

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY	
REPORT PAPERS LAID	
DATE: 23 NOV 2023	DAY: <i>Thurs</i>
TABLED BY: OF	<i>Dr. Kimani Ichungu, MP</i>
CLERK-AT THE TABLE: <i>Miriam Mado</i>	<i>Leader of the majority party</i>

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THE AUDITOR-GENERAL

ON

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

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

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

22 SEP 2023

RECEIVED



STAREHE CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES 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)

Starehe Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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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;

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

- i. National Government Constituencies Development Fund Board (NGCDFB)

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ii. National Government Constituency Development Fund Committee (NGCDFC)

(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 Wairimu Muchira
2.	Sub-County Accountant	Stephen Mugo Mbugua
3.	Chairman NGCDFC	George Mwenda Kirera
4.	Member NGCDFC	Regina Wanjau

(d) Fiduciary Oversight Arrangements

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

(e) Starehe Constituency NGCDF Headquarters

P.O. Box 31468-00600
Starehe NGCDF Building
Starehe Subcounty Headquarters – Kariokor
General Waruinge street
Nairobi, KENYA

(f) Starehe Constituency NGCDF Contacts

Telephone:
E-mail: cdfstarehe@ngcdf.go.ke
Website: www.ngcdf.go.ke/starehe

(g) Starehe Constituency NGCDF Bankers

STAREHE NGCDF
CO-OPERATIVE BANK
Stima Plaza Branch
A\C No. 01120070407600
P.o Box 38764
Nairobi

(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

(One to two pages)



GEORGE MWENDA KIRERA

Include among others the following:

In the financial year 2021/2022 the NGCDFC Starehe managed to implement 90% of the total number of projects approved. Similarly, we also managed to clear all the pending issues from the board and funds were received. Some dated as far as 2010/2011 FY. The committee did not receive Kshs 25, 088,879.31 from the board with Kshs. 14,088,879.31 for the FY 2019/2020 and Kshs. 4,000,000.00 for FY 2021/2022, nd Kshs. 7,000,000 for the completion works of the deputy county commissioner Starehe Office which had not been approved. All the other projects were fully implemented except Parkroad Primary School which had not received full funding.

key achievements for the entity

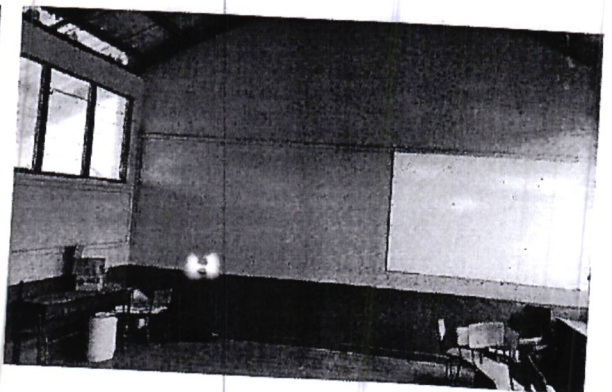
During the financial year, the committee managed to change the outlook of several schools. Amongst the schools was the most populated school, Mukuru Primary, which was the most dilapidated. The school has a population of 3400 pupils.

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The photos of before and after renovation of MUKURU Primary

Muslim Primary on the other hand had 10 classes with asbestos. Asbestos were roof types that were used in the precolonial era. As per the current research, the asbestos is carcinogenic in nature and that they cannot be used in collecting rain water for either animal or human consumption. Removing the asbestos in these schools was a great achievement since they have been a challenge since the schools were constructed.



The before and after photos of Muslim Primary school

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In the FY 2021/2022, the committee managed to equip the Nairobi south Secondary school and the school is now operational with approximately 123 students. The school was a new project initiated in the FY 2019/2020

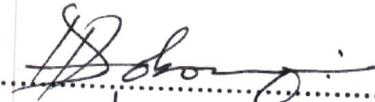


The Nairobi South Secondary School after landscaping and equipping

The effects of COVID 19 are still being felt amongst the constituents. The demand for bursary increased in the FY 2021/2022.

Inflation similarly caused a major setback in the implementation of projects. The prices of major products used in the construction industry skyrocketed. Metal bars and paint were the most affected.

The holiday time in schools within the year were really short. This meant that the implementation of projects was a challenge especially renovations works. The works were being done over weekends.


.....
Name *Daudi R. Obonyo*
CHAIRMAN NGCDF COMMITTEE

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III. Statement Of Performance Against Predetermined Objectives for FY2021/22

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 *Starehe Constituency 2018-2022* plan are to:

- a. To Improve Education Outcomes at all levels of Learning
- b. Enhance security in the constituency
- c. To harness sporting and creative talents of the youth.
- d. To enhance Environmental Conservation
- e. To develop and operationalize a comprehensive and effective disaster preparedness and response programme
- f. To ensure efficient and effective NG-CDF

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education and Training	To Improve Education Outcomes at all levels of Learning	Facilitate the face-lifting/ Renovation of Schools Construction of school Facilities Equipping of Schools Mainstreaming Special needs education in schools Bursaries for needy students Scholarships/ Sponsorship for Secondary and College students	number of usable physical infrastructure in schools that are renovated number of bursary beneficiaries at all levels number of institutions equipped Number of Special classes constructed for special schools Number of full scholarship students	In FY 21/22 -we renovated 40 no. classrooms in Mukuru Primary school, 10 no classrooms in Pangani Primary School and also 10 classrooms in Juja road primary school. In the fy 2021-22 we constructed ablution in Jamhuri High School, we also constructed 2 no classrooms to completion in

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				<p>Pumwani Boys high school - Bursary beneficiaries under full scholarship increased in the F/Y 2021-2022 - furniture was bought for 7 more schools -6 students in KMTC were put on full scholarship program - 2 class for special need students was renovated in Muslim Primary school</p>
Security and Administration	Enhance security in the constituency	Facilitate the face-lifting/ Renovation of Police Stations, AP and Chief Camps Construction of Security Infrastructure Promote community policing Security Advocacy Discourage and fight consumption of illicit brews and drugs	No. of Police stations renovated No. of Chiefs camps renovated No. of security infrastructure constructed	<p>In budget 2021-2022 We budgeted for completion works Deputy County Commissioner's office Similarly we budgeted for construction of perimeter wall at Pangani Primary School</p>
Employment Creation	To harness sporting and creative talents of the youth.	Facilitate Registration of sports teams from Ward level. Levelling of play grounds in public education institutions. Providing sporting equipment e.g.	No. of sports ground repaired, levelled or constructed No. of sports teams funded or issued with sports kits and equipment. No. of sports festivals and	<p>Refurbished 1 No. sports field at Mariakani Primary School And supplied uniforms to 36 football clubs</p>

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		<p>uniforms, balls, etc. Sponsor sports festivals. Promote excellent teams and individuals nationally and internationally. Organize talent shows and award the best talents. Assist the winners to link with organizations that can pay for their talents.</p>	<p>activities carried out. No. of talent shows conducted.</p>	
Environment	To enhance Environmental Conservation	<p>Construction of boreholes in educational institutions and police stations Provision of water tanks Construction of pit latrines in schools and other public places Initiate afforestation and re-forestation programme Establish tree nurseries Promote tree planting and beautification Identify and establish appropriate waste disposal sites Formulate prudent waste recycling strategies</p>		<p>Construction of ablution block in Jamhuri high school, and also constructed 10 no door toilets in Plainsview primary school .Landscapping of Naironi South day secondary school</p>

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Emergency	To develop and operationalize a comprehensive and effective disaster preparedness and response programme	Participate in training of volunteers at ward level in Emergency Response. Participate in Risk mapping of vulnerable areas. Improve tracing and response to Emergency Response.	Participated in the Disaster Management Committee at the Sub county level	Bought mattresses ,beds, beddings at Jamhuri high school.
Management	To ensure efficient and effective NG-CDF	Promote public participation in project identification and implementation; Promote timely submission and approval of project proposals; Promote prioritization of on-going projects in allocation of Funds; Improve collaboration with technical officers from relevant government agencies; Improve management of transition of NG-CDFs in relation to resources and projects; and Widen projects scope.	Public participation conducted once per 2 years All project proposal submitted within 2 months of preparation of the allocation table All priorities made in the proposal must be within the community expectations Ongoing projects to be given a priority Technical teams from relevant departments to be engaged in the implementation of the NGCDFC proposal	Conducted one community participation as per the guidelines of the law Submitted the proposals within the set guidelines Completed all the ongoing projects Priorities in the project proposal were guided by the community participation Use of Technical team I.e. Procurement officer, Public Works were used to implement projects

IV. Environmental and Sustainability Reporting

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

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

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

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

2. Environmental performance

- The NGCDFC has continually supported environmental conservation. The committee in every activity in schools, has planted a trees. The PMCs have also been sensitised to see to it that the trees in the schools are conserved.
- Sensitization of youth/ community on the impact of drugs in youth empowerment programmes conducted by the NGCDFC.
- NG-CDF staff Have at least one day in FY to sensitize the local communities on proper use of roads during the customer care week.

3. Employee welfare

We invest in providing the best working environment for our employees. Starehe constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

Employees are encouraged and supported to continually build on their skills and knowledge. Starehe 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-

Starehe NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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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.

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



Name: Peter Ngugi

FAM

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 NGCDF-Starehe 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 NGCDF-Starehe Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF- Starehe Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

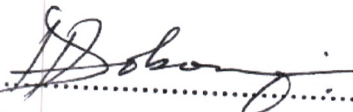
The Accounting Officer in charge of the NGCDF Starehe Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing

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covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency*'s financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Starehe Constituency financial statements were approved and signed by the Accounting Officer on 22/9 2022


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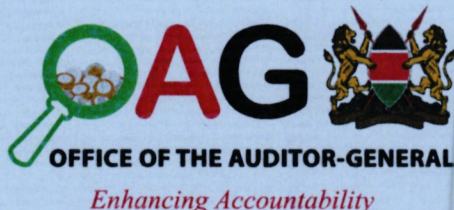
Name: Daudi Rabok
Chairman – NGCDF Committee


.....

Name: Peter Ngugi
Finance Account Manager

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - STAREHE 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

The accompanying financial statements of National Government Constituencies Development Fund - Starehe Constituency set out on pages 1 to 39, which comprise of

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

the statement of assets and liabilities as at 30 June, 2022, statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year ended, and a summary of significant accounting policies and other explanatory information, have been audited on my behalf by GEMAL and Company, auditors appointed under Section 23 of the Public Audit Act, 2015. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

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 – Starehe 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. Unreconciled Variance in Transfers from NGCDF Board

The statement of receipts and payments reflects transfers from the National Government Constituencies Development Fund (NG-CDF) Board of Kshs.193,351,880 as disclosed in Note 1 to the financial statements. However, review of the cashbook revealed total receipts of Kshs.5,000,000, resulting in an unexplained variance of Kshs.188,351,880.

In the circumstances, the accuracy and completeness of transfers from the NGCDF Board of Kshs.193,351,880 for the year ended 30 June, 2022 could not be confirmed.

2. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.3,944,973, as disclosed in Note 10 to the financial statements. However, the Fund's cashbook was not balanced or closed.

In circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.3,944,973 as at 30 June, 2022 could not be confirmed.

3. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.116,647,025 as disclosed in Note 7 to the financial statements. Included in this balance are bursaries of Kshs.46,274,457 and Kshs.51,412,072 to various secondary schools and tertiary institutions respectively. Review of payment records revealed that the Management disbursed a total of Kshs.36,891,000 to six (6) tertiary institutions. However, the expenditure was not supported by relevant documents such as invoices, fee structure, education grades of the students, copies of identification cards, certificates from the institutions and acknowledgment of receipts of funds.

In addition, the names of the learning institutions which benefited from the amount of Kshs.35,388,079 in respect of bursary to secondary schools were not supported by relevant details such as full names of the institutions, bank, branch, account name, account number, bursary amount, full name of student, admission number, type of institution, and the institution host County.

Further, review of payment records revealed that bursaries of Kshs.2,050,000 transferred to four (4) private schools were not supported by appropriate documents and the receipts were not acknowledged by the receiving institutions.

In the circumstances, the propriety and accountability for the bursary expenditure of Kshs.97,686,529 for the year ended 30 June, 2022 could not be confirmed.

4. Unsupported Sports Expenditure

The statement of receipts and payments reflects other grants and transfers of Kshs.116,467,025 which includes sports project expenditure of Kshs.2,730,600 as disclosed in Note 7 to the financial statements. However, included in the expenditure was Kshs.2,730,600 paid to a supplier on 20 December, 2021 for the supply of sport equipment which was not supported by counter receipt voucher and inspection and acceptance committee report. In addition, the minutes of the committee meeting with details of event planning, identification of participants and criteria for determining the order of award to participating teams were not provided for audit.

In the circumstances, the accuracy and completeness of sports expenditure of Kshs.2,730,600 for the year ended 30 June,2022 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 - Starehe Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the 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. Compensation of Employees

The statement of receipts and payments reflects compensation of employees of Kshs.3,537,084 as disclosed in Note 4 to the financial statements. Review of records revealed the following unsatisfactory matters:

1.1 Delayed KRA Remittances

Review of records revealed Pay As You Earn (PAYE) deductions for the month of May 2022 were remitted to the Kenya Revenue Authority (KRA) on 30 June, 2022, one month after the end of the month of contribution resulting in a penalty of Kshs.10,896 to the Fund. This was contrary to Section 37(1) of the Income Tax Act, which requires that taxes deducted from employees are remitted to KRA on the due date.

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

1.2 Unapproved Payment of Salaries

Review of the payroll records revealed that four (4) employees were not paid salaries in accordance with their respective contracts as indicated below:

	Name	Position	Salary as Per Contract (Kshs.)	Actual Salary Per Month (Kshs.)	Variance (Kshs.)
1	Richard Mwangi Kamande	Accounts Assistant	34,412	45,289	10,877
2	Joseph Mwangi	Driver	30,784	33,280	2,496
3	Daniel Mwangi Thoithi	COW	35,400	32,250	- 3,150
4	Anastacia Wangui	Receptionist	27,277	28,800	1,523

In addition, it was observed that members of staff and the Fund Manager were paid allowances of Kshs.1,500 and Kshs.5,000 respectively per meeting. However, no evidence of approval of these rates was provided for audit review.

In the circumstances, the regularity of the payment of salaries and sitting allowances could not be confirmed.

2. Irregularities in Project Implementation

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to other Government units amount of Kshs.99,700,083. However, review of records relating to the implemented projects revealed the following anomalies:

- (i) There were no tender documents and minutes for the opening of the tender and bids from other bidders on contracts related to Muslim and Dr. Aggrey Primary Schools, where the same contractor was awarded the tenders.

- (ii) There was no tender documents and certificates of completion for contracts related to Moi Avenue and City Primary Schools.
- (iii) The construction of classrooms at Pumwani Boys Secondary School project was completed and paid for in the 2022/2023 financial year. However, a certificate of completion, tender documents and minutes of the tender opening committee meeting, were not provided for audit. Further, it was observed that there was no competitiveness in awarding of the related tender since there was no other bidder.
- (iv) The contractor for the construction of classrooms at Plainsview Primary School was paid directly from the Fund's main account irregularly.
- (v) The construction of classrooms at Jamhuri Secondary School cost Kshs.4,999,532 against a budget of Kshs.4,500,000, resulting to an unexplained over expenditure of Kshs.499,352 or 10%. In addition, physical verification revealed that a 12-door ablution block with two (2) doors for people with disability was constructed but was not in use. According to Management, the facility was not in use because the students had vandalized the water pipes. Further, the renovation of the administration block, external painting of seven (7) offices, one (1) store, four (4) classrooms and a multipurpose hall with a capacity of 400 students, was not completed because the cost of the remaining sections was to be contributed by the Parents Association, who had not paid their contribution.
- (vi) The construction of classrooms at Park Road Primary School had not commenced despite the disbursement of Kshs.2,000,000 from the Fund to the school.

In the circumstances, it was not possible to confirm that value for money was achieved in relation to the funds incurred on school projects.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Approved Information Communication Technology Policy and ICT Strategic Committee

Review of the Fund's Information Communication Technology (ICT) environment revealed that the Fund did not have an approved ICT Policy, ICT Strategic Committee, a Data Security Management Policy or an approved Back Up Policy. Further, review of the Fund's staff records revealed there was no Officer-In-Charge of ICT.

In the circumstances, the effectiveness of the Fund's ICT controls could not be confirmed.

2. Gaps in Cheque Book Management

Review of one cheque booklet provided for audit revealed that sixty-four (64) leaves from series 047851 to 047950 had been cancelled resulting to wastage. Further, the counter receipt book register was not provided, and as a result the number of checkbooks in the custody of the Management could not be confirmed.

In the circumstances, the effectiveness of the internal controls on use of the check books could not be confirmed.

3. Incomplete Assets Register

Review of the assets register revealed that the assets were not priced and they did not have unique tag/identification numbers. In addition, it was observed that office furniture had been transferred to the DCC office without proper documentation.

In the circumstances, the effectiveness of the internal controls on asset management could not be confirmed.

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 controls, 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 controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

06 November, 2023

Starehe Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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

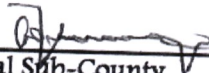
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	193,351,880	132,617,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		193,351,880	132,617,724
PAYMENTS			
Compensation of employees	4	3,537,084	2,183,176
Use of goods and services	5	12,771,916	11,880,654
Transfers to Other Government Units	6	99,700,083	65,700,000
Other grants and transfers	7	116,467,025	29,829,647
Acquisition of Assets	8	2,278,500	-
Other Payments	9	-	-
TOTAL PAYMENTS		234,754,608	109,593,477
SURPLUS/DEFICIT		(41,402,728)	23,024,247
RECEIPTS			


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 22/9 202~~2~~ and signed by:


 Fund Account Manager

Name: Peter Ngugi


 National Sub-County
 Accountant
 Name: Conelius kimori
 ICPAK M/No: 17636


 Chairman NG-CDF Committee

Name: Daudi Rabok

*Starehe Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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

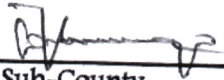
	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	3,944,973	45,347,702
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		3,944,973	45,347,702
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		3,944,973	45,347,702
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	1,047,613	359,930
Gratuity	12B	-	-
NET FINANCIAL SSETS		3,944,973	44,987,772
REPRESENTED BY			
Fund balance b/fwd 1st July...		45,347,702	22,363,455
Prior year adjustments	14		
Surplus/Defict for the year		(1,402,728)	23,024,247
NET FINANCIAL POSITION		3,944,974	45,387,702

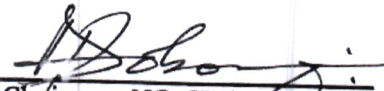
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 22/9 202~~2~~³ and signed by:


Fund Account Manager

Name: Peter Ngugi


National Sub-County
Accountant
Name: Conelius kimori
ICPAK M/No: 17636


Chairman NG-CDF Committee

Name: Daudi Rabok

*Starehe Constituency
National Government Constituencies Development Fund (NGCDF)
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 a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,088,879	81,351,880	263,788,461	238,699,582	25,088,879	90.5%
Proceeds from Sale of Assets						
Other Receipts						0.0%
TOTAL RECEIPTS						
PAYMENTS	137,088,879	81,351,880	263,788,461	238,699,582	25,088,879	90.5%
Compensation of Employees	1,368,795					
Use of goods and services	10,969,204		5,003,048	3,537,084	1,465,964	70.7%
Transfers to Other Government Units	64,920,000	347,000	13,015,617	12,771,916	243,701	98.1%
Other grants and transfers	50,547,980	38,409,000	104,647,771	99,700,083	4,947,688	95.3%
Acquisition of Assets	2,282,900	42,595,880	131,839,125	116,467,025	15,372,100	88.3%
Other Payments			2,282,900	2,278,500	4,400	99.8%
UN APPROVED PROJECT	7,000,000		7,000,000		7,000,000	

Starehe Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

TOTAL	137,088,879	45,347,702	81,351,880	263,788,461	234,754,608	29,033,853	89.0%
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**Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.
Explanatory Notes.

(a) The Ksh. 238, 699,582 represent funds from the Fund of Ksh. 193,351,880 and the cashbook opening balance of Ksh. 45,347,702.

(b) Compensation of employees represent utilization of 70.7%, the underutilization of Ksh. 1,457,964 is part of the gratuity due to Starehe staff who are yet to be paid upon completion of the contract.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	29,033,853
Less undisbursed funds receivable from the Board as at 30th June 2022	25,088,879
Add Accounts payable	3,944,974
Less Account Receivable	1,047,613
Add/ Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 202021	0
	4,992,587

The Constituency financial statements were approved on _____ 2022 and signed by:

Starehe Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Fund Account Manager  National Sub-County Accountant  Chairman NG-CDF Committee

Name: Peter Ngugi Name: Conelius kimori
ICPAK M/No: 17636 Name: Daudi Rabok

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

Programme/Sub-programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 30/06/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	1,368,794.59	3,634,253.63		5,003,048.22	3,537,084.00	1,465,964.22
1.2 Committee allowances	3,500,000.00	774,825.00		4,274,825.00	4,265,710.00	9,115.00
1.3 Use of goods and services	3,356,538.41	44,798.41		3,401,336.82	3,333,461.00	67,875.82
Total	8,225,333.00	4,453,877.04	-	12,679,210.04	11,136,255.00	1,542,955.04
2.0 Monitoring and evaluation						
2.1 Capacity building	2,765,666.00	409,200.00	347,000.00	3,521,866.00	3,469,477.00	52,389.00
2.2 Committee allowances	1,000,000.00	470,589.00		1,470,589.00	1,356,448.00	114,141.00
2.3 Use of goods and services	347,000.00			347,000.00	347,000.00	-
Total	4,112,666.00	879,789.00	347,000.00	5,339,455.00	5,172,925.00	166,530.00
3.0 Emergency						

Starehe Constituency

National Government Constituencies Development Fund (NGCDF)

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
3.1 Primary Schools	7,192,207.00	10,831,335.42		18,023,542.42	15,049,895.90	2,973,646.52
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
3.5 Unutilised						
Total	7,192,207.00	10,831,335.42	-	18,023,542.42	15,049,895.90	2,973,646.52
4.0 Bursary and Social Security						
4.1 Secondary Schools	16,013,996.00	7,751,754.12	14,832,879.31	43,698,629.43	46,274,457.00	(2,575,827.57)
4.2 Tertiary Institutions	23,600,000.00	7,707,135.85	22,750,000.00	54,057,135.85	51,412,072.00	2,645,063.85
4.3 Social Security						
4.4 Special Needs						
Total	39,613,996.00	15,458,889.97	37,582,879.31	97,755,765.28	97,686,529.00	69,236.28
5.0 Sports	2,741,777.00	4,512,080.00		7,253,857.00	4,911,417.00	138,472.56
5.1						
Total	-	-	-	-	-	-
6.0 Environment						
Nairobi South Secondary	1,000,000.00	107.00		107.00	1,000,000.00	107.00
Total	1,000,000.00	107.00		1,000,000.00	1,000,000.00	-

*Starehe Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Total	1,000,000.00	107.00	-	1,000,107.00	1,000,000.00	107.00
7.0 Primary Schools Projects						
Riverbank primary	2,000,000.00					
Parklands Primary School	1,000,000.00			2,000,000.00	2,000,000.00	-
City primary	5,000,000.00			1,000,000.00		1,000,000.00
City primary	400,000.00			5,000,000.00	5,000,000.00	-
Our Lady of Mercy primary	1,000,000.00			400,000.00		400,000.00
River bank secondary				1,000,000.00		1,000,000.00
RIVER BANK - FROM REALLOCATION			3,240,758.00	3,240,758.00	3,240,758.00	-
Plainsview Primary	2,000,000.00				7,192,207.00	
Mukuru Primary School	4,000,000.00			2,000,000.00	1,998,060.00	1,940.00
Mukuru Primary School	500,000.00			4,000,000.00	4,000,000.00	-
Moi Avenue Primary School	4,000,000.00			500,000.00		500,000.00
Pangani Primary School	4,500,000.00			4,000,000.00	4,000,000.00	-
Muslim Primary	5,000,000.00			4,500,000.00	4,500,000.00	-
ParkRoad Primary School	6,000,000.00			5,000,000.00	5,000,000.00	-
ParkRoad Primary School	500,000.00			6,000,000.00	2,000,000.00	4,000,000.00
				500,000.00		500,000.00

**Starehe Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Mariakani Primary		28,080.00		28,080.00		28,080.00
Muranga Road Primary School						
Nairobi South Primary			500,000.00	500,000.00		500,000.00
Nairobi South Primary/Race Course/Juja Road/Mariakani/Dr. Aggrey/Moi Avenue Primary Schools & CGHU Secondary school		750.00		750.00		750.00
7.15 City Primary		66,000.00		66,000.00		66,000.00
Mariakani Primary		3,750.00		3,750.00		3,750.00
Mariakani Primary(from reallocation		41,900.00		41,900.00		41,900.00
River bank Primary						
Juja Road primary	4,500,000.00	47,132.00		47,132.00		47,132.00
Dr.-Aggrey Primary schools	2,120,000.00	10,858.00		4,510,858.00	4,500,000.00	10,858.00
		379,188.00		2,499,188.00	2,120,000.00	379,188.00
Total	42,520,000.00	577,658.00	3,740,758.00	46,838,416.00	45,551,025.00	8,479,598.00
8.0 Secondary Schools Projects						
Starehe Boys Center			2,000,000.00	2,000,000.00		2,000,000.00
Nairobi South Secondary			32,668,242.00	32,668,242.00		
County girls sec school						

*Starehe Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Highway boys sec school	1,900,000.00			1,900,000.00		1,900,000.00
Dr Ribiero Complex		1,300.00		1,300.00		1,300.00
Pumwani Girls Secondary School				-		-
Jamhuri High School	4,500,000.00			4,500,000.00	4,500,000.00	-
Jamhuri High School	600,000.00			600,000.00		600,000.00
Pumwani boys Secondary School	5,000,000.00			5,000,000.00	5,000,000.00	-
River bank secondary	600,000.00			600,000.00		600,000.00
Ngara Girls Secondary school		739,813.00		739,813.00		739,813.00
Nairobi South Secondary	9,800,000.00			9,800,000.00	9,800,000.00	-
				-		-
				-		-
Total	22,400,000.00	741,113.00	34,668,242.00	57,809,355.00	51,968,242.00	5,841,113.00
9.0 Tertiary institutions Projects						
Total						
10.0 Security Projects						
Pangani police						
starehe Deputy Commissioners	7,000,000.00		5,013,001.00	5,013,001.00		5,013,001.00

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
office				7,000,000.00		7,000,000.00
Hazina Chief Camp		69,706.00		69,706.00		69,706.00
Kariokor AP camp		59,615.00		59,615.00		59,615.00
Ngara AP Post		44,000.00		44,000.00		44,000.00
Kamkunji police station		83,940.00		83,940.00		83,940.00
Central Police Station		125,064.00		125,064.00		125,064.00
Total	7,000,000.00	382,325.00	5,013,001.00	12,395,326.00	-	12,395,326.00
11.0 Acquisition of assets						
11.1 Motor Vehicles	-			-		-
11.2 Construction of CDF office	-			-		-
11.3 Purchase of furniture and equipment	-			-		-
11.4 Purchase of computers	-			-		-
Total	-	-	-	-	-	-
12.0 Other payments						
ICT Hubs		4,677,027.20		4,677,027.20		4,677,027.20
ICT Hubs		2,800,000.00		2,800,000.00		2,800,000.00
starehe NGCDFC office	2,282,900.00			2,282,900.00	2,278,500.00	4,400.00
KARIOKOR NGCDF TOILET		2,625.00		2,625.00	-	2,625.00
Constituency Strategic Plan		30,875.00		30,875.00	-	30,875.00

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Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Total	2,282,900.00	7,510,527.20	-	9,793,427.20	2,278,500.00	7,514,927.20
13.0 unallocated fund				-	-	-
Unapproved projects				-	-	-
AIA				-	-	-
PMC savings				-	-	-
Total	-	-	-	-	-	-
	137,088,879.00	45,347,701.63	81,351,880.31	263,788,460.94	234,754,788.90	29,033,672.04

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

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 NGCDF-Starehe 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.

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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 NGCDF Act, 2015

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 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

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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.

14. Errors

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

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

15. Related Party Transactions

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

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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO	33,000,000	
AIE NO	26,750,000	
AIE NO B105672	44,000,000	
AIE NO B105933	22,000,000	
AIE NO B105933	5,000,000	
AIE NO B163865	12,000,000	
AIE NO B154432	18,000,000	
AIE NO B154487	13,088,879	
AIE NO B163865	12,000,000	
AIE NO A895055	545,977	
AIE NO A895041	900,000	
AIE NO A888990	2,067,024	
AIE NO A895033	4,000,000	
B124755		3,000,000.00
B119649		10,000,000.00
B128323		42,617,724.00
B128281		6,900,000.00
B128038		12,000,000.00
B132041		8,000,000.00
B126004		12,000,000.00
B132335		6,000,000.00
B126296		9,000,000.00
B105091		11,100,000.00
B140735		12,000,000.00
TOTAL	193,351,880	132,617,724

2. Proceeds From Sale of Assets

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	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	00	00
Receipts from the Sale of Vehicles and Transport Equipment	00	00
Receipts from sale of office and general equipment	00	00
Receipts from the Sale Plant Machinery and Equipment	00	00
Others (specify)	00	00
Total	00	00

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	00	00
Rents	00	00
Receipts from sale of tender documents	00	00
Hire of plant/equipment/facilities	00	00
Unutilized funds from PMCs	00	00
Other Receipts Not Classified Elsewhere	00	00
Total	00	00

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,680,561.00	2,081,746
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	79,200.00	-
Leave allowance	-	-
Gratuity-contractual employees	777,323.00	-
NHIF		61,350
Employer Contributions Compulsory national social security schemes		40,080
TOTAL	3,537,084.00	2,183,176

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services		-
Electricity		-
Water & sewerage charges		-
Office rent		
Communication, supplies and services	360,000.00	292,200.00
Domestic travel and subsistence	770,625.00	147,060.00
Printing, advertising and information supplies & services	462,848.00	1,377,212.00
Rentals of produced assets		
Training expenses	3,469,477.00	2,706,900.00
Hospitality supplies and services	618,940.00	593,000.00
Other committee expenses	716,200.00	-
Committee allowance	3,791,160.00	4,537,835.00
Insurance costs		
Specialised materials and services		
Office and general supplies and services	1,300,000.00	-
Fuel , oil & lubricants		

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	600,000.00	1,000,000.00
Other operating expenses	347,000.00	-
Bank service commission and charges		528,447.00
Other Operating Expenses	365,666.00	200,000.00
Security operations		
Routine maintenance - vehicles and other transport equipment		-
Routine maintenance- other assets		498,000.00
TOTAL	12,771,916.00	11,880,654

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Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers to Primary Schools	47,731,841.00	37,350,000.00
Transfers to Secondary Schools	51,968,242.00	28,350,000.00
Transfers to Tertiary Institutions		
TOTAL	99,700,083.00	65,700,000

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary - Secondary (see attached list)	46,274,457.00	18,987,974.00
Bursary -Tertiary (see attached list)	51,412,072.00	4,369,821.00
Bursary- Special Schools		-
Mocks & CAT (see attached list)		-
Social Security programmes (NHIF)		
Security Projects (see attached list)		-
Sports Projects (see attached list)	2,730,600.00	2,912,550.00
Environment Projects (see attached list)	1,000,000.00	-
Emergency Projects (see attached list)	15,049,896.00	3,559,302.00
TOTAL	116,467,025.00	29,829,647.00

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	00	00
Construction of Buildings	00	00
Refurbishment of Buildings	1,543,000.00	00
Purchase of Vehicles and Other Transport Equipment	00	00
Purchase of Household Furniture and Institutional Equipment	00	00
Purchase of Office Furniture and General Equipment	735,500.00	00
Purchase of ICT Equipment, Software and Other ICT Assets	00	00

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Purchase of Specialized Plant, Equipment and Machinery	00	00
Acquisition of Land		00
Total	2,278,500.00	00

Notes To the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	00	00
ICT Hub	00	00
	00	00

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	3,944,973.05	45,347,702.46
cooperative Bank - stima Plaza 0 1120070407600		
Total	3,944,973.05	45,347,702.46
10 B: Cash on Hand		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>Specify</i>)	0	0
Total	0	0
<i>[Provide Cash Count Certificates for Each]</i>		

11: Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer	dd/mm/yy	0	0	0
Name of Officer	dd/mm/yy	0	0	0
Name of Officer	dd/mm/yy	0	0	0
Name of Officer	dd/mm/yy	0	0	0
Total		0	0	0

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Notes to the Financial Statement Continued

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 st July (A)	359,930.00	359,930.00
Retention held during the year (B)	687,683.00	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	1,047,613.00	359,930

[Provide short appropriate explanations as necessary.]

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	0	0
Gratuity held during the year (B)	0	0
Gratuity paid during the Year (C)	0	0
Closing Gratuity as at 30 th June D= A+B-C	0	0

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
	Kshs (1/7/2020)	Kshs (1/7/2019)
Opening cash book bank balance		
Bank accounts	45,347,702.46	22,363,455.46
Cash in hand		
Imprest		
TOTAL	45,347,702.46	22,363,455

[Provide short appropriate explanations as necessary]

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14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others (<i>specify</i>)	0	0	0
Total	0	0	0

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
closing accounts in account receivables D= A+B-C	0	0
Changes in Account Receivables E= D-A	0	0

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
closing account payables D= A+B-C	0	0
Changes in Accounts Payable E= D-E	0	0

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Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Retention	-	359,930.00
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
TOTAL	-	359,930

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	0	0
Others (<i>specify</i>)	0	0
Total	0	0

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	1,465,964	2,447,915.00
Use of goods and services	243,696	5,730,292.00
Amounts due to other Government entities (see attached list)	10,320,711	28,318,931.00
Amounts due to other grants and other transfers (see attached list)	9,998,576	49,984,915.00
Acquisition of assets	4,400	
	-	7,510,527.00
Funds pending approval	7,000,000	
Total	29,033,347	93,992,580.00

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	12,174,945	
Dr. Aggrey Primary		614,782.00(CR)
Pangani Police Station		17,826.00 (CR)
Total	12,174,945	632,608.00

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Annexes
Annexes: 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					

Annex 2 - Analysis of Pending Staff Payables

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Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees				
Staff salaries				
NHIF		1,155,064	3,374,453	
NSSF		158,100	176,200	
Use of goods & services		152,800	83,600	
ADMIN: Use of goods		0	0	
ADMIN: committee allowances		68,050	44,793	
M&E: Committee Allowance		9,115	774,825	
M&E: capacity building		114,141	470,589	
M&E: Use of goods		52,389	756,200	
Sub total		0	0	
Amounts due to other Government entities		1,709,659	5,680,660	
PRIMARY SCHOOLS				
Mariakani Primary				
Nairobi South Primary		28,080.00	28,080.00	
Nairobi South Primary/Race Course/Juja Road/Mariakani/Dr. Aggrey/Moi Avenue Primary Schools & CGHU Secondary school		750.00	750.00	
City Primary		66,000.00	66,000.00	
Mariakani Primary		3,750.00	3,750.00	
River bank Primary		41,900.00	41,900.00	
Juja Road primary		47,132.00	47,132.00	
Dr.Aggrey Primary schools		10,858.00	10,858.00	
		379,188.00	379,188.00	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Parklands Primary School				
City primary		1,000,000.00	0	
Our Lady of Mercy primary		400,000.00	0	
Plainsview Primary		1,000,000.00	0	
Mukuru Primary School		1,940.00	0	
ParkRoad Primary School		500,000.00	0	
Muranga Road Primary School		500,000.00	0	
Starehe Boys Center		500,000.00	0	
Nairobi South Secondary		2,000,000.00	2,000,000	
Highway boys sec school		0	32,668,242	
Dr Ribiero Complex		1,900,000.00	0	
Jamhuri High School		1,300.00	1,300.00	
River bank secondary		600,000.00	0	
Ngara Girls Secondary school		600,000.00	0	
Sub total		739,813.00	739,813	
Amounts due to other grants and other transfers		10,320,711	39,727,771	
Bursary				
Emergency		277,662	53,041,769	
Environment		2,973,647	10,831,335	
Sports		107	107	
Security		341,307	4,512,080	
Pangani police		0	0	
Hazina Chief Camp		5,013,001	5,013,001	
Kariokor AP camp		69,706.00	69,706.00	
		59,615.00	59,615.00	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Ngara AP Post		44,000.00	44,000.00	
Kamkunji police station		83,940.00	83,940.00	
Central Police Station		125,064	125,064	
Sub-Total		8,988,049	73,780,617	
Acquisition of assets				
Sub total				
Others (specify)				
ICT Hubs				
ICT Hubs		677,027.20	4,677,027.20	
starehe NGCDFC office		300,000.00	2,800,000.00	
KAROKOR NGCDF TOILET		4,400.00	0	
Constituency Strategic Plan		2,625.00	2,625.00	
Sub total		30,875.00	30,875.00	
Funds pending approval		1,014,927.2	7,510,527.2	
Grand Total		7,000,000		
		29,033,347	126,699,577	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land				
Buildings and structures	7,610,000			7,610,000
Transport equipment	4,083,226			4,083,226
Office equipment, furniture and fittings	1,243,482	735,500.00		1,978,982
ICT Equipment, Software and Other ICT Assets	1,316,000			1,316,000
Other Machinery and Equipment	3,817,292			3,817,292
Heritage and cultural assets				
Intangible assets				
Total	18,070,000	735,500		18,805,500

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

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Pumwani Girls Secondary School	KCB BANK	1275702171	0	205,248.00
Nairobi South Primary School	KCB BANK	01011392179	0	149,746.00
Nairobi South Secondary School	FAULU	910279143304	0	11,165,878.00
Dr Aggrey Primary School Pmc	EQUITY	910282208898	0	60,887.00
Racecourse Primary School Pmc	EQUITY	1275797466	665,001.00	22,050,000.00
Our Lady Of Mercy Primary School	KCB BANK	1275874495	0	580,036.00
Our Lady Of Mercy Secondary School	KCB BANK	01276727364	0	56,404.00
Islamia Primary School Pmc Account	KCB BANK	01139069404002	0	95,436.00
Mariakani Primary School Pmc Account	EQUITY	01770279183141	0	4,512,780.50
Riverbank Primary School Pmc Account	EQUITY	0910282112918	2,586,650.00	
Jamhuri High School Pmc Account	CO-OP BANK	01141070623400	417,457.00	
Mukuru Primary School Pmc Account	ABSA BANK	02045372858	206,684.40	
Muslim Primary School Pmc Account	EQUITY	0910282128404	2,887,241.00	
Pumwani Boys Secondary School Pmc	EQUITY	0910282133564	2,646,542.00	
Parkroad Primary School Pmc	EQUITY		2,000,000.00	
Plainsview Primary School	ABSA	910,282,126,581		
Moi Avenue Primary School	NATIONAL BANK	0910282126295	0	
Juja Road Primary School	EQUITY	910,282,126,328	0	
City Primary	EQUITY	0910282128346	226,058.00	
Pangani Primary	EQUITY	1275702171	284,832.00	
Total	EQUITY	01011392179	254,480.00	
			12,174,945.4	38,876,415.5

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	The financial statements presented for audit review did not include all information as required in the format prescribed by public sector accounting standard PSASB.	The template used in the reporting was as per the prescription by the NGCDF Board as amended in June 2020.	Not Resolved	
2.(i)	The statement of financial assets reflects Gratuity of Kshs 303,983 instead of Kshs 303,993 as per note 12B, further, the comparative figure reflects nil while 2018/2019 reflects Kshs 231,916.	This has hence been amended accordingly.	Not Resolved	
2(ii)	The comparative figure for Use of Goods and Services reflects 5,103,127 while the year 2018/2019 actual reflects Kshs 6,828,127.	This error has been noted and has hence been amended accordingly.	Not Resolved	
2(iii)	The summary of fixed assets for the year 2018/2019 reflects closing balance of Kshs	This error has been noted and has hence been amended accordingly.	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	18,070,000 however in the year 2019/2020 the opening reflects balance of Kshs 17,298,356.			
2(iv)	Annex 5 reflects PMC Bank Accounts balances as at 30 June 2020 with no comparatives yet in the year 2018/2019 PMC had a closing comparative of Kshs. 3,000,000.	As per the Template, the PMC Balances were not to be disclosed on comparative basis	Not Resolved	
2(v)	The statements of financial assets is not balanced as net financial assets reflects Kshs. 21,654,990 while net financial position reflects Kshs. 22,647,573 resulting in unreconciled difference of Kshs 992,538.	This error has been noted and has hence been amended accordingly.	Not Resolved	
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)

