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ON

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – DAGORETTI SOUTH
CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2023



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DAGORETTI SOUTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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

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

NGCDF-National Government Constituency Development Fund
NGCDFB-National Government Constituencies Development Fund Board
PFM-Public Finance Management
IPSAS-International Public Sector Accounting Standards.
PMC-Project Management Committee
FY-Financial Year
ARMC - Audit and Risk Management Committee)

II. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Dagoretti South 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)

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Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Job N. Tuta
2.	Sub-County Accountant	Lucas Okech Opondo
3.	Chairman NGCDFC	Sylvester O. Omolo
4.	Member NGCDFC	Patrick Wambiri

(c) Fiduciary Oversight Arrangements

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

(d) Dagoretti South Constituency NGCDF Headquarters

P.O. Box 19879-00202
NG-CDF Office
Naivasha Road,
Nairobi, Kenya

(e) Dagoretti South Constituency NGCDF Contacts

Telephone: (254)
E-mail: cdfdagorettisouth@ngcdf.go.ke
Website: www.dagorisouth,ngcdf.go.ke

(f) Dagoretti South Constituency NGCDF Bankers

Bank Name	Equity bank LTD
Branch	Kawangware
Account Name	Dagoretti South NG-CDF
Account Number	0630262089069
Address	P.O. Box 19879-00202 Kawangware

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

III. NG-CDFC Chairman's Report



**Sylvester O. Omolo, Chairperson,
Dagoretti South NG-CDF**

Dagoretti South constituency was carved from the former greater Dagoretti. It's in Nairobi County and its sub county is Dagoretti South Sub County with its offices based in Riruta Ward. It has five wards namely: - Mutu-ini, Uthiru/Ruthimitu, Waithaka and Riruta, Ngando Wards.

The constituency borders Kibra constituency, Kikuyu Constituency, Dagoretti North, Langata Constituency and Kabete Constituency.

The main economic activities of the constituents are sale of animal products, real estate, entrepreneurial businesses, partly farming some of the wards.

The constituency has a population of persons as per the 2019 census is 297,000 persons and has an area of 25.3 square kilometres.

The constituency has a peri-urban set up and is mostly cosmopolitan, but the major tribes are the Kikuyu and Luo speaking communities.

Most of the residents of the Constituency are poor and depend on day to day income generating activities for their livelihood.

I have the pleasure to present the Dagoretti South –NGCDF annual report and financial statements for the financial year 2022/2023. The people of Dagoretti South constituency are determined to participate effectively in domesticating objectives to envision the big 5 agendas in our development planning. The constituents now have power to implement the formulation and implementation of development programs in the constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory. The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

Financial Year Budget

In the year financial year 2022-2023, the constituency received Kshs. **90,600,000** from the board and had an opening cash book balance of Kshs. **40,321,766**. We also received receipts of 14,000 on the

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same financial year. The Constituency spent Kshs 94,318,502 and closed with a cashbook balance of Ksh.36, 617,264 which was 51%.

Fig 1. Pie chart - Percentage of Utilization for FYR 2022/2023

The below pie chart indicates percentage in utilization of funds by the management. It point towards a great in improvement in absorption of funds by the management in various sectors.

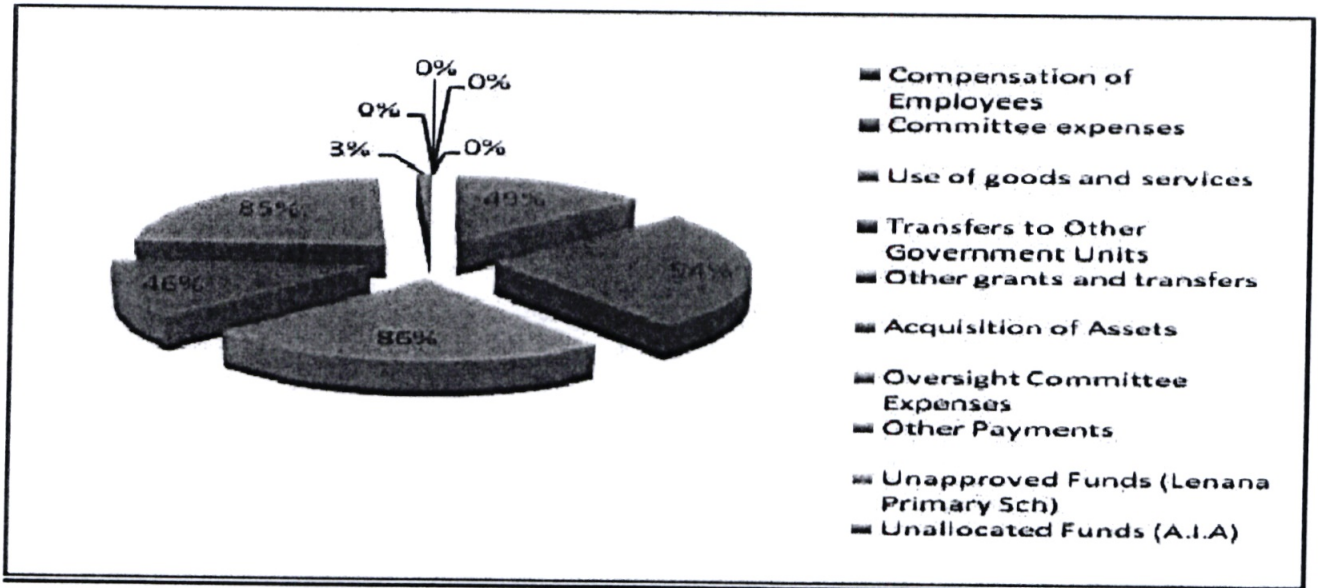


Fig 2. Line graph - Final Budget analysis for FYR 2022/2023

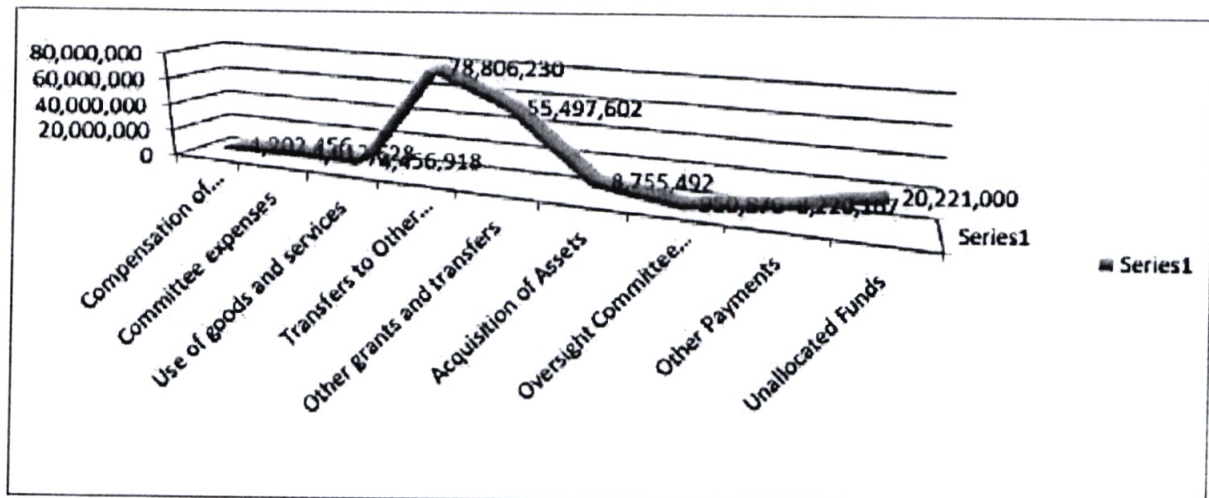
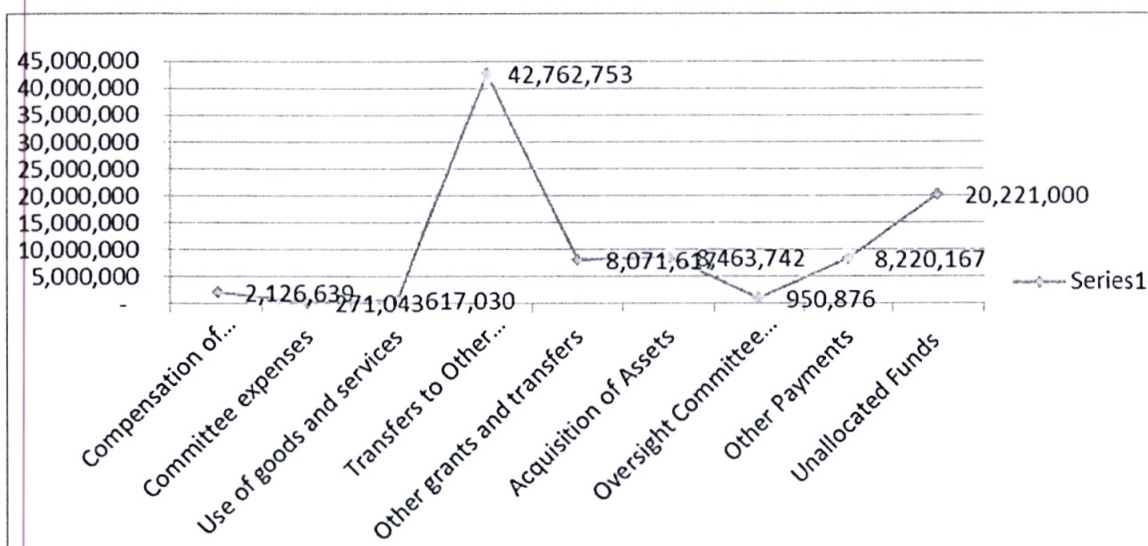


Fig 3. Line graph - Final Budget utilization analysis for FYR 2022/2023

Receipt/Expense Item	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	Explanation
PAYMENTS				
Compensation of Employees	4,202,456	2,075,817	2,126,639	This utilization was because of late disbursement of funds from the board
Committee Expenses	3,268,622	3,089,085	179,537	There were high operations in the current year
Use of goods and services	6,100,923	5,392,388	708,535	There were high operations in the use of goods and services
Transfers to Other Government Units	78,806,230	36,043,477	42,762,753	Some of the project implementation was on going
Other grants and transfers	55,497,602	47,425,985	8,071,617	Emergency funds were not fully utilized and were to be reallocated
Acquisition of Assets	8,755,492	291,750	8,463,742	This is outstanding balance
Oversight Committee Expenses	950,876	-	950,876	There were no COC expenses in the year under review
Other Payments	8,220,167	-	8,220,167	There were no operation in the current year.
Unallocated Funds	20,221,000	-	20,221,000	This funds pertains to Lenana school Primary which had not been approved.



This year's mean aggregate was 51%.

➤ *My committee ensured the full implementation of the following projects;*

NO.	PROJECT NAME	ACTIVITY
1.	Nembu Primary School	Supply of 160 lockers and 160 chairs
2.	Ruthimitu Primary School	Supply of 160 lockers and 160 chairs
3.	Mutuini Primary School	Rehabilitation of the washrooms
4.	Mutuini Primary School	Supply of 160 lockers and 160 chairs
5.	Kigiru Primary School	Supply of 160 lockers and 160 chairs
6.	Kigiru Primary School	Completion of Kirigu Primary School Wall
7.	Kabiria Primary School	Supply of 160 lockers and 160 chairs
8.	Gitiba Primary School	Supply of 160 lockers and 160 chairs
9.	Mukarara Primary School	Rehabilitation of the washrooms
10.	Mukarara Primary School	Supply of 160 lockers and 160 chairs
11.	Kabiria Primary School	Supply of 160 lockers and 160 chairs
12.	Kabiria Primary School	Construction of 5 Classrooms
13.	Dr. Muthiora Primary School	Supply of 160 lockers and 160 chairs
14.	Riruta Satellite Primary School	Supply of 160 lockers and 160 chairs
15.	Kinyanjui Road Primary School	Supply of 160 lockers and 160 chairs

In this financial year we were able to renovating two primary schools washrooms and supply lockers and chairs to all public primary schools within the constituency. We currently are constructing in preparation to commence the construction of additional five classrooms in Kabiria Primary School and Ruthimitu Mixed Secondary School. Plans are also underway to commence the construction of Lenana Primary School in conjunction with the Ministry of Education.

Below are some pictorials;

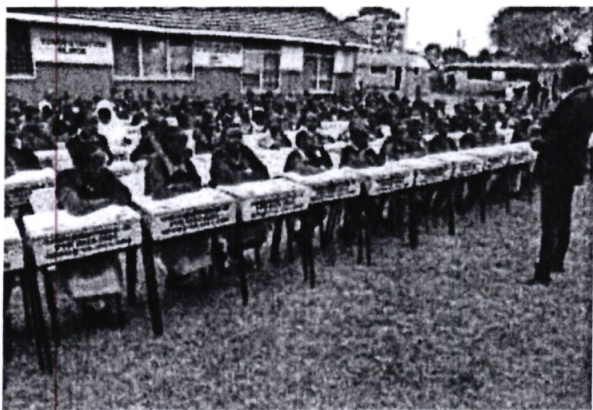


Figure 1: Dr. Muthiora Primary School – (Lockers & Chairs)



Figure 2: Nduraru Primary School (Lockers & Chairs)



Figure 3: Kabiria Primary School (Lockers and Chairs)



Figure 4: Mukarara Primary School (Lockers and Chairs)



Figure 5: Gitiba Primary School (Lockers and Chairs)



Figure 6: Nembu Primary School (Lockers and Chairs)



Figure 5: Riruta Satellite School (Lockers and Chairs)



Figure 6: Kinyanjui Primary School (Lockers and Chairs)



Figure 7: Mukarara Primary School (Washrooms Renovations) Figure 8: Mutuini Primary School (Washrooms Renovations)

Impact Stories of the Projects

Due to the increase in the number of enrollment in schools there has been a pressure in sanitary facilities and classrooms, the NG-CDF Dagoretti South has been able to ease the pressure by renovating the previous dilapidated washrooms and classes to accommodate the highly increasing numbers of students and teaching and non- teaching staff. On the same note we have been able to provide desk having previously witnessed students suffering on cold floors for lack of desks and chairs to sit on. This has increased the students' performance, good learning environment and reduced spread of communal diseases among learners.

Emerging Issue

- In the FY 2022-2023 the economic hardship led to inflation of construction materials making the initial budget of projects appear insufficient. This led Dagoretti South NGCDF to review the bills of quantities to match the escalated building materials costs.
- The high university fees and the hard economic times has led to many students and parents seeking full sponsorships from the constituency bursary fund.

- The establishment of JSS has demanded the construction of additional classes and construction of special facilities such as science laboratories.

Challenges

- Lack of sewer drainage/ laterals within the constituency brings the use of septic tanks which pushes the cost of building modern toilets high.
- Delays in deployment of teacher to the new schools, and the registration process of the school remains an issue that is yet to be concluded.

Solutions

- The NG-CDF Dagoretti South is working with various government department including the area MCAs to prioritize Improvement and laying of sewer system in all the five wards of the constituency
- The NGCDF Dagoretti South is working with ministry of education and the sub- county education officer to ensure built schools are registered on time.

Recommendations

- Following the training of ward bursary committee, this year we have we have ensured 95% of those vetted and awarded were the rightful beneficiaries of the bursaries. They have been trained on best practises of vetting following the criteria set to ensure standard vetting procedure.
- The NG - CDF relies fully on ministerial technical departments for support in areas of Bill of Quantities, technical design and supervision of projects, delays normally occur as the personnel involved are not under direct control of NG - CDFC. The NG - CDF Board should have its own technical experts to enhance efficiency in project implementation.

We humbly look forward to working very closely with the NG – CDF Board with a view to enhancing accountability and efficiency in project management

I wish to sincerely thank the Member of National Assembly Hon. John Kiarie, NGCDF Committee, NG-CDFC staff, Project Management Committees, the Sub County Accountant, and other

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stakeholders for the cooperation. Without them we could not achieve our mandate to the people of Dagoretti South Constituency.



Sign.....

**SYLVESTER O. OMOLO
CHAIRMAN NGCDF COMMITTEE**

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

Introduction

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

The key development objectives of *Dagoretti South Constituency 2019-2024* plan are to:

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
<i>Education</i>	<i>Improve access to quality education, performance, reduce dropout rates and increase primary, secondary and Junior and senior Secondary education transition rate.</i>	<i>Develop and enhance schools infrastructure to enhance facilities and provide a conducive learning environment for children.</i>	<i>Increased Number of rehabilitated washrooms in various primary schools</i>	<i>Revamping of Three number of ablution block in three primary school, 22 door each inclusive of 2 door PWD WC-washrooms by rehabilitating them</i>
<i>Education</i>	<i>Increase the percentage of youth (Male and Female) and people with disability benefiting socio-economically Dagoretti South by NG-CDF by the end of 5 years</i>	<i>Increased number of youth and people with disability with business management skills and start-up from the identified agencies</i>	<i>Number of bursary beneficiaries at all levels. Number of youths of both genders persons with disability empowered economically</i>	<i>The allocation for bursary was increased to 6,538 students in secondary schools 77 students in Special schools and 79 in university and colleges</i>
<i>Security</i>	<i>To enhance security by equipping,</i>	<i>Develop and enhance</i>	<i>Number of usable physical</i>	<i>Number of Police Post offices</i>

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	<i>facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery.</i>	<i>provincial administration and other security organs infrastructure to enhance service delivery</i>	<i>infrastructure built in locations, sub locations and police stations</i>	<i>increased by 2. With the completion of Muthua Chief's and police post is ongoing and Martini Police Post which was built through CSR by NG-CDF Board.</i>
<i>Environment</i>	<i>To promote environmental sustainability</i>	<i>Develop a road map to improve the environment within the constituency.</i>	<i>Number of trees, landscaping and garbage collection initiatives.</i>	<i>Landscaping of 4No. Secondary schools; Kagira Mixed Secondary school, Mutuini Girls Secondary School, Ndurarua Mixed Secondary school and Mukarara mixed secondary School</i>
<i>Sports</i>	<i>Empower and develop youth and special groups to</i>	<i>Reduced dependence and spur economic growth through sports</i>	<i>Number of 14No. youth groups benefitting from the sports equipment, kits and trophies</i>	<i>14 Number of youth groups benefitting from the sports increased and inclusion of boxing paid a critic role in ensuring the youth remain focused in their endeavours.</i>
<i>Emergency</i>	<i>Intervening where necessary in relation to unforeseen occurrences within the constituency</i>	<i>Stop gap measure that help in averting further disaster.</i>	<i>Number of school washrooms renovated</i>	<i>The management managed to rehabilitate one School toilet with 22No. doors inclusive of 2 for PWD that were in dire need.</i>

V. Statement of Governance

Introduction

The NGCDF Act 2016 on appointment of NGCDFC members states; The members of a Constituency Committee provided for Appointment of under section 43 of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951

(2) A vacancy shall occur in Constituency Committee upon commencement of a new parliamentary term; dissolution of a Constituency Committee; removal of a member of a Constituency committee; or the occurrence of a vacancy in a Constituency Committee.

(3) Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

(4) The selection panel referred to in paragraph (1) shall consist of—

- one person nominated by the national government official in charge of the sub-county or a designated representative, who shall be the chairperson of the selection panel;
- the Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- Two persons, one of either gender, nominated by the Constituency office.

(5) The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

(6) The selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section the Act

(7) The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

(8) The Board shall co-opt the person referred to in the Act to ensure equitable representation in the membership of a Constituency Committee.

(9) The Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

(10) The Board shall submit the names of the seven persons selected from each Constituency in accordance with the Act to the National Assembly for Approval.

(11) The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

1952 Kenya Subsidiary Legislation, 2016

The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed Under the Act may at any time resign from office by giving notice, in writing, to the officer of the Board and a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43 shall be a mandatory signatory to the Constituency account

In Dagoretti South, NGCDF is managed by a team of ten (10) NGCDFC members appointed in accordance with the NGCDF act 2015 as amended in 2022. The ten members comprise of seven gazetted members, a member co-opted by the NGCDF Board, the deputy County commissioner and an officer of the board at the constituency level who is an ex-officio member. As a result of change of regime due to the elections carried out in August 2022, there had to be phased out the existing committee and a new one selected.

The gazetted members are appointed in accordance with the NGCDF Act 2015. They comprise of two female members one of whom must be a youth at the time of appointment and two male members one of whom must be a youth at the time of appointment and one member who is a person living with disabilities and two nominees of the Constituency office. Five members are selected by a selection panel chaired by the Deputy County Commissioner or his nominee and the Officer of the board is the secretary. The Officer of the board invites applications from persons who qualify for appointment within fourteen of the first meeting of the selection panel. The panel considers all applications and selects five applicants considering age, gender social interest and regional balance, the officer of the board submits the five qualified applicants to the board for appointment. The board co-opts one person to ensure equity in representation in the committee. Through the national assembly the constituency office nominates two persons of either gender to and forward he names to the officer of the board at the constituency. All the names of the seven appointees are presented to parliament for approval and subsequent gazettelement.

The National Government Constituencies Development Fund Act 2015 (Amended 2016) in section 43 and its regulations provides for establishment of National Government Constituency Development Committee (NG-CDFC) for every constituency. The officer of the board facilitated the

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process of nomination of the NG CDFC for onward forwarding to the board for appointment through gazette notice.

Further the NG CDF regulations requires that one to serve as member of the NGCDF committee he or she must be (a) citizen of Kenya, (b) ordinarily resident voter of the constituency, (c) able to read and write and communicate in English and Kiswahili, (d) meet the chapter six of the constitution, (e) available to participate in the activities of the constituency (f) for youth nominee he or she must have attained age of 18 years but below age of 35yrs and (g) for persons with disability nominee must be nominated by a registered group representing persons with disability within the constituency.

Appointment of NGCDFC Members

The selection Panel

The selection panel was appointed in the month of September 2022. This constituted four members as follows;

SNO	NAME	DESIGNATION
1	John Kanyira	chairperson
2	Job Tuta	Secretary
3	Francis Njoroge Kimotho	member
4	Mercy Njeri Kamau	member

In the month of August 2022, due to change of regime as a result of election, the serving committee was phased off. This caused the NGCDF office to carry out an appointment of the new committee.

In Dagoretti South constituency, the selection panel invited interested and qualified members of the public for appointment to the NGCDF committee. The panel invited through advertisement publicised in churches, public offices notice boards and other public areas in the constituency in the month of September 2022.

The selection panel developed a shortlisting criterion which enabled picking of the nominees. Two additional nominees were proposed by Dagoretti South Constituency Office as per section 43 of the NG-CDF Act, 2015.

S/N	Name	Category representation	Ward
1.	Sylvester Omolo	Male (Adult)	Ngando
2.	Geoffrey Moturi	Male (Youth)	Riruta
3.	Mary Wambui	Female (Adult)	Mutuini
4.	Josephine Mumbi	Female (Youth)	Waithaka

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Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment	Ward
1	Grace Maina	Physical – Uses wheelchair.	Uthiru/Ruthimitu

Nominee of the constituency Office

S/N	Name	Category	Ward
1	Fred Ndori	Male representative	Riruta
2	Catherine Mwangi	Female Representative	Ngando

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender	Ward
1.	Patrick Wambiri	Male	Ngando

The members went through the process of electing the chairperson and the secretary of the committee. The following members were elected.

1. Chairperson position – Sylvester Omolo
2. Secretary position – Catherine Mwangi

The term of office for the members of the Constituency Committee is two years and will be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act.

The appointed committee members were gazetted through Gazette volume number 254 on 29th November 2022.

The new committee held its first meeting on 19th December 2022.

Sno.	Name	Position
1	Sylvester Omolo	Chair person
2	Catherine Mwangi	secretary
3	Mary Wambui	member
4	Fred Ndori	member
5	Josephine Mumbi	member
6	Geoffrey Moturi	member
7	Grace Maina	member

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8	Patrick Wambiri	member
9	Job Tuta	member
10	John Kanyira	member

Removal of the NGCDF Committee Member

The removal process of any member is imposed to the provisions of the NGCDF Act;

- (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 practices;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity.

Roles and functions of the committee

The responsibilities of the NGCDF Board Committee Includes:

1. Allocation of Funds to the projects considering bill of quantity estimates.
2. Assess projects before, during and after undertaken.
3. Prepare strategic plan for the constituency.
4. Coordinate and review reports from the NGCDF employees.
5. Employ staff needed to run specific roles at the NGCDF Office.

Trainings

In the financial year 2022/2023 our Board Committee had a chance to attend training twice at Mombasa to enhance their effectiveness to handle their responsibilities.

These trainings are to equip them with needed skills and values to hold their responsibilities, effectively execute viable decision by teaching them the parameters of decision making.

Capacity building to facilitate a responsible and an objective oriented committee to facilitate well defined goals in their development's meetings.

Number of meetings

According to NG-CDF Act, section 43(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.

The NGCDF Committee has managed to have 12 meetings within the financial Year 2022/2023.

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

NO.	NG-CDFC COMMITTEE MEMBERS	5 th Dec 2022	19 th Dec 2022	4 th Jan 2023	11 th Jan 2023	3 rd Feb 2023	23 rd Feb 2023	15 th Mar 2023	14 th April 2023	10 th May 2023	31 st May 2023	7 th June 2023	13 th June 2023
1	Sylvester Omolo- Chairperson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Catherine Mwangi- Secretary	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Mary Wambui- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	Fred Ndori- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	Josephine Mumbi- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Geoffrey Moturi- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Grace Maina- PWD	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	Patrick Wambiri- Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Job Tuta- FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	John Kanyira- ACC 1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Disclose Policy on Conflict of Interest

Conflict of interest has always been part of the agenda in their meetings but there has been not even one member who has raised any.

Remuneration

The Committee members do not have a defined monthly Salary, they receive a Kshs. 5,000/= allowance per sitting with Kshs. 7,000 for the Chairperson

Ethics and Conduct

To ensure that order and ethics are esteemed, there are aspects over-emphasized in the membership;

- a. Confidentiality
- b. Integrity.
- c. Willingness.
- d. Openness
- e. Transparency.

Members take oath into office before they begin their service.

Risk Management.

To ensure that all risks are managed well;

1. Through the risk management platform.
2. Project Management Committee oversees all the projects being undertaken.
3. Creation of a good working environment at the office for working.
4. Consideration of bill of quantities before allocation of finances.
5. Appropriate mechanism put up to facilitate effective bursary issuance.
6. Allocation of enough funds ongoing projects to prevent under-budgeting.
7. Constant and continuous assessment of NGCDF Projects.
8. There is well structured channel between the Board and the Constituency.
9. There is provision of inflation in the Bills of quantity.
10. There is well fitted security at the office, site where projects are undertaken and during assessment.
11. Continuous and constant capacity building of the employees, Board members and the stakeholders for the effectiveness.

COMMITTEE'S PENDING CIVIL SUITES

a) Nairobi ELC 85 of 2020: Maestro Credit & 2 Others v Dagoretti South National Government Constituency Development Fund Committee & Others

The Plaintiffs are claiming a declaration that they own the suit property Dagorretti/Riruta S.982 and Dagoretti/Riruta S. 1000 and that any rights claimed by the constituency, and the other defendants is null and void. The Plaintiffs are also seeking an order directing the constituency and the other Defendants to demolish any structures on the suit's properties. They are also seeking an order directing the Land Registrar to expunge all records reflecting any other person other than themselves as the owners of the land and further seeks an order directing us and the other defendants to vacate the suit properties through the police assistance. The plaintiffs are

seeking damages for trespassing over the suit properties together with costs and interest. The claims are denied and a defense has been filed asserting our rights on the suit's property.

b) Nairobi ELC No. 8 of 2015: Samuel Ngari Githinji v Dagoretti NGCDF & Another

The plaintiff filed this case seeking a declaration that the road constructed by the constituency over Dagoretti Ruthimitu/958 was a violation of the Plaintiff's proprietary rights in the land and seeking damages for loss of future earnings. The Court delivered its judgment on 17th November 2017 in favor of the Plaintiff declaring the road construction on the Plaintiff's land and awarded the following to the Plaintiff: a. Kshs 12,000,000 being the value of the property with interest at court rates from the date of delivery of the judgment. Page 2 of 3 b. Kshs 7,000,000/- being general damages for trespass with interest at court rates from the date of judgment. c. The entire suit land to be compulsorily acquired for the benefit of the NGCDF in accordance with the provisions of the Land Act 2012. Costs of the suit awarded to the Plaintiff. The Plaintiff commenced execution proceedings by way of Garnishee. This process was found faulty by the ELC where the ELC held that NGCDF was a government body and execution should be done in accordance with the Government Proceedings Act. The Plaintiff ought therefore to commence fresh execution process in accordance with the law.

c) Nairobi Court of Appeal Civil Application No. E052 OF 2021 Dagoretti South National Government Constituency Development Fund Committee v Samuel Githinji & The NGCDF Board

This was an application dated 18th February 2021 under Rule 5 (b) seeking stay of execution of the judgment and decree in ELC 8 of 2015 pending hearing of Civil Appeal No. 18 of 2018 filed by the Board. The application was not successful as it was declined in the ruling delivered on 8th October 2021.

d) Nairobi Court of Appeal (Civil Application) Civil Appeal No. 18 of 2021 Dagoretti South National Government Constituency Development Fund Committee v Samuel Githinji & The NGCDF Board

This is an application dated 9 th April 2021 made within the main appeal seeking leave for extension of time to substitute Samuel Githinji who died during proceedings with his legal representative. This application was not allowed by the Court in its ruling dated 18th February 2022 having held that there was an inordinate delay of 3 years in filing the application.

e) Nairobi Court of Appeal Civil Application No. E114 OF 2021 Dagoretti South National Government Constituency Development Board v Samuel Githinji & The NGCDF Committee

This is an application dated 14th April 2021 made by the Board seeking to substitute Samuel Githinji with his Legal Representative in Civil Appeal 18 of 2018. The application is pending a hearing at the Court of Appeal.

f) Nairobi Court of Appeal Civil Appeal No. 18 of 2021 Dagoretti South National Government Constituency Development Fund Board v Samuel Githinji & The NGCDF Committee

This is the main appeal made by the Board against the Judgment of the ELC Court in 8 of 2015. We filed a cross appeal against the judgment. Parties have filed their submissions and are waiting for directions on hearing of the appeal and the cross appeal.

g) The total contingent liability is stands at Ksh. 20,129,552.



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Name: Job Tuta

FAM

VI. Environmental and Sustainability Reporting

Dagoretti South NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

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

- a. **Education and Training:** Dagoretti South 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.

On macro levels FY 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- As part of Environmental Conservation activity and in implementing the Dagoretti South NG-CDF strategic plan 2019-2024 we embarked on collaboration with Dagoretti Greens CBO and NG-CDF Dagoretti South, members of both committees planted trees and clean up exercise at various School.
- The committee while commissioning the delivery of lockers and chairs sensitized the gathered resident on the impact of use of harmful and illegal drugs. The constituency has seen a sharp rise of drug addicts and how syringes are disposed of which in turn cause environmental challenges.
- NG-CDF Committee sponsored a constituency sport tournament that brought together communities and more so the youth who were in turn sensitized on environmental conservation matters.
- The NG-CDF Committee and staff joined members of the public to mark the world's environment day on 5th June, 2023 and donated 1,500 seedlings which were planted across the five Wards in order to align the constituency in ensuring the government plant over 15billion trees by 2032.

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Dagoretti South constituency invests in capacity

building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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



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Name

Fund Account Manager.

VII. Statement Of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

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

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

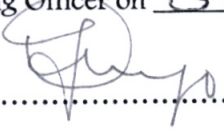
The Accounting Officer in charge of the NGCDF Dagoretti South Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were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

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

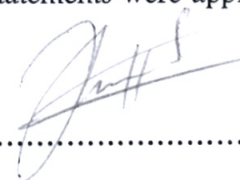
for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Dagoretti South Constituency financial statements were approved and signed by the Accounting Officer on 5/04/2024


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Name:
Chairman – NGCDF Committee


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Name:
Fund Account Manager

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal control, 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 the National Government Constituencies Development Fund – Dagoretti South Constituency set out on pages

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

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

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

Basis for Qualified Opinion

1. Undisclosed Project Management Committee Balance

Annex 5 to the financial statements reflects Project Management Committee bank balance of Kshs.9,458,187. However, review of Project Management Committee bank statements provided for audit revealed that NG-CDF Muthua Chief's Office PMC balance of Kshs.209,400 was not disclosed in the PMC bank balances as at 30 June, 2023.

In the circumstances, the accuracy and completeness of the Project Management Committee bank balance of Kshs.9,458,187 could not be confirmed.

2. Lack of Ownership Documents

Annex 4 to the financial statements on summary of fixed asset register reflects total assets of Kshs.85,408,005. Included in the asset register is land, buildings and structures valued at Kshs.60,000,000 and Kshs.19,363,125 respectively. However, the ownership documents pertaining to the land and buildings were not provided for audit. Further, examination of the assets register revealed that the assets were not insured against fire, theft or any other risk hence the respective assets were at risk of loss in case of any eventuality.

In the circumstances, the ownership, completeness and existence of assets totalling Kshs.85,408,005 could not be confirmed.

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

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

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.186,023,369 and Kshs.130,935,766, respectively resulting to an under-funding of Kshs.55,087,603 or 30% of the budget. Similarly, the Fund spent Kshs.94,318,502 against actual receipts of Kshs.130,935,766 resulting to an under-utilization of Kshs.36,617,264 or 28% 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.

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. Irregularities in Implementation of Projects

1.1 Renovation of 20 Door Ablution Block at Mutuini Primary School

During the year under review, the Fund disbursed a total of Kshs.2,400,000 to the Project Management Committee (PMC) for renovation of 20 door ablution block with 2 door catering for Persons with Disabilities at Mutuini Primary School. The contract was awarded to a local contractor at a contract sum of Kshs.2,899,330. Review of procurement documents revealed that the quotations were opened on 13 February, 2023. However, the tender evaluation report was not dated and was not initialed on each page by the Tender Evaluation Committee. Further, the awarded bidder was notified of the award on 16 February, 2023 while the contract was awarded

on 23 February, 2023, seven (7) days after the notification of award. This was contrary to Section 135(3) of the Public Procurement and Asset Disposal Act, 2015 which states that the written contract shall be entered into within the period specified in the notification but not before fourteen days have elapsed following the giving of that notification provided that a contract shall be signed within the tender validity period.

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

1.2 Renovation of Ablution Block at Mukarara Primary School

During the year under review, Dagoretti South Constituency Fund disbursed a total of Kshs.3,436,874 to the Project Management Committee (PMC) for renovation of ablution block at Mukarara Primary School. The contract was awarded to a local contractor at a sum of Kshs.3,807,050. Audit inspection carried out in March, 2024 revealed that renovation of the ablution block was complete. However, sixteen (16) out of the twenty (20) renovated toilets were not in use and were being used as stores hence the use of emergency funds for the project could not be justified.

In the circumstances, value for money was not obtained from the complete but not in use emergency project.

1.3 Construction of Muthua Police and Chiefs Camp Security Project

During the year under review, the National Government Constituency Development Fund- Dagoretti South Constituency disbursed a total of Kshs.5,600,000 to the Project Management Committee (PMC) for construction of Muthua Police and Chiefs Camp. The contract was awarded to a local contractor at a contract price of Kshs.5,390,600. Audit inspection carried out in March, 2024 revealed that the construction of the police station was complete. However, the police station was not in use.

In the circumstances, value for money was not realized from the complete but not in use security project.

2. Failure to Report on Emergency Utilization

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.47,425,985 which includes emergency expenditure amounting to Kshs.4,138,065 as disclosed in Note 8 to the financial statements. However, Management did not provide documentary evidence indicating that the emergency expenditure was reported to the Board using the prescribed format. This was contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the utilization of emergency reserve shall be reported to the Board within 30 days of the occurrence of emergency in the format prescribed by the Board.

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

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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


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

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	90,600,000	196,123,235
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	14,000	41,000
TOTAL RECEIPTS		90,614,000	196,164,235
PAYMENTS			
Compensation of employees	4	2,075,817	3,992,542
Committee expenses	5	3,089,085	6,683,880
Use of goods and services	6	5,392,388	3,982,973
Transfers to Other Government Units	7	36,043,477	79,640,000
Other grants and transfers	8	47,425,985	79,464,987
Acquisition of Assets	9	291,750	548,000
Oversight Committee Expenses	10	-	-
Other Payments	11	-	2,006,860
TOTAL PAYMENTS		94,318,502	176,319,241
SURPLUS/DEFICIT		(3,704,502)	19,844,994

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 5/4/2024 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

Name: Job N. Tuta

Name: Lukas Okech
ICPAK M/No: 17541

Name: Sylvester O. Omolo

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


X. Statement of Assets and Liabilities As At 30th June, 2023

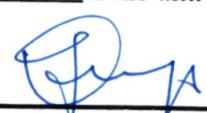
	Note	2022-2023	2021-2022
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	36,617,264	40,321,766
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		36,617,264	40,321,766
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		36,617,264	40,321,766
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
NET FINANCIAL SSETS		36,617,264	40,321,766
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	40,321,766	20,476,772
Prior year adjustments	16	-	-
Surplus/Deficit for the year		(3,704,502)	19,844,994
NET FINANCIAL POSITION		36,617,264	40,321,766

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

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


 Fund Account Manager


 National Sub-County
 Accountant


 Chairman NG-CDF
 Committee

Name: Job N. Tuta

Name: Lukas Okech

Name: Sylvester O. Omolo

ICPAK M/No: 17541

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

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

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	90,600,000	196,123,235
Other Receipts	3	14,000	41,000
		90,614,000	196,164,235
Payments for operating activities			
Compensation of Employees	4	2,075,817	3,992,542
Committee expenses	5	3,089,085	6,683,880
Use of goods and services	6	5,392,388	3,982,973
Transfers to Other Government Units	7	36,043,477	79,640,000
Other grants and transfers	8	47,425,985	79,464,987
Oversight Committee Expenses	10	-	-
Other Payments	11	-	2,006,860
		94,026,752	175,771,241
Adjusted for:			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(3,412,752)	20,392,994
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(291,750)	(548,000)
Net cash flows from Investing Activities		(291,750)	(548,000)
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	12	40,321,766	20,476,772
Cash and cash equivalent at END of the year		36,617,264	40,321,766

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

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 5/04/2024 and signed by:

Fund Account Manager

Name: Job N. Tuta

**National Sub-County
Accountant**

Name: Lucas Okech
ICPAK M/No: 17541

**Chairman NG-CDF
Committee**

Name: Sylvester O. Omolo

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

XII. Summary Statement of Appropriation for the Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022/2023	2022/2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers from NG-CDF Board	145,087,604	40,321,765	600,000	186,009,369	130,921,766	55,087,603	70%
Proceeds from Sale of Assets				-	-	-	0%
Other Receipts		14,000	-	14,000	14,000	-	100%
TOTAL RECEIPTS	145,087,604	40,335,765	600,000	186,023,369	130,935,766	55,087,603	70%
PAYMENTS							
Compensation of Employees	3,788,720	413,736		4,202,456	2,075,817	2,126,639	49%
Committee expenses	3,224,612	44,010		3,268,622	3,089,085	179,537	95%
Use of goods and services	6,044,552	56,371		6,100,923	5,392,388	708,535	88%
Transfers to Other Government Units	58,380,001	19,826,229	600,000	78,806,230	36,043,477	42,762,753	46%
Other grants and transfers	48,698,842	6,798,761		55,497,603	47,425,985	8,071,618	85%
Acquisition of Assets	2,000,000	6,755,492	-	8,755,492	291,750	8,463,742	3%
Oversight Committee Expenses	950,876	-		950,876	-	950,876	0%
Other Payments	2,000,000	6,220,167		8,220,167	-	8,220,167	0%
Unallocated Funds	20,000,000	221,000		20,221,000	-	20,221,000	0%
TOTAL	145,087,603	40,335,766	600,000	186,023,369	94,318,502	91,704,867	51%

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

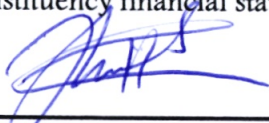
Explanatory Notes.

- ❖ **Compensation of Employees – 49%**
The un-utilized funds fall under gratuity funds and payment will be made on December 2023 after the staff contracts fall due.
- ❖ **Use of goods and services – 86%**
The remaining funds will be absorbed in the next financial year this follows the late disbursement of FYR 2022/2023 allocation.
- ❖ **Transfers to Other Government Units -36%**
The remaining funds will be absorbed in the next financial year this follows the late disbursement of FYR 2022/2023 allocation.
- ❖ **Other grants and transfers – 85%**
The remaining funds will be absorbed in the next financial year this follows the late disbursement of FYR 2022/2023 allocation.
- ❖ **Acquisition of Assets-3%**
The remaining funds will be absorbed in the next financial year this follows the late disbursement of FYR 2022/2023 allocation.
- ❖ **Oversight Committee Expenses – 0%**
The members of the oversight committee will commence in the next financial year following its formation as the financial year was ending.
- ❖ **Other Payments – 0%**
Funds allocated to strategic plan will be absorbed in the next financial year following the conclusion of the tendering process. Funds allocated to innovation hubs will be utilized in the next financial year following the commencement of the tendering process. Funds allocated to legal fees awaiting the conclusion of the matter and subsequently payments will be made.
- ❖ **Unapproved Funds –(0)%**
The committee has responded to the conditional request by the board of unapproved funds in relation to Lenana Primary School and they are waiting for its approval.
- ❖ **Funds Awaiting approval (A.I.A) – 0%**
These funds are waiting their approval by the board following an application of utilization.

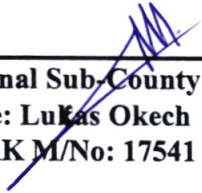
*Dagoretti South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	91,704,867
Less undisbursed funds receivable from the Board as at 30 th June 2023	55,087,603
	36,617,264
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 th June 2023	36,617,264


The Constituency financial statements were approved by NG CDFC on 5/04/2024 and signed by:



Fund Account Manager
Name: Job N. Tuta



National Sub-County Accountant
Name: Lukas Okech
ICPAK M/No: 17541



Chairman NG-CDF Committee
Name: Sylvester O. Omolo

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

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

Programme/Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
1.0 Administration And Recurrent						
1.1 Compensation Of Employees	3,788,720	413,736		4,202,456	2,075,817	2,126,639
1.2 Committee Allowances	2,579,298	43,111		2,622,409	2,609,085	13,324
1.3 Use Of Goods And Services	2,337,238	3,700		2,340,938	1,706,908	634,030
Total	8,705,256	460,547	-	9,165,803	6,391,810	2,773,993
2.0 Monitoring And Evaluation						
2.1 Capacity Building	950,000	42,005		992,005	917,500	74,505
2.2 Committee Allowances	645,314	899		646,213	480,000	166,213
2.3 Use Of Goods And Services	2,757,314	10,666		2,767,980	2,767,980	-
Total	4,352,628	53,570	-	4,406,198	4,165,480	240,718
3.0 Emergency						
3.1 Primary Schools-Mukarara Primary	4,138,065			4,138,065	4,138,065	-
3.2 Secondary Schools				-		-
3.3 Tertiary Institutions				-		-
3.4 Security Projects				-		-
3.5 Unutilized	3,498,125	346,807.00		3,844,932		3,844,932
Total	7,636,190	346,807	-	7,982,997	4,138,065	3,844,932

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

4.0 Bursary and Social Security				-		
4.1 Secondary Schools	33,309,148	500,572		33,809,720	33,736,500	73,220
4.2 Tertiary Institutions	1,000,000	100,701		1,100,701	938,500	162,201
4.3 Social Security				-		-
4.4 Special Needs	400,000	248		400,248	400,000	248
Total	34,709,148	601,521	-	35,310,669	35,075,000	235,669
5.0 Sports				-		-
5.1 Bal B/F		224,563		224,563		224,563
5.2 Constituency Sports Tournament (2023)	2,901,752	0		2,901,752	2,362,920	538,832
Total	2,901,752	224,563	-	3,126,315	2,362,920	763,395
6.0 Environment						
6.1 Landscaping 2023	2,901,752			2,901,752		2,901,752
6.2 Balance B/F		25,870		25,870		25,870
Total	2,901,752	25,870	-	2,927,622	-	2,927,622
7.0 Primary Schools Projects						
7.1 Dr Muthiora Primary School	1,160,000	1.00		1,160,001	960,000	200,001
7.3 Gitiba Primary School	1,160,000			1,160,000	960,000	200,000
7.3 Ndurarua Primary School	1,160,000			1,160,000	960,000	200,000
7.4 Mukarara Primary School	5,160,000			5,160,000	960,000	4,200,000
7.5 Kirigu Primary School	3,460,000			3,460,000	3,260,000	200,000
7.6 Mutuini Primary School	4,160,000			4,160,000	3,360,000	800,000
7.7 Nembu Primary School	1,160,000			1,160,000	960,000	200,000
7.8 Kabiria Primary School	10,160,000	2,588,001.00		12,748,001	3,548,000	9,200,001
7.9 Riruta Satellite Primary School	1,160,000	850,000.00		2,010,000	1,810,000	200,000
7.10 Ruthimitu Primary School	1,160,000			1,160,000	960,000	200,000
7.11 Kagira Primary School	4,160,000		600,000	4,760,000	960,000	3,800,000

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

7.12 Kinyanjui Road Primary School	1,160,000			1,160,000	960,000	200,000
Total	35,220,000	3,438,002	600,000	39,258,002	19,658,000	19,600,002
8.0 Secondary Schools Projects						-
8.1 Kagira Mixed Secondary School(Septic Tank)	2,500,000.00			2,500,000		2,500,000
8.2 Beth Mugo High School-2014-2015		2,750.00		2,750		2,750
8.3 Kagira Mixed Secondary School	2,500,000.00			2,500,000		2,500,000
8.4 Ruthimitu Mixed Sec School	9,000,000.00	10,000,000		19,000,000	10,000,000	9,000,000
8.5 Beth Mugo High School		6,385,477		6,385,477	6,385,477	-
8.6 Mutuini High School	8,800,000.00			8,800,000.00		8,800,000
Total	22,800,000	16,388,227	-	39,188,227	16,385,477	22,802,750
9.0 Tertiary Institutions Projects						
9.1 Education Office(Deo)	360,000.94			360,001		360,001
Total	360,001		-	360,001	-	360,001
10.0 Security Projects						
10.1 Mutuini Police Post	250,000	-		250,000	250,000	-
10.2 Kirigu Chief's Office	300,000	-		300,000		300,000
10.3 Muthua Chief's Office		5,600,000		5,600,000	5,600,000	-
Total	550,000	5,600,000	-	6,150,000	5,850,000	300,000
11.0 Acquisition Of Assets						
11.1 Motor Vehicles		6,400,000		6,400,000	-	6,400,000
11.2 Purchase Of Furniture And Equipment		37,935	-	37,935	-	37,935
11.3 Construction Of CDF Office	2,000,000	0	-	2,000,000	-	2,000,000
11.4 Ng-Cdf Perimeter Wall	-	317,557	-	317,557	291,750	25,807
Total	2,000,000	6,755,492	-	8,755,492	291,750	8,463,742

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

12.0 Other Payments				-		-
12.1 Strategic Plan	2,000,000.00	50,000		2,050,000.00		2,050,000.00
12.2 Innovation Hub		4,677,027		4,677,027.00		4,677,027.00
12.3 Civil Suit		1,493,140		1,493,140.00		1,493,140.00
12.4 C.O.C Committee Expenses	950,876			950,876.00		950,876.00
Total	2,950,876	6,220,167	-	9,171,043	-	9,171,043.00
13.0 Unallocated Fund						
Unapproved Projects						-
13.1 Lenana High School	20,000,000.00			20,000,000.00		20,000,000
13.2 A.I.A - 2018-2019		90,000		90,000.00		90,000
13.3 A.I.A - 2019-2020		76,000		76,000.00		76,000
13.4 A.I.A - 2021-2022		41,000		41,000.00		41,000
13.5 A.I.A - 2022-2023		14,000		14,000.00		14,000
PMC Savings				-		-
Total	20,000,000	221,000	-	20,221,000	-	20,221,000
	145,087,603	40,335,766	600,000	186,023,369	94,318,502	91,704,867

XIV. Significant Accounting Policies

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits (gratuity and retentions).

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-Dagoretti South 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 10 June 2023 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

AIE NO.	2022-2023	2021-2022
	Kshs	Kshs
B140865		33,000,000
A888971		17,845,477
B155934		8,188,879
B105423		44,000,000
B105748		24,000,000
B132474		5,000,000
B154389		12,000,000
B128788		12,000,000
B154284		18,000,000
B140798		22,088,879
B185038	7,000,000	
B185582	14,000,000	
B185374	7,000,000	
B206322	12,000,000	
B185866	5,000,000	
B205708	12,000,000	
B205645	600,000	
B205548	18,000,000	
B207787	15,000,000	
TOTAL	90,600,000	196,123,235

2. Proceeds From Sale of Assets

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

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Notes To the Financial Statements (Continued)

3. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	14,000	41,000
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	14,000	41,000

4. Compensation Of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,019,137	2,135,650
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance		-
Gratuity to contractual employees	-	1,804,572
Employer Contributions Compulsory national social security schemes	56,680	52,320
Total	2,075,817.00	3,992,542

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,625,000	3,873,880
Other committee expenses	1,464,085	2,810,000
Total	3,089,085	6,683,880

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Notes To the Financial Statements (Continued)

6. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	60,000.00	949,494.00
Communication, supplies and services		-
Domestic travel and subsistence		-
Printing, advertising and information supplies & services	150,000.00	-
Rentals of produced assets	-	-
Training expenses	917,500.00	1,535,000.00
Hospitality supplies and services	544,800.00	-
Insurance costs		-
Specialised materials and services		-
Office and general supplies and services	2,165,187.80	-
Fuel , oil & lubricants		-
Other operating expenses	1,552,500.00	1,489,359.00
Bank Charges	2,400.00	9.120
Security operations		-
Routine maintenance - vehicles and other transport equipment		-
Routine maintenance- other assets		-
TOTAL	5,392,387.80	3,982,973.00

7. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	19,658,000	33,440,000
Transfers To Secondary Schools (See Attached List)	16,385,477	46,200,000
Transfers To Tertiary Institutions (See Attached List)	-	
Total	36,043,477	79,640,000

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8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	33,736,500	35,450,235
Bursary – tertiary institutions (see attached list)	938,500	22,066,465
Bursary – special schools (see attached list)	400,000	410,000
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	5,850,000	8,206,010
Sports projects (see attached list)	2,362,920	2,534,600
Environment projects (see attached list)	-	3,952,277
Emergency projects (see attached list)	4,138,065	6,845,400
Roads projects (see attached list)	-	-
Total	47,425,985	79,464,987

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9. Acquisition Of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	291,750	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment	-	548,000
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	291,750	548,000

10. Oversight Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
COC Members allowance	-	-
Other COC expenses	-	-
TOTAL	-	-

11. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
Legal Fees		2,006,860
TOTAL	-	2,006,860

Notes To The Financial Statements (Continued)

12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
Equity Bank,A/C no. , Kawangware Branch . (0630262089069)	36,617,264	40,321,766
Equity Bank,A/C no. Branch . (deposit account)	-	-
TOTAL	36,617,264	40,321,766
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	36,617,264	40,321,766

13. Outstanding Imprests

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

Notes to the Financial Statement Continued

14. Retention and Gratuity

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

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

15. Fund Balance B/F

	2022-2023	2021-2022
	Kshs	Kshs
Bank accounts	40,321,766	20,476,772
Cash in hand	-	-
Imprest	-	-
Total	40,321,766	20,476,772
Less		
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	40,321,766	20,476,772

Notes To The Financial Statements (Continued)

16. Prior Year Adjustments

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

17. Changes In Accounts Receivable – Outstanding Imprests

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

18. Changes In Accounts Payable – Deposits and Retentions

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

Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

	2022-2023	2021-2022
	Kshs	Kshs
NGCDFC Staff	792,435	235,476
Others (<i>specify</i>)	-	-
Total	792,435	235,476

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	2,126,639	413,736
Committee expense	179,537	
Use of goods and services	708,535	100,382
Amounts due to other Government entities (see attached list)	42,762,753	19,826,229
Amounts due to other grants and other transfers (see attached list)	8,071,618	6,798,760
Acquisition of assets	8,463,742	6,755,492
Oversight Committee Expenses	950,876	
Other Payments (<i>specify</i>)	8,220,167	6,220,167
Funds pending approval	20,221,000	207,000
Total	91,704,867	40,321,766

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19.4: Contingent liability

	2022-2023	2021-2022
	Kshs	Kshs
Legal Suit	20,129,552	0
Total	20,129,552	0

19.5: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	9,458,187	39,903,845
Total	9,458,187	39,903,845

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XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2023	Comments
NG-CDFC Staff				
1. Charles Waithaka	Accountant	01/01/2022	258,019	Gratuity
2. Lucy Njeri	Clerical Officer	01/01/2022	195,858	Gratuity
3. Jane Wambui	Cleaner	01/01/2022	113,052	Gratuity
4. Isaac Khaemba	Messenger	01/01/2022	83,700	Gratuity
5. David Kiongo	Gardener	01/01/2022	55,800	Gratuity
6. Kennedy Kamau	Clerk of Works	01/01/2023	86,006	Gratuity
Sub-Total			792,435	
Grand Total			792,435	

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Compensation of employees	FOR SALARY AND GRATUITY	2,126,639	413,736	
Use of goods & services	FOR OFFICE USE	888,072	100,382	
Sub-Total		3,014,711	514,118	
Amounts due to other Government entities				
Transfer to Primary Schools	7. DR MUTHIORA PRIMARY SCHOOL	200,001	1	
	GITIBA PRIMARY SCHOOL	200,000		
	NDURARUA PRIMARY SCHOOL	200,000		
	MUKARARA PRIMARY SCHOOL	4,200,000		
	KIRIGU PRIMARY SCHOOL	200,000		
	MUTUINI PRIMARY SCHOOL	800,000		
	NEMBU PRIMARY SCHOOL	200,000		
	KABIRIA PRIMARY SCHOOL	9,200,001	2,588,001	
	RIRUTA SATELLITE PRIMARY SCHOOL	200,000	850,000	
	RUTHIMITU PRIMARY SCHOOL	200,000		
	KAGIRA PRIMARY SCHOOL	3,800,000		
	KINYANJUI ROAD PRIMARY SCHOOL	200,000		
Sub-Total		19,600,002	3,438,002	
Transfer to Secondary Schools	BETH MUGO HIGH SCHOOL		2,750	
	RUTHIMITU MIXED SEC SCHOOL		10,000,000	
	BETH MUGO HIGH SCHOOL		6,385,477	
	KAGIRA MIXED SECONDARY SCHOOL(SEPTIC TANK)	2,500,000		
	BETH MUGO HIGH SCHOOL-2014-2015	2,750		
	MUTUINI HIGH SCHOOL	8,800,000		
	LENANA HIGH SCHOOL	20,000,000		

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	KAGIRA MIXED SECONDARY SCHOOL	2,500,000		
	RUTHIMITU MIXED SECONDARY	9,000,000		
	Sub-Total		16,388,227	
		42,802,750		
Transfer to Tertiary Institutions	SUB-COUNTY EDUCATION OFFICE	360,001	0	
	Sub-Total	360,001	0	
	GRAND TOTAL	62,762,753		
Amounts due to other grants and other transfers				
Emergency	FOR EMERGENCY USE	3,844,932	346,807	
Bursaries	FOR BURSARIES USE	235,669	601,521	
Sports	FOR SPORTS USE	763,395	224,563	
Environment	FOR ENVIRONMENT USE	2,927,621	25,869	
Security	FOR SECURITY USE	300,000	5,600,000	
	Sub-Total	8,071,617.0 0	6,798,760.0 0	
Acquisition of assets				
	NG-CDF VEHICLE	6,400,000.0 0	6400000	
	NG-CDF OFFICE RENOVATIONS	2,000,000.0 0		
	Purchase of Office Equipments	37,935.00	37,935	
	NG-CDF Perimeter Wall	25,806.94	317,557	
	Sub-Total	8,463,742	6,755,492	
Oversight Committee Expenses(itemize)				
	C.O.C ALLOWANCE	480,000		
	C.O.C COMMITTEE EXPENSES	470,876		
	Sub-Total	950,876		
Others (specify)				
Strategic Plan		2,050,000	50,000	
Innovation Hub		4,677,027	4,677,027	
Legal Fees		1,493,140	1,493,140	
Roads				
	Sub-Total	8,220,167	6,220,167	
Funds pending approval		221,000	207,000	
	Grand Total	91,704,866	40,321,766	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021/22	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022/23
Land	60,000,000	-	-	60,000,000
Buildings and structures	19,363,125	291,750	-	19,654,875
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	3,119,746	-	-	3,119,746
ICT Equipment, Software and Other ICT Assets	2,633,384	-	-	2,633,384
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	85,116,255	-	-	85,408,005

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Mukarara Primary School	630278213134	Equity	5,761	1,426,567
Ndurarua Primary School-	0630277835497	Equity	4,042	1,826,822
Ruthimitu primary School-	630277813241	Equity	185,114	185,114
NGCDF Ruthimitu girls' secondary school	630277810653	Equity	106,025	106,025
NGCDF Ruthimitu Mixed Secondary School	0630278546966	Equity	1,103,570	199,438
NGCDF Dagoretti Sub-County District Hospital	630278996748	Equity	39,783	39,783
NGCDF Waithaka Health centre	0630278996737	Equity	15,181	15,181
NGCDF Mutuini Primary school	0630278347562	Equity	11,677	2,083,353
NGCDF Nembu Primary school	0630277833692	Equity	85,200	874,478
NGCDF Kagira Primary school	630278350909	Equity	307,201	307,201
NGCDF Gitiba Primary school	0630278262378	Equity	50,234	900,234
NGCDF Riruta satellite primary school	630278468492	Equity	125,737	57,581
NGCDF office	0630278625680	Equity	956	206,505
NGCDF Riruta location chief's office	630278463295	Equity	1,792	1,792
NGCDF Dr Muthiora primary school	0630277808978	Equity	178,289	1,009,173
Assistant Chief Office Waithaka	0630275925278	Equity	1,352	239,152
Mukarara Mixed Secondary School	1800280851815	Equity	457,516	2,457,771
Kagira Mixed Secondary School	1800280851757	Equity	473,414	1,473,555
Riruta Satellite Mixed Secondary School	1800282433464	Equity	3,016,434	13,551,725
Ngando Administrative Office	1800280851465	Equity	410,664	410,664
Mutuini High School	630278460590	Equity	7,001	-
NGCDF Kirigu Primary school	630262662908	Equity	2,276,282	3,770,864
NGCDF Kabiria Primary School PMC	630263922102	Equity	594,965	8,760,870
			9,458,187	39,903,845

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

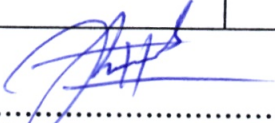
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NRO/NGCDF/DAGORETTI SOUTH/2021/2022(27)	<p>The statement of receipts and payments reflects compensation of employees amount of Kshs.3,992,542 which as disclosed in Note 4 to the financial statements includes Kshs.2,135,650 paid as basic salaries. The basic salaries amount further includes training expenses of Kshs.403,000 which should have instead been charged under use of goods and services. No explanation has been provided for the misclassification of the expenditure.</p> <p>In the circumstances, information contained in the financial statements may be misleading to the users.</p>	<p>The management has noted the findings and wishes to expound on the matter by stating that the expenditure classified as training expenses was incurred during a staff training program which had not been budgeted under the use of goods. The training was necessary since the staffs were adopting a new accounting system that required them to have necessary skills to use it.</p>	Resolved	
OAG/NRO/NGCDF/DAGORETTI SOUTH/2021/2022(27)	<p>Examination of the financial statements revealed PMC account balances under Equity Bank included in the financial statements were not supported with bank certificates</p>	<p>The management has noted the findings and commenced the process of transferring some of the unutilized funds to the main account in accordance Section 12 (8) of NG-CDF Act 2015. However, some of the balances were retained moiety or retention amount owed to contractors. The management has since cleared some of those balances and this will be reflected in the financial statements of the year 2022-2023.</p>	Resolved	

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OAG/NRO/NGC DF/DAGORETTI SOUTH/2021/2 022(27)	The statement of assets and liabilities reflects bank and cash balance of Kshs.40,321,766 as at 30 June, 2022. Examination of the bank reconciliation statement revealed long outstanding unrepresented cheques (Stale Cheques) totaling Kshs.232,050 dated 19 January, 2021 and 11 August, 2021 which had not been reversed in the cash book	The management has noted the findings and has since liaised with the Sub county accountant and the stale cheques will be reversed in this financial year 2022-2023.	Resolved	
OAG/NRO/NGC DF/DAGORETTI SOUTH/2021/2 022(27)	Annex 4 to the financial statements reflects the summary of fixed asset register. Included is asset register is land, buildings and structures valued at Kshs.60,000,000 and Kshs.19,363,125 respectively. However, the ownership documents pertaining to the land and buildings have not been provided for audit review. In the circumstances, Management is exposed to loss of property if ownership documents are not in possession of the Fund.	The management notes findings. The management would want to explain that the offices are built on a public land.	Resolved	


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Name: Job Ngwili Tuta
Fund Account Manager.