

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 25 JUL 2024 DAY: THURSDAY

TABLED BY: Hon. Samuel Chepkonga, CBS

CLERK AT THE TABLE: Anne Shibuko

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**OF**

**THE AUDITOR-GENERAL**

**ON**

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

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

*Revised Template 30<sup>th</sup> June 2023*



OFFICE OF THE AUDITOR GENERAL  
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**MAVOKO CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**  
**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2023**

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

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**a) Acronyms and Glossary of terms**

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

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project Management Committee

FY-Financial Year

DA-District Accountant

NGCDFC-National Government Constituencies Development Fund Committee

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

### **Mandate**

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

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

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Core Values**

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

**Functions of NG-CDF Committee**

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

**(b) Key Management**

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

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

### **Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Kioko Alex Musembi
2.	Sub-County Accountant	Dennis Mathenge
3.	Chairman NGCDFC	Michael Mulei
4.	Member NGCDFC	Jeremiah Gakinya

### **(c) Fiduciary Oversight Arrangements**

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

### **(d) Mavoko Constituency NGCDF Headquarters**

P.O. Box 195-00204  
Athi-river  
Machakos, KENYA

### **(e) Mavoko Constituency NGCDF Contacts**

Telephone: (254)  
E-mail: [cdfmavoko@ngcdf.go.ke](mailto:cdfmavoko@ngcdf.go.ke)  
Website: [www.mavoko.ngcdf.go.ke](http://www.mavoko.ngcdf.go.ke)

**(f) Mavoko Constituency NGCDF Bankers**

Equity Bank  
Branch: EPZ, Athi-River  
P.O. Box 75104  
Athi-River

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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

## II NG-CDFC Chairman's Report



### Annual Constituency Allocation

We are happy to present the unaudited financial statements for Mavoko Constituency for the financial year ended 30th June 2023. During the year, the Constituency was allocated a total of Kshs 138,215,033 which was the normal allocation for the Financial Year 2022/2023, Kshs. 13,665,443 as opening balance(C/Bk) and AIE of Kshs. 87,000,000 totalling to Kshs. 100,665,443 as the final budget for the year.

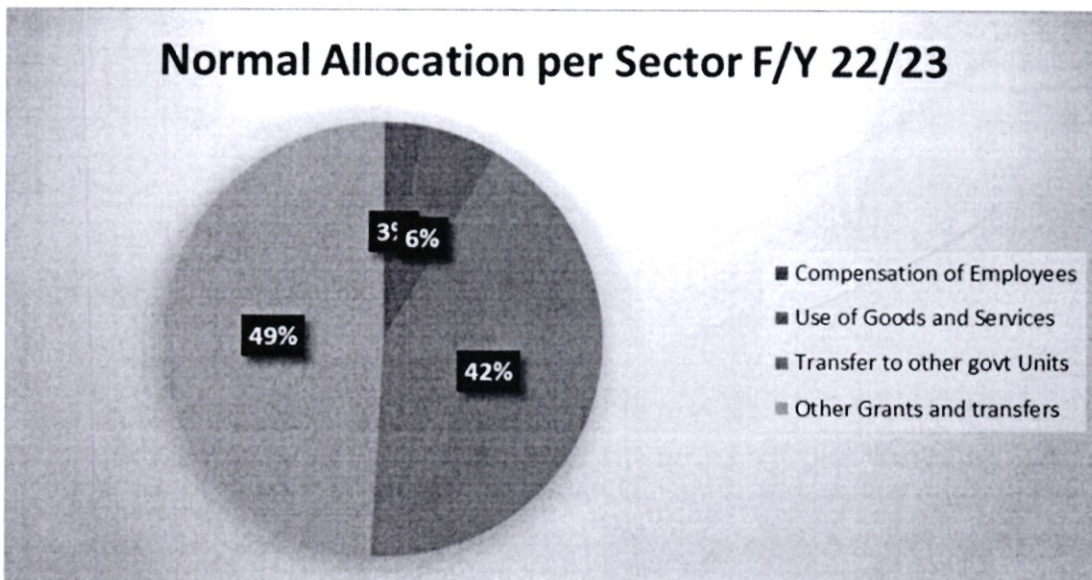
**Name: Michael Mulei**

**Mavoko Constituency NGCDFC Chairman**

Before receipt of funds disbursed by the NGCDF Board, the Mavoko Constituencies Development Fund Committee (NGCDFC); pursuant to the provisions of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to the priorities of the public participation meetings held across the Constituency.

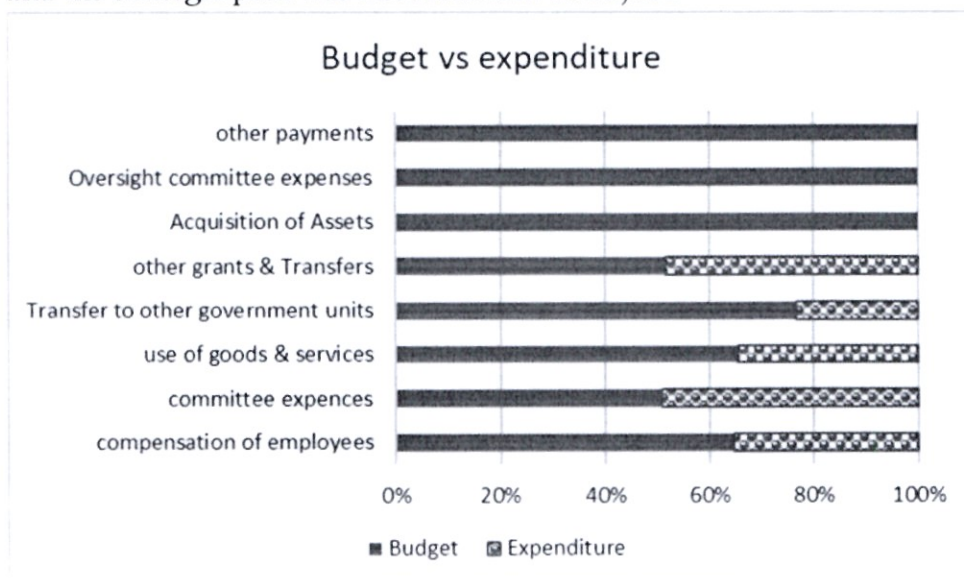
### Sector Prioritization

During the financial year under review, a total of Kshs 76,938,000 and opening balance(C/Bk) of Kshs 1,100,000 all totalling to Kshs. 78,038,000 were allocated as transfers to other Government Units which consist of transfers to primary schools, secondary schools and tertiary institutions. Major physical facilities funded are infrastructure such as classrooms, administration blocks, laboratories, dormitories, toilets, lockers and chairs, desks and equipping of laboratories and libraries.



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Funds allocated towards other grants and transfers which consists of Bursary, Mocks and CATs, sports, environment and emergency related to an allocation of Kshs 47,762,490, Kshs 4,276,857 as opening balance bring total final budget to Kshs. 51,839,347. Compensation of employees and use of goods received a total of Kshs; 3,517,060 and Kshs 4,921,462 respectively. Acquisition of assets had an opening balance of Ksh. 16,067, oversight committee expenses was allocated Ksh. 300,000 and the strategic plan was allocated Ksh. 2000,000

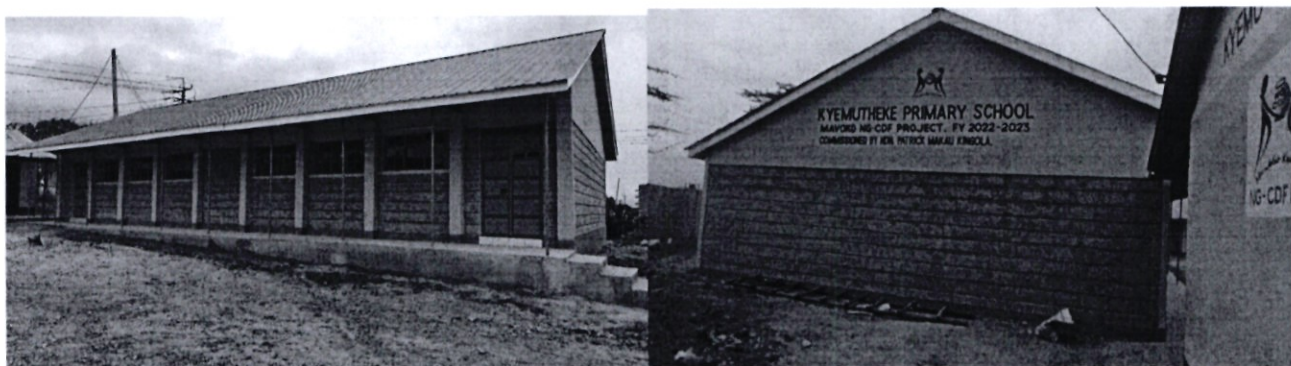


The above allocations have led to more schools having new and renovated permanent structures hence improving the learning environment drastically.

**KEY ACHIEVEMENTS**

The committee has also ensured that bursary was disbursed in an open and transparent manner as attested by successful stories from beneficiaries who completed secondary schools and proceeded to college thanks to NGCDF bursary scheme. We have received acknowledgement letters and receipts as prove of bursary funds reaching the beneficiaries intended.

Other projects undertaken during the year include the Construction of a 2No. classroom block at Kyemutheke primary school, construction of an administration block at Kiasa police post and the fencing of Wathia primary just to mention but a few.



**PROJECT: CONSTRUCTION OF 2NO. CLASSROOM BLOCK AT KYEMUTHEKE PRIMARY SCHOOL.**

**CONTRACTOR:** CANT INVESTMENTS LIMITED.

**APPROVED CONTRACT VALUE:** 2,600,000.00

**Status**

1. The project had been done to completion.
2. The contractor had used quality and standard materials on the project and the workmanship was up to standard.
3. The contractor had not cleared the site.

**RECOMMENDATIONS**

1. The contractor should clear and tidy up the site. The remaining construction material should also be removed from site

**PROJECT: CONSTRUCTION OF AN ADMINISTRATION BLOCK AT KIASA POLICE POST.  
CONTRACTOR: IVYGEOF ENTERPRISES LIMITED  
APPROVED CONTRACT VALUE: 2,600,000.00**



**Status**

1. The project was 100% Complete
2. The superstructure was done including finishes, fixtures and electrical installations.
3. The contractor had used quality and standard materials on the project and the workmanship was up to standard.
4. The contractor had not cleared the site.

**RECOMMENDATIONS**

1. The administration block had been constructed to standard as per the B.Qs and the quality of the materials and workmanship was up to standard
2. The contractor should clear and tidy up the site. The remaining construction material should also be removed from site
3. The project should be properly branded.

**PROJECT: CONSTRUCTION OF A 2NO. CLASSROOMS BLOCK AT KALIMANI PRIMARY SCHOOL.**

**CONTRACTOR: ELITE FREYNNE BUILDERS LIMITED**

**APPROVED CONTRACT VALUE: 2,600,000.00**



**Status**

- 1.The Classes were 100% Complete but the ramp was 90% complete.
- 2.Finishes had not been complete on the ramp i.e. rendering of the platter.
3. The contractor had used quality and standard materials on the project and the workmanship was up to standard.
4. The contractor had not cleared the site.

**RECOMMENDATIONS**

- 1.The classroom block had been constructed to standard as per the B.Qs and the quality of the materials and workmanship was up to standard.
- 2.The contractor should complete the finishes on the ramp.
- 3.The contractor should clear and tidy up the site.The remaining construction material should also be removed from site
4. The project should be properly branded.

**Challenges and way forward**

We have been privileged to witness major exemplary improvements in areas where development was sluggish and poverty rampant; thanks to NGCDFC development goals but we have also experienced various challenges in project implementation and management during the FY 2021/2022. These include, inadequate record keeping by project management committees, failure by some project management committees to comply with the public procurement procedures and regulations as well as delayed submission of the required returns for funds disbursed.

I wish to reiterate that without the undying cooperation and support of the NGCDF Committee, NG-CDFC staff, Project Management Committees and other stakeholders; we would not have been able to achieve the above milestones. Moving forward, the NGCDF Committee will work smarter and strategically to perform much better and achieve excellent performance targets for the Financial Year 2022/2023



.....  
**Name: Michael Mulei**  
**CHAIRMAN NGCDF COMMITTEE**

**II. Statement of Performance Against Predetermined Objectives for FY2022/23**

**Introduction**

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

The key development objectives of *Mavoko Constituency 2021-2025* plan are to:

- a) To improve learning environment
- b) Improve access to education
- c) To improve working conditions of security personnel
- d) To enhance environmental conservation
- e) Enhance the talents of youth through sports
- f) To improve organizational performance
- g) To improve access to ICT infrastructure

**Progress on attainment of Strategic development objectives**

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

<b>SECTOR</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Education	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>In the F/Y 2022/23 we have built 9 classrooms in primary schools and secondary schools -6,394 beneficiaries benefitted from bursary</i>	<i>In FY 2022/23 - We have built classrooms in 6 Primary school and 3 in Secondary Schools 4654 bursary beneficiaries from secondary schools, 1493 from tertiary institutions and 247 special institutions beneficiaries - Bursary beneficiaries at all levels were as per the attached schedules</i>
Security	To ensure the security personnel have adequate infrastructure	Improved infrastructure for security entity	-In the F/Y 2022/2023 we built 2 administration blocks and built 1 perimeter wall	we have built 2 administration blocks and built a perimeter wall in 2 police stations

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*National Government Constituencies Development Fund (NGCDF)*

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	for their operation			
Sports	To ensure sports fraternity get sports kids.	Increased participation has enabled youths to be active and less engage in other vices.	In the F/Y 2022/2023 21 teams benefited from the supplied uniforms and kits	We increased the number beneficiaries from 1000 to 2500
Emergency	To ensure unforeseen calamities are dealt with.	Emergency response has been improved.	-In the F/Y 2022/2023 3 emergency projects have been implemented and finished.	We managed to build 2 toilets in primary school and 1 in secondary school respond to disaster stricken entities timely

### III. Governance Statement

#### Appointment of NG CDFC Members

- (1) There is established a National Government Constituency Development Fund Committee for every constituency.
- (2) Each Constituency Committee shall comprise of—
  - a) The national government official responsible for co-ordination of national government functions
  - b) Two men each nominated in accordance with subsection (3)
  - c) One of whom shall be a youth at the date of appointment
  - d) Two women nominated in accordance with subsection (3) one of whom shall be youth at the date of appointment
  - e) One person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3)
  - f) Two persons nominated by the constituency office established under regulations made pursuant to the parliamentary service act
  - g) The officer of the board seconded to the constituency committee by the board who shall be an ex officio member without a vote
  - h) One member co-opted by the board in accordance with Regulations made by the Board
- (3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.
- (4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettment by the Board.
- (5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.
- (6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.
- (7) The quorum of the Constituency Committee shall be one half of the total membership.
- (8) The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.
- (9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.
- (10) Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.
- (11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.
- (12) A member of the Constituency Committee may be removed from office on any one or more of the following grounds—
  - a) Lack of integrity
  - b) gross misconduct
  - c) embezzlement of public funds
  - d) bringing the committee into disrepute through unbecoming personal public conduct

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- (e) promoting unethical practices;
  - (f) causing disharmony within the committee;
  - (g) physical or mental infirmity.
- (13) A decision to remove a member under subsection (13) shall be made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made.
- (14) A vacancy arising as a result of the removal of a member under subsection (13) shall be filled in the manner set out in subsection (10) and minutes of the meeting shall indicate the fact of the removal or appointment of a member.

The Mavoko National Government constituency development fund Committee is in charge of management and overseeing the implementation of the fund. The process of appointment and removal is properly outlined in the NG CDF Act of 2015 and as amended in 2022.

The Constituency Committee comprises of— (a) the national government official responsible for co-ordination of national government functions; (b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment; (c) two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment; (d) one persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3); (e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act; (f) the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote. (g) one member co-opted by the Board in accordance with Regulations made by the Board.

Following the above guidelines Mavoko Constituency appointed new NG CDFC Members through the process guided by the NG CDF Act of 2015 and as amended in 2022. Advertisement was made, short listing done as per the 4 wards in the constituency. The selection panel chaired by a nominee of the deputy county commissioner spearheaded the process. After conducting interviews to the applicants the nominees of the panel were:

NAME	CATEGORY	DESIGNATION
Alice Kwamboka	Representative of Female Adult	Member
Jeremiah Gakinya	Male Youth representative	Member
Michael Mulei	Male Adult Representative	Chairperson
Yvonne Mule	Female Youth Representative	Secretary

The constituency office nominated the following;

NAME	CATEGORY	DESIGNATION
Leonald Zambia	Nominee of the constituency office Male	Member

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Anne Muthini	Nominee of the constituency office Female	Member
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Through a forwarding letter the nominee of Persons living with disability was;

NAME	CATEGORY	DESIGNATION
Rachael Kanyila	Representative of persons living with disability	Member

The NG CDF Board co-opted the following member to sit in the NG CDFC Committee;

NAME	CATEGORY	DESIGNATION
Joseph Mwangi	Co-opted Member	Member

The NG CDFC members were appointed and gazetted (date...serial) as follows

NAME	CATEGORY	DESIGNATION
Anne Muthini	Representative of Female Adult	Member
Leonald Zambia	Nominee of the constituency office Male	Member
Anne Muthini	Nominee of the constituency office Female	Member
Jeremiah Gakinya	Male Youth representative	Member
Michael Mulei	Male Adult Representative	Chairperson
Yvonne Mule	Female Youth Representative	Secretary
Alice Kwamboka	Female Adult Representative	Member
Rachael Kanyila	Representative of persons living with disability	Member

The first meeting of Mavoko constituency committee took place On 18<sup>th</sup> January 2023 after gazzettement.

### **Removal of NG CDFC Members**

The NG CDF Act of 2015 and as amended in 2022 also outlines the process of removal of a member from office; a member may be removed based on the following grounds; (a) lack of integrity; (b) gross misconduct; (c) embezzlement of public funds; (d) bringing the committee into disrepute through unbecoming personal public conduct; (e) promoting unethical practises; (f) causing disharmony within the committee; (g) physical or mental infirmity. In the financial year 2022/2023 there was no removal of committee members in Mavoko Constituency.

### **Roles and functions of Mavoko NG CDFC Committee**

Ensure that all projects receive adequate funding and are completed within three years; where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies; (I) ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board; monitor the implementation of projects in accordance with the

monitoring and evaluation framework prescribed by the Board; ensure that project reports are prepared and submitted to the Board; ensure formation of project management committees, opening of project accounts, project implementation and closure of projects; ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund; submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;

#### **Mavoko NG CDFC Meetings**

The NG CDF Act of 2015 and as amended in 2022 indicates that a constituency committee should hold a maximum of 24 meetings and a minimum of 12 within a financial year. The Constituency has held a total of 13 meetings within the financial year where lots of issues have been deliberated. Among the key issues is disbursement of Funds to the PMC accounts. The constituency has made it a habit to declare conflict of interest in every meeting.

#### **Dissolution of a Constituency Committee**

The NG CDF Act of 2015 and as amended in 2022 outlines the procedures to be taken when dissolving a constituency committee. A person may present a petition to the Board for the dissolution of a Constituency Committee setting out the alleged facts constituting any one or more of the following grounds for dissolution— (a) serious violation of the Constitution or any other law including a contravention of Chapter Six; (b) gross misconduct, whether in performance of the member's or office holder's functions or otherwise; (c) incompetence; (d) bankruptcy; or (e) any other cause as may be deemed justifiable.

Mavoko NG CDFC has not been dissolved for any of the above reasons.

#### **Conflict of Interest**

The NG CDF Act of 2015 regulations of 2016 states that all officers should declare conflict of interest before commencement of any meeting. Mavoko NG CDFC ensures that members declare conflict of interest before start of any meeting.

#### **Remuneration of NG CDFC Members**

The NG CDF Act of 2015 regulations of 2016 indicates that members are entitled to sitting allowances once they attend meetings. Mavoko NG CDFC Members are entitled to a sitting allowance once they attend meetings.

#### **Ethics and conduct**

The chapter on Leadership and Integrity requires State officers to be guided in their day-to-day conduct by principles of leadership and integrity which, among other requirements, include: being

objective and impartial in ensuring that decisions are not influenced by nepotism, favouritism, and other improper motives.

The NG-CDFC Members Mavoko Constituency is bound by the requirements and guidelines of this chapter like other public officers

#### **IV. Environmental and Sustainability Reporting**

##### **1. Sustainability strategy and profile -**

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

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

### **3. Employee welfare**

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Mavoko 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-**

Mavoko 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-

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

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

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

**Public participation** is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

### **Public Awareness**

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

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

  
.....  
**Name: Alex Kioko**

**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 NGCDF-Mavoko Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 202X. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Mavoko Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Mavoko 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 Mavoko 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

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

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form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**


The NGCDF- Mavoko Constituency financial statements were approved and signed by the Accounting Officer on 22/09/2023.



.....

**Name: Michael Mulei**

**Chairman – NGCDF Committee**



.....

**Name: Alex Kioko**

**Fund Account Manager**

# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mavoko Constituency set out on pages 1 to 40, which

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Mavoko Constituency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Committee Expenses**

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects committee expenses of Kshs.2,688,140. Included in the amount is expenditure of Kshs.1,281,600 whose payment vouchers were not provided for audit review.

In the circumstances, the accuracy and regularity of committee expenses amounting to Kshs.2,688,140 could not be confirmed.

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

Note 18.4 to the financial statements and as disclosed in Annex 5 reflects Project Management Committee (PMC) account balances of Kshs.2,694,089. Included in this balance is Kshs.1,394,351 relating to completed projects which had not been surrendered to the Constituency Fund bank account. This is contrary to the provisions of Section 12(8) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022) which requires that all unutilized funds of the Project Management Committee be returned to the Constituency Fund main bank account. Further, bank reconciliation statements and cash books were not provided to support the balances.

In the circumstances, the accuracy and completeness of Project Management Committee account balances of Kshs.2,694,089 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 - Mavoko Constituency in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects final budgeted receipts and actual on comparable basis of Kshs.151,880,475 and Kshs.100,665,442 respectively, resulting to an under-funding of Kshs.51,215,033 or 34% of the budget. Similarly, the Fund spent a balance of Kshs.81,865,912 against actual receipts of Kshs.100,665,442 resulting to an under-utilization of Kshs.18,799,530 or 19% of the actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

The audit report for the previous year raised several issues in respect of the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Management has not resolved the issues or given explanation for the failure to implement recommendations.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Lack of Project Completion Certificates**

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects other grants and other transfers amount of Ksh.45,793,500. Included

in this amount is Kshs.6,450,000 and Kshs.4,250,000 in respect of Emergency and security projects respectively, both totalling Kshs.10,700,000. However, completion certificates in support of the expenditure were not presented for audit. This is contrary to Section 48(4) of Public Procurement And Asset Disposal Act, 2015 (Amended 2022) which requires that, the inspection and acceptance committee shall issue interim or completion certificates in accordance with the contract.

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

## **2. Poor Workmanship on Implemented Projects**

The statement of receipts and payments reflects other grants and other transfers of Kshs.45,793,500. Included in the amount is Kshs.4,250,000 in respect of security projects. However, the following anomalies were noted;

### **2.1 Kiasa Police Post-Administration Block Project**

Included in the expenditure is an amount of Kshs.2,600,000 disbursed to Project Management Committee for the construction of Administration Block at Kiasa Police Post. However, physical inspection carried out in the month of March, 2024 revealed that the project is complete and in use but the walls have cracked. This is contrary to Section 150(1) of the Public Procurement and Assets Disposal Act, 2015 that requires an Accounting Officer or his or her appointed representative to ensure that the goods, works and services procured are of the right quality and quantity.

In the circumstances, value for money from the expenditure of Kshs.2,600,000 was not obtained.

### **2.2 Kiasa Police Post-Four Door Toilet Project**

Included in the expenditure is an amount of Kshs.850,000 disbursed to Project Management Committee for the construction of four (4) door pit latrine at Kiasa Police Post. However, physical inspection carried out in the month of March, 2024 revealed that the project is complete and in use but the floor was poorly done and had chipped, walls had cracked and painting had also chipped. This is contrary to Section 150(1) of Public Procurement and Assets Disposal Act, 2015 that requires an Accounting Officer or his or her appointed representative to ensure that the goods, works and services procured are of the right quality and quantity.

In the circumstances, value for money from the expenditure of Kshs.850,000 was not obtained.

## **3. Late Remittance of Statutory Deductions**

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects an amount of Kshs.4,344,554 in respect of compensation of employees. Review of expenditure records revealed that remittances of National Social Security Fund (NSSF) deductions for the months of July 2022, August, 2022 and October, 2022 amounting to Kshs.19,440 were made after the set deadlines contrary to

Regulation 18(4) of the National Government Constituency Development Fund Regulations, 2016 which requires that all statutory deductions are promptly remitted to the relevant authorities. The late remittances may attract penalties which is an avoidable cost.

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

#### **4. Open Ended Contract Agreements**

Review of procurement records revealed twelve (12) signed contracts with a total contract sum of Kshs.27,744,164 whose contract periods were not indicated contrary to Section 138(4) of Public Procurement And Asset Disposal Act, 2015 which requires indication of contract commencement and completion dates.

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

#### **5. Unsupported Expenditure - Emergency Projects**

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects other grants and other transfers of Kshs.45,793,500. Included in the amount is Kshs.6,450,000 in respect of emergency projects. However, notification of emergencies and proposal requests to the board were not provided for audit. It was therefore not possible to confirm whether the funding was actually for projects that were of emergency in nature, and how the Constituency Development Fund Committee was made aware of the need. This is contrary to Section 8(3) of National Government Constituencies Development Fund Act 2015 (Amended 2022) which requires that "Emergency" shall be construed to mean an' urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.

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

#### **6. Irregular Bursary Award**

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects other grants and transfers amount of Kshs.45,793,500. Included in the amount is bursary balance of Kshs.23,487,000 and Kshs.9,790,500 issued to secondary schools and tertiary institutions respectively. Review of the bursary records revealed double allocation of bursaries to some students totalling Kshs.85,500. Further, committee minutes on the same were not provided for audit contrary to Section 232(1) of the Constitution of Kenya which requires impartial and equitable provision of services.

In the circumstances, the regularity and fairness of the bursary award process could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing as applicable, matters related to sustainability of services and using the appropriate 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 the entity monitors compliance with relevant legislative and regulatory requirements ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance

and risk management and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.



**FCPA Nancy Gathungu, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**22 May, 2024**

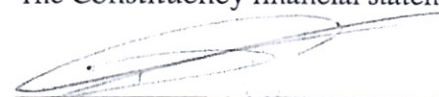
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**VII. Statement of Receipts and Payments for the Year Ended 30th June 2023**

	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	87,000,000	182,177,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>87,000,000</b>	<b>182,177,758</b>
<b>Payments</b>			
Compensation Of Employees	4	4,344,554	4,143,156
Committee expenses	5	2,688,140	-
Use Of Goods and Services	6	4,639,718	7,122,056
Transfers To Other Government Units	7	24,400,000	98,906,800
Other Grants and Transfers	8	45,793,500	75,613,554
Acquisition Of Assets	9	-	2,121,623
Other Payments	10	-	-
<b>Total Payments</b>		<b>81,865,912</b>	<b>187,907,189</b>
<b>Surplus/ (Deficit)</b>		<b>5,134,088</b>	<b>(5,729,431)</b>

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

The Constituency financial statements were approved by the NGCDFC on 25/09/2023 and signed by:



Fund Account Manager

Name: Alex Kioko



National Sub-County  
Accountant

Name: Dennis Mathenge  
ICPAK M/No: 14373



Chairman NG-CDF  
Committee

Name: Michael Mulei

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

**VIII. Statement Of Assets and Liabilities As At 30th June, 2023**

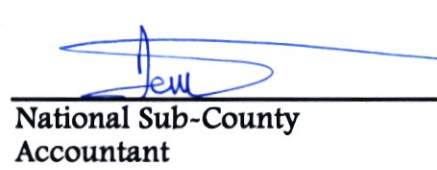
	Note	2022/2023	2021/2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	12A	18,799,531	13,665,442
Cash Balances (Cash at Hand)	12B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>18,799,531</b>	<b>13,665,442</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	13	-	-
<b>Total Financial Assets</b>		<b>18,799,531</b>	<b>13,665,442</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	14A	-	-
Gratuity	14B	-	2,045,353
<b>Total Financial Liabilities</b>			<b>2,045,353</b>
<b>Net Financial Assets</b>		<b>18,799,531</b>	<b>11,620,089</b>
<b>Represented By</b>			
Fund Balance B/Fwd	15	13,665,443	17,349,520
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		5,134,088	(5,729,431)
<b>Net Financial Position</b>		<b>18,799,531</b>	<b>11,620,049</b>

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

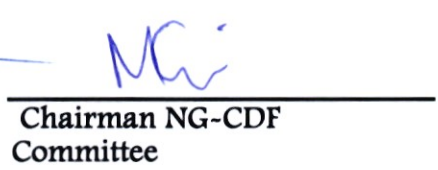
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Fund Account Manager

Name: Alex Kioko

  
National Sub-County  
Accountant

Name: Dennis Mathenge  
ICPAK M/No: 14373

  
Chairman NG-CDF  
Committee

Name: Michael Mulei

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

	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	87,000,000	182,177,758
Other Receipts	3	-	-
<b>Total Receipts</b>		87,000,000	182,177,758
<b>Payments</b>			
Compensation Of Employees	4	4,344,554	4,143,156
Committee Expenses	5	2,688,140	
Use Of Goods and Services	6	4,639,718	7,122,056
Transfers To Other Government Units	7	24,400,000	98,906,800
Other Grants and Transfers	8	45,793,500	75,613,554
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
<b>Total Payments</b>		<b>81,865,912</b>	<b>185,785,566</b>
<b>Total Receipts Less Total Payments</b>			(3,607,808)
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
<b>Net Cash Flow from Operating Activities</b>		<b>5,134,088</b>	<b>(3,607,808)</b>
<b>Cash flow From Investing Activities</b>			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	(2,121,623)
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>(2,121,623)</b>
Net Increase In Cash And Cash Equivalent		5,134,088	(5,729,431)
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	<b>12</b>	<b>13,665,443</b>	<b>19,394,874</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	<b>12</b>	<b>18,799,531</b>	<b>13,665,443</b>

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

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

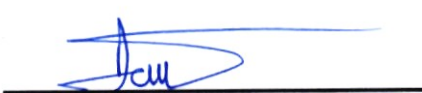
The Constituency financial statements were approved by NG CDFC on 25/09/ 2023 and signed by:



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**Fund Account Manager**


**Name: Alex Kioko**



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**National Sub-County  
Accountant**

**Name: Dennis Mathenge  
ICPAK M/No:14373**



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**Chairman NG-CDF  
Committee**

**Name: Michael Mulei**

*Mavoko Constituency  
National Government Constituencies Development Fund (NGCDF)  
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**X. Summary Statement of Appropriation for The Year Ended 30<sup>th</sup> June 2023**

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	D	e=c-d	f=d/c %
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022/2023	2022/2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>							
Transfers From NGCDF Board	138,215,033	13,665,442	-	151,880,475	100,665,442	51,215,032	66%
Proceeds From Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	-
<b>Totals</b>	<b>138,215,033</b>	<b>13,665,442</b>	<b>-</b>	<b>151,880,475</b>	<b>100,665,442</b>	<b>51,215,033</b>	<b>66%</b>
<b>Payments</b>							
Compensation Of Employees	3,517,060	4,471,721	-	7,988,781	4,344,554	3,644,227	54%
Committee expenses	2,776,000	-	-	2,776,000	2,688,140	87,860	97%
Use Of Goods and Services	4,921,483	3,627,797	-	8,549,280	4,639,718	3,909,562	54%
Transfers To Other Government Units	76,938,000	1,100,000	-	78,038,000	24,400,000	53,638,000	31%
Other Grants and Transfers	47,762,490	4,276,857	-	52,039,347	45,793,500	6,245,847	88%
Acquisition of Assets	-	16,067	-	16,067	-	16,067	0%
Oversight Committee Expenses	300,000	-	-	300,000	-	300,000	0%
Other Payments	2,000,000	-	-	2,000,000	-	2,000,000	0%
Funds Pending Approval**	-	173,000	-	173,000	-	173,000	0%
<b>Totals</b>	<b>138,215,033</b>	<b>13,665,442</b>	<b>-</b>	<b>151,880,475</b>	<b>81,865,912</b>	<b>70,014,563</b>	<b>54%</b>

**Mavoko Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
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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.*

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	70,014,563
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	51,215,032
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	<b>18,799,531</b>

The Constituency financial statements were approved by NG CDFC on 25/09/2023 and signed by:



**Fund Account Manager**

**Name: Alex Kioko**



**National Sub-County Accountant**

**Name: Dennis Mathenge**  
**ICPAK M/No:14373**



**Chairman NG-CDF Committee**

**Name: Michael Mulei**

XI. Budget Execution By Sectors And Projects For The Year Ended 30<sup>th</sup> June 2023

Programme/Sub-programme	Original Budget 2022/2023	Adjustments		Final Budget 2022/2023	Actual on comparable basis 30-06-23	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,517,060	4,471,721	-	7,988,781	4,344,554	3,644,227
1.2 Committee allowances	1,388,000	-	-	1,388,000	1,344,070	43,930
1.3 Use of goods and services	2,460,741	-	-	2,546,689	2,581,309	(120,568)
<b>Sub-total</b>	<b>7,365,801</b>	<b>4,471,721</b>	<b>-</b>	<b>11,837,522</b>	<b>8,269,933</b>	<b>3,567,589</b>
<b>2.0 Monitoring and evaluation</b>						-
2.1 Capacity building	-	-	-	-	-	-
2.2 Committee allowances	1,388,000	-	-	1,388,000	1,344,070	43,930
2.3 Use of goods and services	2,374,794	3,627,797	-	6,002,591	2,058,409	3,944,182
<b>Sub-total</b>	<b>3,762,794</b>	<b>3,627,797</b>	<b>-</b>	<b>7,390,591</b>	<b>3,402,479</b>	<b>3,988,112</b>
<b>3.0 Emergency</b>						
3.1 Primary Schools	1,300,000	-	-	1,300,000	1,550,000	(250,000)
3.2 Secondary schools	1,300,000	-	-	1,300,000	1,300,000	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	2,600,000	-	-	2,600,000	3,600,000	(1,000,000)
3.5 Unutilized	2,436,190	1,984,413	-	4,420,603	-	4,420,603
<b>Sub-total</b>	<b>7,636,190</b>	<b>1,984,413</b>	<b>-</b>	<b>9,620,603</b>	<b>6,450,000</b>	<b>3,170,603</b>

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Programme/Sub-programme	Original Budget 2022/2023	Adjustments		Final Budget 2022/2023	Actual on comparable basis 30-06-23	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
<b>4.0 Bursary and Social Security</b>						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	18,000,000	592,444	-	18,592,444	23,487,000	(4,894,556)
4.3 Tertiary Institutions	12,000,000	-	-	12,000,000	9,790,500	2,209,500
4.4 Universities	-	-	-	-	-	-
4.5 Social Security	-	-	-	-	-	-
4.6 Special needs	5,000,000	-	-	-	1,816,000	3,184,000
<b>Sub-total</b>	<b>35,000,000</b>	<b>592,444</b>	<b>-</b>	<b>35,592,444</b>	<b>35,093,500</b>	<b>498,944</b>
<b>5.0 Sports</b>						
5.1 Constituency sports Tournament	2,264,300	-	-	2,264,300	-	2,264,300
5.2 Regional Sports Tournament	500,000	-	-	500,000	-	500,000
5.3	-	-	-	-	-	-
<b>Sub-total</b>	<b>2,764,300</b>			<b>2,764,300</b>		<b>2,764,300</b>
<b>6.0 Environment</b>						
6.1	-	-	-	-	-	-
6.2	-	-	-	-	-	-
6.3	-	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>7.0 Primary Schools Projects (List all the Projects)</b>						

**Mavoko Constituency**

**National Government Constituencies Development Fund (NGCDF)**

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Programme/Sub-programme	Original Budget 2022/2023	Adjustments		Final Budget 2022/2023	Actual on comparable basis 30-06-23	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.1 KALIMANI PRIMARY SCHOOL	3,000,000	-	-	3,000,000	-	3,000,000
7.2 WATHIA PRIMARY SCHOOL	2,600,000	-	-	2,600,000	2,600,000	-
7.3 NDOVOINI PRIMARY SCHOOL	1,300,000	-	-	1,300,000	1300000	-
7.4 NGWATA PRIMARY SCHOOL	2,600,000	-	-	2,600,000	2600000	-
7.5 GITHUGURI JET VIEW PRIMARY SCHOOL	1,300,000	-	-	1,300,000	1300000	-
7.6 KYEMUTHEKE PRIMARY SCHOOL	9,000,000	-	-	9,000,000	4500000	4,500,000
7.7 ST FRANCIS OF ASSIS PRIMARY SCHOOL	9,500,000	-	-	9,500,000	4500000	5,000,000
7.8 ST AUGUSTINE MLOLONGO	2,600,000	-	-	2,600,000	2600000	-
<b>Sub-total</b>	<b>31,900,000</b>	<b>-</b>	<b>-</b>	<b>31,900,000</b>	<b>19,400,000</b>	<b>12,500,000</b>
<b>8.0 Secondary Schools Projects (List all the Projects)</b>						
8.1						
ATHIRIVER SECONDARY SCHOOL	15,000,000	-	-	15,000,000	-	15,000,000
KATANI SECONDARY SCHOOL	8,150,000	-	-	8,150,000	4,000,000	4,150,000
MUTHWANI SECONDARY SCHOOL	1,000,000	-	-	1,000,000	1,000,000	-
NDOVOINI SECONDARY SCHOOL	8,150,000	-	-	8,150,000	-	8,150,000

*Mavoko Constituency  
National Government Constituencies Development Fund (NGCDF)  
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Programme/Sub-programme	Original Budget 2022/2023	Adjustments		Final Budget 2022/2023	Actual on comparable basis 30-06-23	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
MAVOKO SECONDARY SCHOOL	1,500,000	-	-	1,500,000	-	1,500,000
KANAANI SECONDARY SCHOOL	2,500,000	-	-	2,500,000	-	2,500,000
KYUMBI SECONDARY SCHOOL	8,738,000	-	-	8,738,000	-	8,738,000
ST AUGUSTINE MLOLONGO	-	1,100,000	-	1,100,000	-	1,100,000
<b>Sub-total</b>	<b>45,038,000</b>	<b>1,100,000</b>	<b>-</b>	<b>46,138,000</b>	<b>5,000,000</b>	<b>41,138,000</b>
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>						
9.1	-	-	-	-	-	-
9.2	-	-	-	-	-	-
9.3	-	-	-	-	-	-
		-	-	-	-	-
<b>10.0 Security Projects</b>						
ATHIRIVER POLICE STATION	1,462,000	-	-	1,462,000	-	1,462,000
SYOKIMAU POLICE POST	900,000	-	-	900,000	900000	-
KIASA POLICE POST	-	850,000	-	-	850000	-
KAMBI POLICE POST	-	850,000	-	-	850000	-
MAVOKO SECURITY	-	-	-	-	1650000	(1,650,000)
<b>Sub-total</b>	<b>2,362,000</b>	<b>1,700,000</b>	<b>-</b>	<b>3,212,000</b>	<b>4,250,000</b>	<b>(188,000)</b>

Programme/Sub-programme	Original Budget 2022/2023	Adjustments		Final Budget 2022/2023	Actual on comparable basis 30-06-23	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles (including motorbikes)	-	-	-		-	-
11.2 Construction of CDF office	-	16,067	-	16,067	-	16,067
11.3 Purchase of furniture and equipment	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
<b>Sub-total</b>	-	16,067	-	16,067	-	16,067
<b>12.0 Oversight Committee Expenses (itemize )</b>						
	300,000	-	-	300,000	-	300,000
	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Sub-total</b>	300,000	-	-	300,000	-	300,000
<b>13.0 Others</b>	-	-	-		-	-
13.1 Strategic Plan	2,000,000	-	-	2,000,000	-	2,000,000
13.2 Innovation Hub	-	-	-	-	-	-
13.2	-	-	-	-	-	-
<b>Sub-total</b>	2,000,000	-	-	2,000,000	-	2,000,000
Funds pending approval**	-	173,000	-	173,000	-	173,000
<b>Total</b>	<b>138,215,033</b>	<b>13,665,442</b>	<b>-</b>	<b>151,880,475</b>	<b>81,865,912</b>	<b>70,014,563</b>

(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

## **XII. 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-Mavoko Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

### **3. Reporting Currency**

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

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

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

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

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

*Significant Accounting Policies continued*

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

***Unutilized Funds from PMCs.***

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

**External Assistance**

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

**b) Recognition of payments**

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

*Significant Accounting Policies continued*

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

*Significant Accounting Policies continued*

**6. Cash and Cash Equivalent.**

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

*Significant Accounting Policies continued*

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

*Significant Accounting Policies continued*

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

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

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

**12. Comparative Figures**

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

*Significant Accounting Policies Continued*

**13. Subsequent Events**

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

**14. Errors**

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

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

**15. Related Party Transactions**

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

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**XIII. Notes To the Financial Statements**

**1. Transfers from NGCDF Board**

Description	2022/2023	2021/2022
NGCDF Board	Kshs	Kshs
AIE NO B 105212		33,000,000
AIE NO B 105513		44,000,000
AIE NO B 138929		12,000,000
AIE NO B 128623		5,000,000
AIE NO B 105871		22,000,000
AIE NO B 119964		12,000,000
AIE NO B 164364		18,000,000
AIE NO B 155894		24,088,879
AIE NO B 155998		12,088,879
AIE NO B 185179	7,000,000	
AIE NO B 206031	5,000,000	
AIE NO B 185716	21,000,000	
AIE NO B 206479	12,000,000	
AIE NO B 205824	12,000,000	
AIE NO B 207586	15,000,000	
AIE NO B 207953	15,000,000	
<b>TOTAL</b>	<b>87,000,000</b>	<b>182,177,758</b>

**2. Proceeds From Sale of Assets**

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

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*Notes To the Financial Statements (Continued)*

**3. Other Receipts**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	128,000
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>-</b>	<b>128,000</b>

**4. Compensation Of Employees**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	3,676,908	3,374,312
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	426,686	411,804
Employer Contributions Compulsory national social security schemes	240,960	257,040
<b>Total</b>	<b>4,344,554</b>	<b>4,143,156</b>

**5. Committee Expenses**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Sitting allowance	798,840	1,080,000
Other committee expenses	1,889,300	1,638,750
<b>Total</b>	<b>2,688,140</b>	<b>2,718,750</b>

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*-Notes To the Financial Statements (Continued)*

6. Use of Goods and services

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	67,937	450,000
Electricity	-	75,000
Communication, supplies and services	139,350	-
Domestic travel and subsistence	-	150,000
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,631,600	1,923,500
Hospitality supplies and services	476,153	309,900
Insurance costs	100,490	144,680
Specialised materials and services	881,300	-
Office and general supplies and services	655,623	563,574
Fuel , oil & lubricants	320,000	250,000
Other operating expenses	48,145	400,000
Bank Charges	111,052	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	166,948	136,652
Routine maintenance- other assets	41,120	-
<b>Total</b>	<b>4,639,718</b>	<b>4,403,306</b>

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*Notes To The Financial Statements (Continued)*

**7. Transfer To Other Government Units**

Description	2022/2023	2021/2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	19,400,000	42,200,000
Transfers To Secondary Schools (See Attached List)	5,000,000	51,706,800
Transfers To Tertiary Institutions (See Attached List)	-	-
<b>Total</b>	<b>24,400,000</b>	<b>98,906,800</b>

**8. Other Grants and Other transfers**

	2022/2023	2021/2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	23,487,000	26,083,500
Bursary – tertiary institutions (see attached list)	9,790,500	13,048,500
Bursary – special schools (see attached list)	1,816,000	3,148,000
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	4,250,000	18,450,000
Sports projects (see attached list)	-	5,483,554
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	6,450,000	9,400,000
Roads projects (see attached list)	-	-
<b>Total</b>	<b>45,793,500</b>	<b>75,613,554</b>

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*Notes To the Financial Statements (Continued)*

**9. Acquisition Of Assets**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	1,711,123
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	410,500
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>2,121,623</b>

**10. Oversight Committee Expenses**

	<i>2022-2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan	-	-
ICT Hub	-	-
	-	-

**11. Other Payments**

	<i>2022-2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan	-	-
ICT Hub	-	-
	-	-

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022/2023	2021/2022
	Kshs	Kshs
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Equity Bank EPZ BRANCH Account No 1490262115144</i>	18,799,531	13,665,443
<b>Total</b>	<b>18,799,531</b>	<b>13,665,443</b>
<b>12 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
	-	-

13. Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**14. Retention and Gratuity**

<b>14 A. Retention</b>	<i>2022/2023</i>	<i>2021/2022</i>
	<b>KShs</b>	<b>KShs</b>
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

<b>14 B. Gratuity</b>	<i>2022/2023</i>	<i>2021/2022</i>
	<b>KShs</b>	<b>KShs</b>
Gratuity as at 1 <sup>st</sup> July (A)		
Gratuity held during the year (B)		
Gratuity paid during the Year (C)		
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C		

**15. Fund Balance B/F**

	<i>(1<sup>st</sup> July 2023)</i>	<i>(1<sup>st</sup> July 2022)</i>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	13,665,443	19,394,873
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>13,665,443</b>	<b>19,394,873</b>
Less	-	-
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	13,665,443	19,394,873

16. Prior Year Adjustments

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

17. Changes In Accounts Receivable – Outstanding Imprests

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

18. Changes In Accounts Payable – Deposits and Retentions

	2022/2023	2021/2022
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	411,804
Deposit and Retentions paid during the Year (C)	-	411,804
closing account payables D= A+B-C	-	-
Net changes in accounts payables D-A	-	-

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**Notes To the Financial Statements (Continued)**

**19. Other Important Disclosures**

**19.1: Pending Accounts Payable (See Annex 1)**

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

**19.2: Pending Staff Payables (See Annex 2)**

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

**19.3: Unutilized Fund (See Annex 3)**

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	3,644,227	4,471,721
Committee expense	87,860	-
Use of goods and services	3,309,562	3,627,797
Amounts due to other Government entities (see attached list)	53,638,000	1,100,000
Amounts due to other grants and other transfers (see attached list)	6,245,847	4,276,857
Acquisition of assets	16,067	16,067
Oversight Committee Expenses	300,000	-
Other Payments ( <i>specify</i> )	2,000,000	-
Funds pending approval	173,000	173,000
<b>Total</b>	<b>70,014,563</b>	<b>13,665,442</b>

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**18.4: PMC account balances (See Annex 5)**

	<i>2022/2023</i>	<i>2021/2022</i>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	2,694,089	21,438,320
Total	<b>2,694,089</b>	<b>21,438,320</b>

XIV. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

**Annex 2 - Analysis of Pending Staff Payables**

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

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**Annex 3 – Unutilized Fund**

<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance 2022/2023</b>	<b>Outstanding Balance 2021/2022</b>	<b>Comments</b>
Compensation of employees	salaries	3,644,227	4,471,721	
Committee Expenses	Committee expenses	87,860	-	
Use of goods & services	Goods and services expenses	3,309,562	3,627,797	
Amounts due to other Government entities				
St Augustine Mlolongo Secondary School	Construction of classroom	1,100,000	1,100,000	
Githunguri Jet View Primary School	Construction of classroom	5,000,000	-	
Ngwata Primary School	Construction of classroom	4,500,000	-	
Katani Secondary School	Construction of classroom	4,150,000	-	
kiasa primary school	Construction of classroom	3,000,000	-	
athiriver secondary	Construction of multipurpose hall	15,000,000	-	
mavoko secondary	Construction of a gate	1,500,000	-	
kanaani secondary	Construction of classroom	2,500,000	-	

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance 2022/2023</b>	<b>Outstanding Balance 2021/2022</b>	<b>Comments</b>
kyumbi secondary	Purchase of a school bus	8,738,000	-	
ndovoini secondary school	Construction of dormitory	8,150,000	-	
Sub-Total		<b>61,279,649</b>	<b>9,199,518</b>	
Amounts due to other grants and other transfers				
Bursary	Bursary to needy students	-	592,244	
Emergency	Unforeseen emergencies	2,019,547	1,984,413	
		-	-	
Security	Security projects	-	-	
Kambi Police Post		-	850,000	
Kiasa Police Post		-	850,000	
athiriver police station	Construction of perimeter wall	1,462,000	-	
constituency sports	Constituency sports	2,264,300		
regional sports	Regional Sports	500,000		
Sub Total		<b>6,245,847</b>	<b>4,276,857</b>	

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance 2022/2023</b>	<b>Outstanding Balance 2021/2022</b>	<b>Comments</b>
Acquisition of assets	Acquisition of assets	16,067	16,067	
		-	-	
		-	-	
Oversight Committee Expenses (itemize )	Coc expenses	300,000	-	
Others ( <i>specify</i> )				
Strategic plan	Strategic plan	2,000,000	-	
		-	-	
Sub-Total		-	-	
Funds pending approval		173,000	173,000	
<b>Grand Total</b>		<b>70,014,563</b>	<b>13,665,442</b>	

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**Annex 4 – Summary of Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2021/2022</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2022/2023</b>
Land				
Buildings and structures	4,000,000			4,000,000
Transport equipment				
Office equipment, furniture and fittings	1,886,293			1,886,293
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>5,886,293</b>			<b>5,886,293</b>

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**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023**

PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Kyumbi Police Post	EQUITY	1490278951311		
Kalimani Primary School	EQUITY	1490266492887	486,872	33,054
Kiasa Primary School	EQUITY	1490264436485		
Mathatani Secondary School	EQUITY	0600262583653		
Ivovoani Secondary School	EQUITY	1490279867308		
Mavoko SNP Primary School	EQUITY	1490280803203		
St. Pauls Primary School	EQUITY	1490280627210		
<b>Kiasa Primary School</b>	EQUITY	1490264436485		1,278,918
<b>Wathia Primary School</b>	EQUITY	1490263680233	353,427	
<b>Katani Primary School</b>	EQUITY	1490267012835		4,261
<b>Kamulu Primary School</b>	EQUITY	1490263815933		
<b>Kaiani Primary School</b>	EQUITY	1490279980143		
<b>Kavomboni Primary School</b>	EQUITY	1490279980189		2,402,412
<b>Muthwani Primary School</b>	EQUITY	1490268581644		972,921
<b>Nthuluni Primary School</b>	EQUITY	1490266493007		
<b>Ngalalya Primary School</b>	EQUITY	1490280193546		
<b>Kasuitu Primary School</b>	EQUITY	1490262824814		
<b>Kyumbi Primary School</b>	EQUITY	1490277510622		
<b>Mlolongo Primary School</b>	EQUITY	1490275974284		

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Seme Primary School	EQUITY	1490262581906		6,296
Athi-River Primary School	EQUITY	1490280108314		147,949
Mitatini Primary School	EQUITY	1490280803203		
Ngwata Primary School	EQUITY	1490262168409	2,514	
Githunguri Jetview Primary School	EQUITY	1490262865736	14,574	
Kanaani Primary School	EQUITY	1490264249106	98,193	
Nzoiani Primary School	EQUITY	1490280938748		
Mavoko Primary School	EQUITY	1490263696093		90,400
Ngelani Ranch Secondary School	EQUITY	1490279903755		
Mavoko Secondary School	EQUITY	1490263706234		169,456
Ndovoini Secondary School	EQUITY	1490281001568		
Ivovoani Secondary School	EQUITY	1490279867308		
Kanaani Secondary School	EQUITY	1490281001540	1,299,738	3,522,438
DCC's Residence – Mavoko Security	EQUITY	1490273207283		
Mlolongo Phase 3 Police Post	EQUITY	1490279332731		262,272
Joska Police Post	EQUITY	1490279905903		
Kinanie Police Post	EQUITY	1490279332760		946,471
Githunguri Police Post	EQUITY	1490279332742		
Lukenya Police Post	EQUITY	1490279322712		257
Sports	EQUITY	1490263830547		67,091

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Athi-River Secondary School	EQUITY	1490280108314		87,243
Kinanie Primary School	EQUITY	1490268838895		13,538
Nzoiani Primary School	EQUITY	1490280938748		200,579
St. Francis Of Assis Primary School	EQUITY	1490263815863	67,720	518,776
Kwa Mangeli Primary School	EQUITY	1490282066857		675,062
KMC DEB Primary School	EQUITY	1490279767762		13,528
Makilili Primary School	EQUITY	1490271705754		303,139
Ivalini DEB Primary School	CO-OPERATIVE	01141265729900		2,433
Ngalalya Secondary School	EQUITY	1490281025332		
Kyumbi Secondary School	EQUITY	1490262540051		263,678
Katani DEB Secondary School	EQUITY	1490281745703	2,054	374,274
Kinanie Secondary School	CO-OPERATIVE	01141265884900		52,752
Lukenya Girls Centre Of Excellence	EQUITY	1490266840330		688,217
Muthwani Secondary School	EQUITY	1490265170841	145,152	5,00,606
Syokimau Police Post	EQUITY	1490279332698	74,685	2,242,828
Athi- River Police Post-Security	EQUITY	1490273207283	3,637	1,472,615
Embakasi Primary School	EQUITY	1490264001282		50,060
Kiasa Police Post	EQUITY	1490278951311		
Kyemutheke Primary School	EQUITY	1490262597999	145,525	

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PMC	Bank	Account number	Bank Balance 2022/2023	Bank Balance 2021/2022
Total			2,694,089	21,438,320

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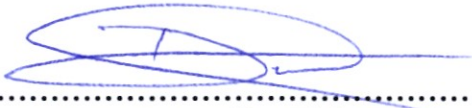
**Annex 6: Progress On Follow Up of Auditor Recommendations**

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.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
NG-CDF/MAVOKO/2021/2022(4)(1)	Anomalies in the Financial Statements	The statements of receipts and payments ,assets and liabilities, cash flows were signed by the national sub county accountant	resolved	
NG-CDF/MAVOKO/2021/2022(4)(2)	Inaccuracies in the Financial Statements	The board of survey report was provided and bank statements for the year were reviewed by senior office	resolved	
NG-CDF/MAVOKO/2021/2022(4)(3)	Misstatement of staff Costs	The misstated staff costs were reconciled by the management	resolved	
NG-CDF/MAVOKO/2021/2022(4)(4)	Unsupported Sports Project Expenditure	The management provided evidence for the projects expenditure	resolved	
NG-CDF/MAVOKO/2021/2022(4)(5)	Unresolved Prior Year's Audit Issues	The management has adhered to the provisions of the Public Sector Accounting Standards Board template	resolved	
NG-CDF/MAVOKO/2021/2022(4)(6)	Lack of Disaster Recovery Plan	The management is adopting a Disaster Recovery Plan	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)
NG-CDF/MAVOKO/2021/2022 (4)(7)	Un-updated dated Assets Register	The management is adopting a mechanism of updating its Assets Register Accordingly	resolved	
NG-CDF/MAVOKO/2021/2022(4)(8)	Lack of Risk Management Policy	The management is adopting boards risk management platform and ensuring back up are installed to guard data loss	resolved	

  
 .....  
**Name: Alex Kioko**  
**Fund Account Manager.**