p>	<p>Delay in the release of the funds by the treasury to the NG-CDF Board contributed to late disbursement of the funds to the constituency level. However, an allocation of Kshs. 33,000,000 was disbursed in the current year, 2021/2022 and the respective projects undertaken.</p>		
3	<p>Implementation of a project on chiefs camp</p> <p>A figure of Kshs. 5,785,540 in the summary of fixed asset register relates to building and structures as at June 2021. However, it was noted that the constituency office is constructed within the chief's camp. However a memorandum of understanding/agreement or lease</p>	<p>The management has noted the importance of getting memorandum of agreement or lease document for the NG-CDF office building which is located in the same compound with the Njiru Chief's/DOs office and Njiru Police Post. As a committee, we have taken over the issue through the office of the Deputy County Commissioner and we are hopeful that the same shall be settled.</p>		

Kasarani Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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)
	documents on usage of the land were not availed for office confirmation			
4	<p>Irregular bursary disbursements</p> <p>Examination of bursary records availed for audit review revealed that during the year 2020/2021, Kshs. 30, 844,071 was paid out as bursaries to needy students in secondary schools and tertiary institutions. However a sample from the list of bursary beneficiaries revealed that twenty individuals received bursary twice during the financial year thus contravening Article 10 (1) of the constitution of Kenya which requires equity and fairness in distribution of public resources</p>	<p>Out of the 20 students, had one of their cheques cancelled as they had erroneously benefitted with two cheques. The said cheques were reversed</p> <p>The remaining fifteen students were allocated an amount of more than kshs.5,000, part of which was from the cancelled last financial year stale cheques which totaled to kshs. 656,861. The stale cheques had been written on February 2020 and cancelled on January 2021. The other amount was from the current financial year allocation. While writing the cheques, the amount from the cancelled cheques and current year allocation had different lists and therefore ended up having two cheques for an individual</p>		



Jane Kariuki
Fund Account Manager.

