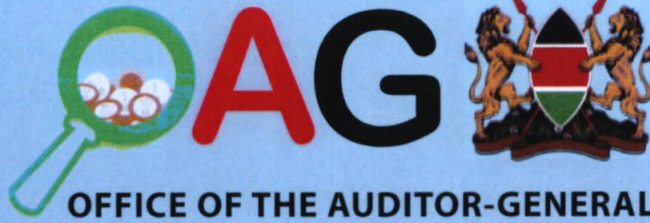


REPUBLIC OF KENYA



*Enhancing Accountability*

PARLIAMENT  
OF KENYA  
LIBRARY

REPORT

DATE: 29 APR 2025

DAY.

Tuesday

TABLED  
BY:

Hon Julius Nelly, MP

On Behalf of L.O.M

OF

CLERK-AT  
THE-TABLE:

Benson Irzofu

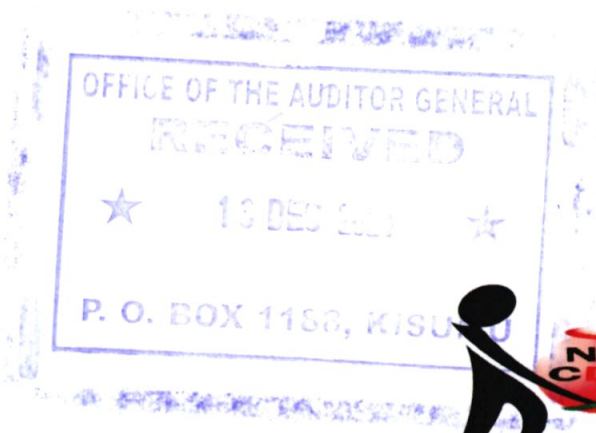
THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – KISUMU CENTRAL  
CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2024

Revised 30<sup>th</sup> June 2024



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## NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KISUMU CENTRAL CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2024

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

*National Government Constituencies Development Fund (NGCDF)*  
*Kisumu Central Constituency*  
*Annual Report and Financial Statements for The Year Ended June 30, 2024*

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1. Acronyms and Definition of Key Terms

A. Acronyms

AIE	Authority to Incur Expenditure
ARMC	Audit and Risk Management Committee
DCC	Deputy County Commissioner
IPSAS	International Public Sector Accounting Standards.
FAM	Fund Account Manager
NG-CDFB	National Government Constituencies Development Fund Board
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
NSCA	National Sub-County Accountant
PFM	Public Finance Management
PMC	Project Management Committee
PWD	Persons with Disability
QMS	Quality Management Systems
FY	Financial Year

## **B. Definition of Key Terms**

**Bank account** - of the Fund" means the National Government Constituencies development Fund account maintained in accordance with section 13;

**Board**- means the National Government Constituencies Development Fund Board established under section 14

**Chief executive officer**- means the chief executive officer of the Board appointed under section 20

**Community** - means residents of a particular geographical area or region defined as a constituency, ward, location, sub location or village and having common interests;

**Comparative Year**- Means the prior period.

**Constituency** - means one of the constituencies into which Kenya is divided under Article 89 of the Constitution;

**Constituency Committee** - means a National Government Constituency Development Fund Committee established under section 43 (l); 2015

**Constituency account**- means the account maintained for every constituency in accordance with section 12;

**Fiduciary Management** - Members of Management directly entrusted with the entity's financial resources.

**Fund** means the National Government Constituencies Development Fund established under section a (1);

**Officer of the Board**- means an officer of the Board appointed under section 22;

**Project**- means an eligible development project as described in the Act;

**Project management committee**- means a committee or board of persons elected or nominated to implement a project or manage an institution, including a committee existing prior to the establishment of the Fund and which is assuming the responsibility of implementing a project funded under the Act;

## **2. 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 2023. 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 the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

### **Mandate**

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

- a) Recognize the constituency as a platform for the 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 realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;

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- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) 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.

### **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.

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**Functions of NG-CDF Committee**

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

**(b) Key Management**

The NGCDF Kisumu Central Constituency's 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)

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	Naphtally Mulesi Ochuma
2.	National Sub-County Accountant	Wyclife Khamati
3.	Chairman NGCDFC	Millicent Atieno Omollo
4.	Member NGCDFC	Silas Diang'a

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Kisumu Central Constituency. The reports and recommendations of ARMC, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

**(e) NGCDF Kisumu Central Constituency Headquarters**

P.O. Box 1077-40100  
Tom Mboya Estate  
Behind Golden Elites Premier School  
Kisumu, KENYA

**(f) NGCDF Kisumu Central Constituency Contacts**

Telephone: (254) 723970729  
E-mail: [cdfKisumucentral@ngcdf.go.ke](mailto:cdfKisumucentral@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke) |

**(g) NGCDF Kisumu Central Constituency Bankers**

- (a)** Family Bank ( Main Account )  
Account Number: 028000038367  
Kisumu Express Branch  
P.O Box 74145 -0200 Nairobi
- (b)** Cooperative Bank of Kenya ( Main Account)  
Account Number: 01141495135700  
Kisumu East Branch  
P.O Box  
Kisumu
- (c)** Family Bank ( Deposit Account )  
Account Number: 028000048231  
Kisumu Express Branch  
P.O Box 74145 -0200 Nairobi

**(h) Independent Auditor**

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

**(i) Principal Legal Adviser**

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

### 3. NG-CDFC Chairman's Report



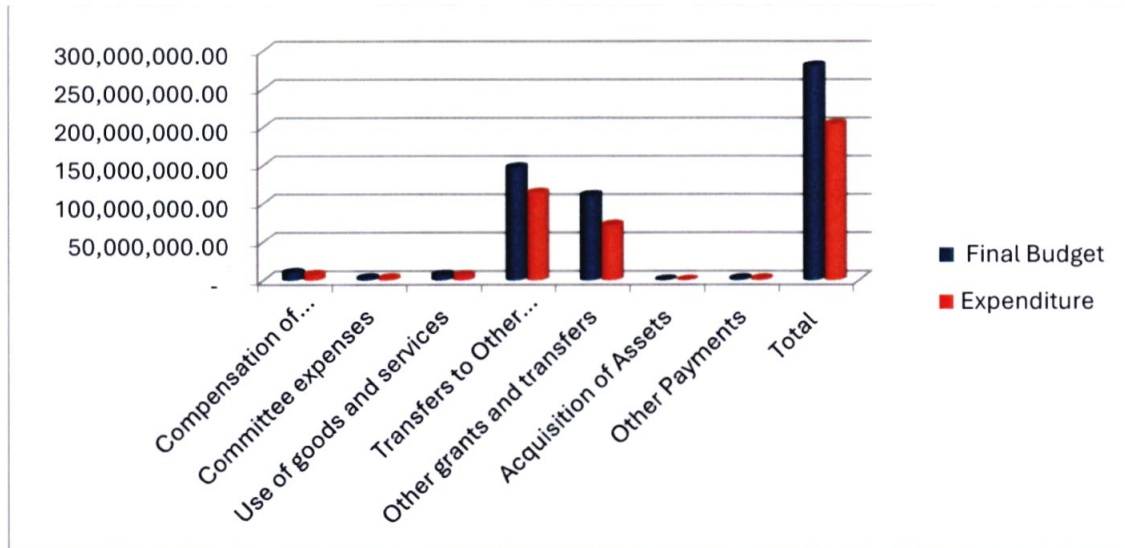
**Millicent Atieno Omollo-  
Chairperson- Kisumu Central NGCDF**

It is with great pride and a sense of achievement that I present the Chairman's Report for the fiscal year 2023/24. This year has been pivotal in advancing the various sectors within our constituency, showcasing substantial progress and significant accomplishments. This report summarizes our budget performance, highlights key achievements, identifies emerging issues, and outlines the challenges faced along with the recommended strategies for overcoming them.

#### **Budget Performance Summary**

Our budget performance for the fiscal year 2023/24 reflects a strong commitment to the planned objectives. For the Education sector, we allocated Kshs 100 million and utilized Kshs 98 million. In the Security sector, we had an allocation of Kshs 15 million with an actual expenditure of Kshs 14.5 million. The Environment sector saw an allocated budget of Kshs 10 million, with Kshs 9.5 million spent. The Sports sector had an allocation of Kshs 8 million and an expenditure of Kshs 7.8 million. Disaster Management was allocated Kshs 5 million, which was fully expended. Finally, Institutional Strengthening had a budget of Kshs 7 million, with an expenditure of Kshs 6.8 million, while Tracking of Results saw an allocation of Kshs 3 million and an expenditure of Kshs 2.9 million.

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**Key Achievements**

In the Education sector, our efforts have been notably impactful. We completed the construction of 8 classrooms at Lions High School and 6 classrooms at Manyatta Primary School. Additionally, we built 2 laboratories at MM Shah Primary and Arina Primary Schools. Our infrastructure improvements also included the installation of 10-door toilets and a 4-roomed admission block. The disbursement of Kshs 44,661,401 in bursaries benefited 8,634 students, significantly enhancing access to education.



*Newly constructed classrooms in Manyatta Primary School and Lions High School*

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*Bursary registration and issuance*

Our achievements in the Security sector are equally commendable. We completed the construction of the Chief's wall at Southern Sub-Location and the new offices for the Assistant Chief and Chief, thereby improving the security infrastructure.

In Environmental sustainability, we planted 2,800 tree seedlings and installed 10,000-liter water tanks in 14 schools. Our participation in National Tree Planting Day further underscored our commitment to environmental stewardship.

The Sports sector saw dynamic activities with funding for a major sports tournament and sponsorship of county and regional sports events. We also provided sports uniforms, balls, and a boxing ring to various teams, fostering youth engagement and talent development.

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*Regional sports tournament*

For Disaster Management, we allocated funds to address unforeseen occurrences effectively. Noteworthy interventions included the renovation of classrooms and the provision of emergency toilets.



*Mathew Ondiek Primary School*



*Kisumu Union Primary School 4 door toilet*

In terms of Institutional Strengthening, we employed 13 staff members, maintained up-to-date records and reports, and ensured effective management through well-developed work plans.

### **Emerging Issues**

Despite our successes, several emerging issues need addressing. The increase in student enrollment is putting a strain on existing educational infrastructure. Many of our facilities are aging and require modernization to meet current standards. There is also a need for more comprehensive environmental management strategies. The limited variety in youth sports and development activities poses a challenge, as does the need for enhanced disaster preparedness in response to frequent severe weather events. Funding limitations continue to be a concern, impacting the scope and effectiveness of our projects.

### **Implementation Challenges and Recommended Way Forward**

The primary challenge we face is the inadequate infrastructure for the growing number of students. To address this, we are prioritizing the expansion and upgrade of educational facilities and engaging stakeholders for additional funding. Aging infrastructure is another significant issue. We are conducting regular assessments and increasing funds for renovations to modernize our facilities.

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In the realm of environmental sustainability, there is a need for more robust management strategies. We are developing comprehensive plans and involving the community in environmental conservation efforts. Limited opportunities for youth engagement in sports require us to expand our programs and build additional facilities. We are already funding and sponsoring a diverse range of sports activities and equipment.

Disaster preparedness remains a challenge, given the increasing frequency of severe weather events. We are developing a comprehensive disaster management plan and increasing training for community members to enhance preparedness.

Funding limitations impact our ability to execute projects at the desired scale. To overcome this, we are seeking additional funding sources and optimizing our budget allocations to address critical needs.

In conclusion, the fiscal year 2023/24 has been marked by notable achievements across various sectors. We have made significant strides in education, security, environmental sustainability, sports, disaster management, and institutional strengthening. By addressing the emerging issues and implementation challenges with strategic planning and stakeholder collaboration, we are committed to continuing our progress and making a positive impact on our constituency.



.....  
**Name: Millicent Omollo**  
**Chairman NGCDF Committee**

#### 4. Statement of Performance against Predetermined Objectives for FY 2023/2024

##### 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 the **NGCDF Kisumu Constituency 2023-2027** plan are to:

- (a) To institutionalize and to continue to build capacity of Kisumu central constituency.*
- (b) To increase access to education and training opportunities.*
- (c) To develop infrastructure aimed at improving living conditions of the constituents.*
- (d) To promote social and cultural development.*
- (e) To promote access to information, communication and technology to accelerate development and skills development.*
- (f) To reduce insecurity within the constituency.*
- (g) To improve the environment.*

##### **Progress on the 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:

Sector	Objective	Outcome	Indicator	Performance
Education	To Improve access, affordability and availability of quality education to all	<ul style="list-style-type: none"> <li>• Adequate and conducive environment in terms of classrooms, library, laboratories,</li> </ul>	- number of usable physical infrastructure build in primary, secondary,	- In FY 2023/24 - The constituency allocated funds towards construction 2 laboratories in 2

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Sector	Objective	Outcome	Indicator	Performance
	school going children.	<p>dormitories, halls to be used outcomes.</p> <ul style="list-style-type: none"> <li>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</li> </ul>	<p>and tertiary institutions</p> <ul style="list-style-type: none"> <li>number of bursary beneficiaries at all levels</li> </ul>	<p>secondary schools</p> <ul style="list-style-type: none"> <li>construction of 5 laboratories in 5 Junior Secondary School,</li> <li>5 primary schools with improved/rehabilitated</li> <li>Allocated funds for construction of 10 doors toilets in secondary school</li> <li>Allocated funds for construction to completion of 4No Classrooms and 4roomed Admission Block on ground floor of 1 storey building.</li> <li>Bursary to a total of Kshs <b>44,661,401</b> to approximately</li> </ul>

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Sector	Objective	Outcome	Indicator	Performance
				8634 beneficiaries in secondary schools and approximately 2600 students in colleges as per the attached schedules Completed the construction of 8 classrooms at lions High School, 6 classrooms at Manyatta Primary, construction of 2 laboratories at MM Shah primary school and Arina Primary School.

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<b>Sector</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Security	To enhance security within the constituency	Improved security and provision of services to constituents within the constituency	- Number of chief, ACC, DCC, assistant chief offices constructed.	Completed Construction of the Chief's wall at Southern Sub location assistant Chief's Office and Chief's office
Environment	To promote environment sustainability in the constituency		Number of trees planted Number of Biogas( green environment ) projects	- Planted total of 2,800 tree seedlings and installation of 10,000 litres water tanks in 14 schools within the constituency. - Ensured all projects have a component of planting trees and installation of water tank with three hand washing points. - participated on the National

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Sector	Objective	Outcome	Indicator	Performance
				tree planting day on 13 <sup>th</sup> November 2023 and 10 <sup>th</sup> May 2024
Sports	To harness talent and empower youth	Active participation of youth in sports and advocacy activities	Number of sporting field rehabilitated Number of sporting tournaments held	- Allocated funds toward funding of one sports tournament. - The NGCDF Sponsored sporting activities (County and regional Sports) in 2024 successfully - Purchased sports uniforms and balls and distributed to 25 teams within the constituency.

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Sector	Objective	Outcome	Indicator	Performance
				- Purchased 1 boxing ring and distributed to boxing team in the constituency.
Disaster Management	To cater for any unforeseen occurrences in the constituency			- Allocated funds towards funding of emergencies in case of emergencies - Allocated emergency to Ezra Gumbe for renovation of 6 classrooms, Kisumu Union for 10day toilet, Ondiek primary for renovation of 3 classrooms
Intuitional strengthening	To promote performance of management and smooth	- Quality of work from motivated staff	- Work plans, reports, accountabilities,	- 13 staff employed and well enumerated.

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Sector	Objective	Outcome	Indicator	Performance
	running of NGCDF operations	<ul style="list-style-type: none"> <li>- Effective and active NGCDF Committee and harmonised governance body</li> <li>- Reflective and dynamic committee and staff able to adjust to changing operational circumstances.</li> </ul>	<ul style="list-style-type: none"> <li>- Board minutes, resolutions, evaluation report</li> </ul>	<ul style="list-style-type: none"> <li>- File of all management resolutions well kept.</li> <li>- All reports due to the board submitted within the given timelines.</li> <li>- Developed work plans and submitted to the board</li> </ul>
Tracking of results	To improve on tracking of implementation of NGCDF projects	<ul style="list-style-type: none"> <li>• Strengths and Weaknesses in project implementation identified and addressed</li> <li>• Audit report, enhance and improved standards in financial management</li> </ul>	<ul style="list-style-type: none"> <li>• Reports, Success and case stories</li> <li>• Audit report, Financial report</li> </ul>	<ul style="list-style-type: none"> <li>• 4 Quarterly and 1 annual reports submitted with the timelines</li> <li>• Audit reports responded to and advice on the same adhered to.</li> </ul>

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## **5. Governance Statement**

### **Overview**

Kisumu Central NGCDF has instituted systems to ensure that high standards of corporate governance are maintained at all levels of the constituency. Kisumu Central NGCDF continues to endeavour to comply with the provisions of the NGCDF Act 2015 amended 2023, and all other affiliate laws that affect the operations of the organization. We remain committed to the highest standards of corporate governance and business ethics.

We continuously assesses our governance operating model to ensure that robust internal governing bodies and proper systems/processes are in place to support the Board and management to drive change, set strategic direction and formulate high-level goals and policies. The Constituency Development Fund Committee of Kisumu Central is responsible for the governance of the institution. The Committee members are committed to fulfilling their fiduciary responsibilities and have instituted various principles necessary to ensure that good governance is practiced with respect to dealings with the of the organization, customers and other relevant stakeholders in line

In the financial year under review, we continued to achieve high levels of governance by focusing on the following areas

- Improvement on provision of services to the constituents through development and adoption of service delivery charter by disseminating the information through short videos on social media pages and strategic areas within the constituency
- Development of quality policy statement and quality objectives (QMS) and documentation of internal process and documentation.
- Ensuring competencies and Continuous improvement on service delivery by vigorously training both the NGCDF committee and staff
- Ensuring execution of audit recommendations, audit independence and continuously enforcing strong internationally recognised accounting principles

- Ensuring timely reporting and disclosures of Constituency activities to the NGCDF Board and other relevant stakeholders
- Focusing on compliance with relevant laws and upholding the highest levels of integrity in the organization's culture and practice

### **NGCDF Committee size, composition and appointments**

#### **Composition of the NGCDF committee**

The NGCDF Act 2015 amended 2023 Section 43 (1) (2) and (3) stipulates the composition of the NGCDF committee at the constituency level. The NGCDF committee shall be comprised of 10 members; Seven (7) gazetted and 3 appointed based on positions as outlined. Each Constituency Committee shall comprise of--

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

#### **Recruitment of the NGCDF Committee**

Section 43 (4) and (5) of the NGCDF Act States that the seven persons referred to in subsection (2) (b), (c), (d) and (e) shall be selected in such Manner and shall have such qualifications as the Board prescribed in the NGCDF Regulations 2016 (5). The names of

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the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the Board.

The process of recruitment is transparent and guided by Section 5 of the NGCDF Regulations 2016 through the guidance selection panel

**Term/Tenure of NGCDF Committee members**

Section 43 (8 ) of the NGCDF Act states that the term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board. The current NGCDF Committee term expires on 29<sup>th</sup> November 2024, the committee was gazetted on 29<sup>th</sup> November 2022 vide gazette notice Vol, CXXIV- 254. The current committee members are

No.	NAME	CATEGORY	WARD	Position
1	Silas Omondi Dianga	Male (Adult)	Market Milimani	Chairperson
2	Ahmed Siyat Muhumed	Male (Youth)	Railways	Member
3	Millicent Atieno Omollo	Female (Adult)	Kondele	Secretary
4	Ann Adhiambo Ochieng	Female (Youth)	Migosi	Member
5	Pius Otieno Ochieng	Pwd Representative	Railways	Member
6	William Oduori Otaya	Constituency Nominee (Male)	Kaloleni	Member
7	Everlyne Aoko Egesa	(Constituency Nominee) Female	Railways	Member
8	Ismael Noo	NGCDF Board Co-opted Member	Market Milimani	Member
9	Wycliff K Langat	Deputy County Commissioner		Member
10	Naphtally Mulesi Ochuma	Fund Account Manager		Member

**Roles and Functions of NG-CDF Committee Members**

- **Resource Allocation**

The committee is responsible for determining how the NG-CDF funds are allocated within the constituency. This involves identifying priority areas for development and setting aside budgets for various projects and programs.

- **Project Identification**

NG-CDF Committees are tasked with identifying development projects within the constituency. They often consult with the local community to gather input and assess the needs of the constituency through public participation.

- **Project Selection**

Once projects are identified, the committee must evaluate and prioritise them based on their feasibility, impact, and alignment with the constituency's development goals.

- **Budgeting**

Committees are responsible for creating and managing budgets for approved projects. They need to ensure that funds are allocated appropriately and efficiently to cover project costs.

- **Project Implementation**

The committee monitors the progress of ongoing projects to ensure they are being implemented according to plan. They may also address any challenges or delays that arise during implementation.

- **Financial Management**

NG-CDF Committees are responsible for the financial management of the funds allocated to the constituency. This includes managing bank accounts, financial reporting, and ensuring that funds are used in accordance with the law.

- **Accountability and Transparency**

Committees are expected to maintain a high level of transparency in their operations. They must provide regular reports to the public and stakeholders on the utilization of NG-CDF funds.

- **Community Engagement**

Committees should engage with the local community to keep them informed about the NG-CDF projects and to gather feedback and input on development priorities.

- **Audit and Evaluation**

NG-CDF Committees are subject to regular audits to ensure that funds are used for their intended purposes and in compliance with the law. They may also evaluate the impact of projects and make necessary adjustments.

- **Compliance with Regulations**

It's essential for NG-CDF Committees to comply with all relevant laws, regulations, and guidelines governing the use of constituency development funds.

- **Advocacy**

In some cases, NG-CDF Committees may advocate for additional resources or support from the national government to meet the development needs of their constituencies.

### **Removal of NGCDF Committee Members**

The NGCDF Act Section 43 (13), 14 and 15 and Section 44 (1), (2), (3) and (4) prescribes the manner in which any member of the committee may be removed from office and the offences that can lead to removal from the position. The NGCDF regulations 2016 section 10 Subsection (1) to (22) further outlines the process, reasons of removal of the Members of the NGCDF Committee.

Here are some common reasons and the general process for removing NG-CDFC members:

- **Misconduct or Incompetence**

If an NG-CDFC member is found to be engaged in misconduct, malpractice, or incompetence in the performance of their duties, they can be removed from office. Misconduct may include corruption, embezzlement of funds, or any behaviour that undermines the integrity of the NG-CDFC.

- **Conviction of a Criminal Offence**

If an NG-CDFC member is convicted of a criminal offence, especially one related to corruption or financial impropriety, they may be subject to removal from their position.

- **Incapacity or Inability to Perform Duties**

If a member becomes incapacitated due to illness, injury, or any other reason that renders them unable to perform their duties effectively, they may be removed from the NG-CDFC.

- **Non-Attendance**

NG-CDFC members are expected to attend meetings and fulfil their responsibilities. Persistent non-attendance or failure to actively participate in the committee's activities can lead to removal.

The general process for removing NG-CDFC members typically involves the following steps:

- **Complaint or Petition**

In most cases, a complaint or petition outlining the reasons for removal is submitted to the NG-CDF Board or the relevant authority responsible for overseeing the NG-CDFC.

- **Investigation**

The NG-CDF Board or a designated body initiates an investigation into the allegations or reasons for removal. This investigation may involve gathering evidence, conducting interviews, and assessing the situation.

- **Recommendation**

After the investigation is completed, a recommendation is made based on the findings. If the evidence supports the removal of the NG-CDFC member, a formal recommendation for removal is made to the appropriate authority.

- **Decision and Approval**

The decision to remove an NG-CDFC member may require approval from the relevant authority.

- **Notification**

Once the decision to remove an NG-CDFC member is finalised and approved, the member is formally notified of their removal.

- **Replacement**

Depending on the circumstances, a process to fill the vacant NG-CDFC position may be initiated to ensure the committee continues to function effectively.

### **Induction and training**

The organization continues to train its staff and committee members. This year the committee signed a performance contract with the NGCDF board and set the following as areas of interest for training

- I. Project management, Financial Management, procurement and other issues pertinent to NG-CDFC
- II. Cross Cutting issues- Alcohol and Drug Abuse, Safety and Security, Road safety, HIV/AIDS
- III. Risk Management
- IV. Sensitize NGCDFC on quality management system standards

- V. Conduct technical training for NG-CDFC driver/s
- VI. Corruption prevention

During the year under review the constituency organised for training of the committee members in Nakuru and the above areas were handled. The constituency also held consultative meeting with key relevant Government officers/

#### **Remuneration of NGCDF board**

NGCDF Committee Members are paid a sitting allowance for every meeting attended as per circular dated 15<sup>th</sup> December 2022. As set by the Salaries Remuneration Commission. They are however, not eligible for pension scheme membership and do not participate in any of the organisation remuneration or compensation schemes. Details of the allowance paid in the financial year under review are set out on the financial statements part of the annual report

Currently the Committee members are paid an allowance of Kshs 5,000 as sitting allowance for full NGCDF meeting held monthly and Kshs 2,500 for any sitting allowance at subcommittee levels.

#### **Number of Meetings**

During the year the committee held 14 meetings as shown in the table below.

**National Government Constituencies Development Fund (NGCDF)**  
**Kisumu Central Constituency**  
**Annual Report and Financial Statements for The Year Ended June 30, 2024**

MEETING ALLOWANCES	DATES												TOTALS
	11/07/2023	08/09/2023	19/10/2023	02/11/2023	24/11/2024	15/01/2024	16/02/2024	08/02/2024	23/02/2024	12/04/2024	30/04/2024	31/05/2024	
NAMES													
Silas Omondi Dianga	√	√	√	√	√	√	√	-	√	-	√	√	50,000.00
Ahmed Siyat Muhumed	√	√	√	√	√	√	√	√	√	-	√	√	55,000.00
Millicent Atieno Omollo	√	√	√	√	√	√	√	√	√	√	√	√	84,000.00
Ann Adhiambo Ochieng	√	√	√	√	√	√	√	√	√	-	√	√	55,000.00
Pius Otieno Ochieng	√	√	√	√	√	√	√	√	√	√	√	√	60,000.00
William Oduori Otaya	√	√	√	√	√	√	√	√	√	√	√	√	60,000.00
Everlyne Aoko Egesa	√	√	√	√	√	√	√	-	-	-	-	-	35,000.00
Ismael Noo	√	√	√	√	√	√	√	√	√	√	√	√	60,000.00
Wycliff K Langat	√		√	√	√	√	√	√	√	√	√	-	50,000.00
Beryl Achieng	√	√	√	-	-	-	-	-	-	-	-	-	15,000.00
Naphtally Mulesi Ochuma	-	-	-	√	√	√	√	√	√	√	√	√	45,000.00
	52,000.	47,000.	52,000.	52,000.	52,000.	52,000.	52,000.	42,000	47,000	32,000	47,000	42,000	<b>569,000.00</b>

### **Conflict of interest**

The NGCDF Committee members and NGCDF staff along other Officers of Government assisting offering NGCDF Services to the people are obligated to fully disclose to the NGCDF Committee any real or potential conflict of interest, which comes to any individual attention, whether direct or indirect. The statutory duty to avoid situations in which the individuals have or may have interests that conflict with those of the organization has been observed by the board in the financial year under review. All business transactions with all parties or their related parties are carried out at arm's length. An acknowledgement that should it come to the attention of a individual that a matter concerning the company may result in a conflict of interest, obligates the individual to declare the same and exclude himself / herself from any discussion or decision over the matter in question.

### **Succession Plan**

To ensure the continued effectiveness and stability of Kisumu Central NG-CDF, we are committed to implementing a robust succession plan in alignment with the NGCDF Act 2015, as amended in 2023. Our succession plan addresses the periodic recruitment and renewal of both the NG-CDF Committee and staff to support the organization's mandate and objectives.

#### **Committee Succession:**

The NG-CDF Committee, which is instrumental in guiding and overseeing the Fund's operations, is recruited every two years with the possibility of renewing terms for a maximum of two terms within a 5-year parliamentary cycle. To ensure seamless transitions and the retention of institutional knowledge, the succession plan includes:

- **Advance Planning:** Identifying potential candidates and preparing them for future committee roles.
- **Knowledge Transfer:** Documenting processes, decisions, and strategies to facilitate smooth handovers.
- **Training:** Providing ongoing professional development to current members to prepare them for leadership roles and ensure continuity in governance.

#### **Staff Succession:**

Staff members are employed on renewable contracts that do not exceed the 5-year parliamentary term. Our succession planning for staff includes:

- **Talent Development:** Fostering a pipeline of skilled professionals through targeted training and career development programs.
- **Performance Management:** Regularly evaluating staff performance and readiness for advanced roles.
- **Knowledge Management:** Maintaining comprehensive documentation of key processes and responsibilities to ensure continuity in the event of staff turnover.

By proactively managing succession, Kisumu Central NG-CDF aims to maintain organizational stability, uphold its commitment to effective service delivery, and ensure that the transition of both committee members and staff is handled smoothly and efficiently

### **Ethics and Code of Conduct**

Ethics and code of conduct Kisumu Central and employees are expected to act with honesty, integrity and fairness in all their dealings with one another and with stakeholders and to respect the diverse cultures of the Kenyan people. The Constituency aligns itself to the ethics and code of conduct for government employees in Kenya which is primarily governed by the Public Officer Ethics Act, 2003 and the Public Service Code of Conduct and Ethics, 2016. Every employee is provided with a copy of the code and must commit to abide by its requirements as part of the employment contract with the institution. Some key points in the Act include:

**Rule of Law:** Public officers must uphold and respect the rule of law in their duties

**Responsibility and Duties:** They are expected to perform their duties with integrity, accountability, and transparency.

**Professionalism:** Public officers must maintain high standards of professionalism and competence.

**Conflict of Interest:** They must avoid situations where personal interests conflict with official duties.

**Financial Integrity:** Public officers are required to manage public resources responsibly and avoid any form of corruption.

**Political Neutrality:** They should remain neutral and not engage in political activities that could compromise their duties.

**Gifts and Benefits:** Accepting gifts or benefits that could influence their official duties is prohibited.

### **Risk Management**

Effective risk management is vital for Kisumu Central Constituency to ensure that services are delivered properly and to maximize service provision. It plays a key role in maintaining compliance, managing the Fund efficiently, and improving overall service delivery. The NG-CDF Committee is instrumental in this process, responsible for coordinating and monitoring risk management initiatives, conducting risk assessments, developing risk monitoring systems, and consistently overseeing risks to ensure service goals are met. The constituency keeps a risk register that is updated monthly and provides quarterly reports to the NG-CDF Board. Additionally, it undergoes annual audits by the Auditor General's office, bi-annual audits by the NG-CDF Board's internal audit department, and routine audits by the Treasury's internal audit department, all of which help in reducing risks and mitigating fraud.

### **Procurement policies**

We have in place procurement policies that promote a fair and transparent procurement process, with emphasis on value for money and building mutually beneficial relationships with our suppliers.

## **6. Environmental and Sustainability Reporting**

Kisumu Central Constituency NG-CDF operates under the authority of the NGCDF Act 2015, as amended in 2023, and the NGCDF Regulations 2016, with functions specified in Section 22 of the Regulations. Our mandate is to promote sustainable development through projects in the Education, Security, and Climate Change sectors. We take pride in integrating sustainability into our operations, ensuring that both direct and indirect impacts on the environment, communities, and the economy are considered. Central to our efforts is a commitment to environmental stewardship, aimed at preserving Kenya's natural beauty and addressing climate change. This report highlights our dedication to these principles and the steps we have taken to align our projects with sustainable development goals.

### **Mandate and Project Completion**

Our primary mandate is to ensure the timely and efficient completion of projects, with the NGCDF Act 2015 stipulating that no project should exceed three years before completion. Projects are identified based on public participation to ensure community engagement and acceptance. Implementation is carried out by Project Management Committees comprised of community members, which promotes transparency and fosters teamwork.

### **Sustainability Initiatives**

In line with our commitment to sustainability, we incorporate environmental considerations into all our projects. Our initiatives are designed to be environmentally friendly and to make effective use of locally available materials. Key environmental components in our projects include:

#### **Water Management:**

- Installation of water tanks for rainwater harvesting.
- Integration of water harvesting components to maximize water resource utilization.
- Energy Efficiency:
- Use of automatic photosensitive switches to optimize energy consumption and reduce waste.

#### **Afforestation:**

- Tree planting initiatives to enhance green cover, improve air quality, and support local biodiversity.

### **Community Engagement and Transparency**

To ensure that projects align with community needs and expectations, we engage the public in project identification and planning. This participatory approach fosters acceptance and enhances the effectiveness of our initiatives. Project Management Committees, which consist of local community members, oversee the implementation of projects, ensuring that they are managed transparently and efficiently.

### **Resource Allocation**

Funding is strategically allocated with a preference for ongoing projects to ensure their successful completion. This approach supports continuity and minimizes disruptions in project implementation.

### **Environmental Impact and Benefits**

Our projects are designed with a focus on minimizing environmental impact and promoting sustainability. By incorporating environmentally friendly features such as water harvesting systems, energy-efficient technologies, and afforestation efforts, we contribute to the preservation of Kenya's natural resources and address climate change challenges.

### **Conclusion**

Kisumu Central Constituency NG-CDF is dedicated to advancing sustainable development through carefully planned and executed projects. Our commitment to environmental stewardship is evident in our project designs and community engagement practices. We continuously strive to enhance our sustainability efforts and make a positive impact on the environment and the communities we serve

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

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

- a. Education and Training:** Kisumu Central Constituency's 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 marginalized 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.

## **2. Environmental performance**

NGCDF Board allocates funds for environmental mitigations i.e a total of Kshs. 4,200,000 were allocated to the NGCDF Kisumu Central Constituency to facilitate planting of 200 seedlings and installation of 10,000 litres water tanks in fourteen

different schools in the financial year 2023-2024. NGCDF also participated on the National tree planting day on 13<sup>th</sup> November 2023 and 10<sup>th</sup> May 2024.

The NGCDF sensitization program, focusing on training staff and the CDFCs has been successful in enhancing the community's capacity to address drug abuse. By empowering locals and improving their ability to educate and support the community, the program has made significant improvements in preventing drug abuse and enhancing a healthier, more informed society. Continued commitment and expansion of these efforts will be crucial for sustaining progress and achieving long-term positive impacts.

The NGCDF Sponsored sporting activities (County and regional Sports) in 2024 successfully integrated environmental conservation sensitization into community engagement efforts. By leveraging the popularity of sports and combining it with practical environmental messages, the program made a significant impact on raising awareness and fostering sustainable practices among local residents.

### **3. Employee welfare**

We invest in providing the best working environment for our employees. Kisumu Central 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 NHIF Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Kisumu Central 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-**

Kisumu Central Constituency is committed to fair and ethical market practices.

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-**

Kisumu Central Constituency has endeavoured to sustain community engagement through Public Participation 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**

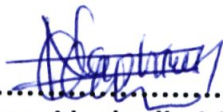
Kisumu Central Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, 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.

Kisumu Central Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



.....  
**Name: Naphtally Mulesi Ochuma**  
**Fund Account Manager.**



## **7. 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- Kisumu Central 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, 2024. 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- Kisumu Central 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, 2024, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Kisumu Central 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.

***National Government Constituencies Development Fund (NGCDF)  
Kisumu Central Constituency  
Annual Report and Financial Statements for The Year Ended June 30, 2024***

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

**Approval of the financial statements**

The NGCDF- Kisumu Central Constituency financial statements were approved and signed by the Accounting Officer on 30th Sept 2024.



.....  
**Name: Millicent Atieno Omollo**  
**Chairman – NGCDF Committee**

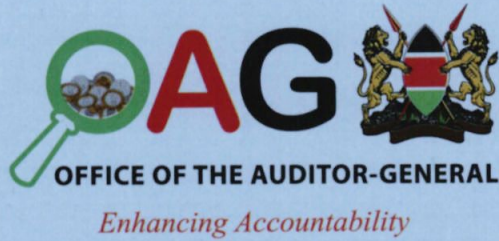


.....  
**Name: Naphtally Mulesi Ochuma**  
**Fund Account Manager**



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## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-KISUMU CENTRAL CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2024**

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### **PREAMBLE**

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

- A. Report on 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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituency Development Fund -Kisumu Central Constituency set out on pages 1 to 52

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*Report of the Auditor-General on National Government Constituencies Development Fund-Kisumu Central Constituency for the year ended 30 June, 2024*

which comprises of the statement of assets and liabilities as at 30 June, 2024, 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituency Development Fund -Kisumu Central Constituency as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituency Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **Other Grants and Transfers**

The statement of receipts and payments and as disclosed in Note 8 to the financial statement reflects an amount of Kshs.72,179,993 relating to other grants and transfers, which include bursary to secondary, tertiary and special schools of Kshs.60,284,496. Review of ledgers in respect of bursaries to tertiary institutions include an adjustment of Kshs.1,971,548, out of which Kshs.1,771,458 relates to unpaid cheques reversed to the cashbook, resulting in an unsupported variance of Kshs.200,000.

In the circumstances, the accuracy and completeness of the Kshs.72,179,993 relating to other grants and transfers could not be confirmed.

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Kisumu Central NGCDF Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing 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 reflected final budgeted receipts amounting to Kshs.280,243,147. However, out of the approved budget, only Kshs.219,372,664 (78.2%) was disbursed during the year resulting in a revenue shortfall of Kshs.60,870,484. It was further noted that, out of the Kshs.280,243,147 total expenditure budget, only

Kshs.204,114,592 (73%) was spent during the year while Kshs.76,128,555(27%) remained unutilized as at 30 June, 2024.

The underfunding and underperformance affected 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 judgement, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

### **Other Matter**

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

In the audit report for the previous year, several paragraphs were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources. Although the Management has indicated that issues have been resolved, no evidence was provided to support that issues were resolved.

### **Other Information**

#### **Conclusion**

Management is responsible for the Other Information set out on page iv to xxxix which comprise of Key Constituency Information and Management, Statement of Performance Against Predetermined Objectives, Governance Statement, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

### **Basis for Conclusion**

In connection with my audit on the NG-CDF financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. I have nothing to report in this regard.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on

Lawfulness and Effectiveness in the 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. Engagement of Casuals Beyond the Stipulated Period of Three (3) Months**

Kisumu Central NG-CDF engaged fifteen staff in casual basis as per the employment agreement form signed on 1 January, 2024 for a period exceeding three months with a monthly wage of Kshs.5,000. The casual employees had been engaged for a continuous period of more than three months. However, the terms of employment were not converted to regular employment terms, contrary to Section 37 of the Employment Act, 2007 which provides for conversion of the casual employment to regular employment terms for employees who have worked in an entity continuously for more than two months.

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

### **2. Transfers of Other Government Units**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.114,130,744 relating to transfers to other government units. The amount was transferred to various Project Management Committees in Kisumu Central NGCDF for completion of various projects. However, physical inspection carried out in December, 2024 revealed the following irregularities:

#### **2.1 Delay in Completion of Projects**

Annex 3 to the financial statements outlines fifteen (15) projects budgeted to cost Kshs.76,128,556 that were to be implemented in the year under review but remained outstanding at the end of the financial year as evidenced in the schedule for projects availed for audit review. The project implementation status showed that most of the complete projects were actually expected to be implemented in the 2022/2023 financial year and not 2023/2024. Failure to complete projects as planned not only increases the cost of the projects, but may have also negatively impacted on service delivery to the public.

#### **2.2 Lack of Notice of Project Extension Period**

A transfer of Kshs.3,540,585 was made to Lake Primary School for renovation to completion of 6 classrooms. The expected start date was 30 September, 2024 while the expected completion date was 30 October 2024. However, project inspection carried out in December, 2024 revealed that the work is still ongoing and the contractor is still on site despite the lapse of the contract period. No evidence of project extension was provided for audit review.

Further, a transfer of Kshs.2,100,000 was made to Joel Omino Secondary School for construction to completion of 10 door pit latrines. The expected start date was 24 September, 2024 while the expected completion date was 11 November, 2024. However, field inspection in December, 2024 revealed that the work remains incomplete and contractor was not on site. No evidence of project extension was provided for audit review.

In the circumstances, value for money and service delivery on the expenditure could not be confirmed.

### **3. Weaknesses in Bursary Application Process**

Review of sampled secondary schools' bursary application forms for the 2023-2024 financial year revealed weaknesses in the bursary application process. A significant portion of the bursary application forms were blank, incomplete or lacked the necessary signatures/ approvals, making it impossible to ascertain the approval status of the bursary for each applicant. Further, six hundred and seventy-eight (678) beneficiaries received bursaries amounting to Kshs.3,165,124; but their admission numbers were missing. Without this key information, the audit could not conclude if the process is subjected to a fair and merited award process.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

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

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 controls, 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 as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention 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 comply 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**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I

consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

27 December, 2024


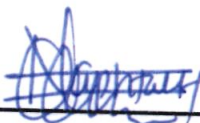
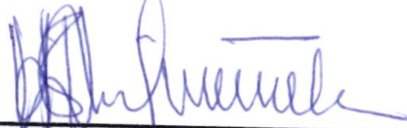
*National Government Constituencies Development Fund (NGCDF)  
Kisumu Central Constituency  
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**9. Statement of Receipts and Payments for the Year Ended 30th June 2024**

	Not e	2023-2024	2022-2023
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	208,941,046	89,236,206
Proceeds From Sale of Assets	2	-	
Other Receipts	3		
<b>Total Receipts</b>		<b>208,941,046</b>	<b>89,236,206</b>
<b>Payments</b>			
Compensation of Employees	4	7,277,794	5,602,186
Committee expenses	5	2,493,452	3,784,011
Use of Goods and Services	6	6,308,984	4,598,171
Transfers to Other Government Units	7	114,130,744	36,052,655
Other Grants and Transfers	8	72,179,993	41,538,429
Acquisition of Assets	9	-	410,000
Other Payments	10	1,723,625	-
<b>Total Payments</b>		<b>204,114,592</b>	<b>91,985,452</b>
<b>Surplus/(Deficit)</b>		<b>4,826,454</b>	<b>(2,749,246)</b>

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

The Constituency financial statements were approved by the NGCDFC on 30th Sept 2024 and signed by:

**Chairman NG-CDF  
Committee  
Name: Millicent A Omollo**

**Fund Accountant Manager  
Name: Naphtally M  
Ochuma**

**National Sub-County  
Accountant  
Name: Wycliffe Khamati**

**ICPAK M/No: R4205**

FUND ACCOUNT MANAGER  
KISUMU CENTRAL CDF  
P.O. Box 1077 - 401  
KISUMU


SUB COUNTY ACCOUNTANT  
KISUMU CENTRAL


**National Government Constituencies Development Fund (NGCDF)**  
**Kisumu Central Constituency**  
**Annual Report and Financial Statements for The Year Ended June 30, 2024**

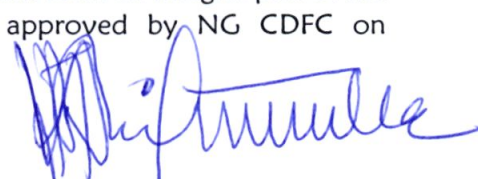
**10. Statement of Assets and Liabilities as at 30th June, 2024**

	Note	2023-2024	2022-2023
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances	11A	16,974,849	10,431,618
Cash Balances	11B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>16,974,849</b>	<b>10,431,618</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	12	-	-
<b>Total Financial Assets (A)</b>		<b>16,974,849</b>	<b>10,431,618</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable</b>			
Retention	13	-	-
Gratuity	14	1,716,777	-
<b>Total Financial Liabilities (B)</b>		<b>1,716,777</b>	<b>-</b>
<b>Net Financial Assets (A-B)</b>		<b>15,258,072</b>	<b>10,431,618</b>
<b>Represented By</b>			
Fund Balance B/Fwd	15	10,431,618	12,839,859
Prior Year Adjustments	16	-	341,005
Surplus/(Deficit) for The Year		4,826,454	(2,749,246)
<b>Net Financial Position</b>		<b>15,258,072</b>	<b>10,431,618</b>

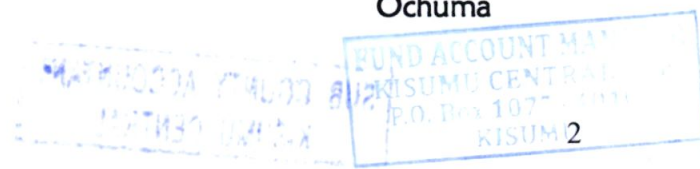
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG CDFC on 25th Sept 2024 and signed by:

  
 Chairman NG-CDF  
 Committee  
 Name: Millicent A Omollo

  
 Fund Accountant Manager  
 Name: Naphtally M  
 Ochuma

  
 National Sub-County  
 Accountant  
 Name: Wycliffe Khamati

ICPAK M/No: R4205



**National Government Constituencies Development Fund (NGCDF)**  
**Kisumu Central Constituency**  
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**11. Statement of Cash Flows for the Year Ended 30th June 2024**

	Notes	2023 - 2024	2022 - 2023
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	208,941,046	89,236,206
Other Receipts	3		-
<b>Total Receipts</b>		<b>208,941,046</b>	<b>89,236,206</b>
<b>Payments</b>			
Compensation Of Employees	4	7,277,794	5,602,186
Committee Expenses	5	2,493,452	2,284,011
Use Of Goods and Services	6	6,308,984	4,598,171
Transfers To Other Government Units	7	114,130,744	36,052,655
Other Grants and Transfers	8	72,179,993	41,538,429
Oversight Committee Expenses	10		1,500,000
Other Payments	11	1,723,625	5,602,186
<b>Total Payments</b>		<b>204,114,592</b>	<b>91,575,452</b>
<b>Adjusted For:</b>			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	1,716,777	-
Increase/(Decrease) In Accounts Payable	18	-	341,005
<b>Net Adjustments</b>		<b>1,716,777</b>	<b>341,005</b>
<b>Net Cash Flow from Operating Activities</b>		<b>6,543,231</b>	<b>(1,998,241)</b>
<b>Cash flow From Investing Activities</b>			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	(410,000)
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>(410,000)</b>
Net Increase In Cash And Cash Equivalent		<b>6,543,231</b>	<b>(2,408,241)</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	<b>12</b>	<b>10,431,618</b>	<b>12,839,859</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	<b>11</b>	<b>16,974,849</b>	<b>10,431,618</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by JNC CDEC on 30th June 2024 and signed by:

Chairman NG-CDF  
 Committee  
 Name: Millicent A Omollo

Fund Accountant Manager  
 Name: Naphtally M  
 Ochuma

National Sub-County  
 Accountant  
 Name: Wycliffe Khamati

ICPAK M/No: R4205

FUND ACCOUNT MANAGER  
 KISUMU CENTRAL CDF  
 P.O. Box 1077 - 40100,  
 KISUMU

SUB COUNTY ACCOUNTANT  
 KISUMU CENTRAL

*National Government Constituencies Development Fund (NGCDF)  
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**12. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2024**

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	200,870,484	10,431,618	68,941,046	280,243,147	219,372,664	60,870,484	78%
Proceeds from Sale of Assets				0	0	0	0%
Other Receipts				0	0	0	
<b>TOTAL RECEIPTS</b>	<b>200,870,484</b>	<b>10,431,618</b>	<b>68,941,046</b>	<b>280,243,147</b>	<b>219,372,664</b>	<b>60,870,484</b>	<b>78%</b>
<b>PAYMENTS</b>							
Compensation of Employees	7,102,442	439,777	2,416,280	9,958,499	7,277,794	2,680,705	73%
Committee expenses	2,452,000	94,630	0	2,546,630	2,493,452	53,178	98%
Use of goods and services	7,017,248	117,813	0	7,135,061	6,308,984	826,077	88%
Transfers to Other Government Units	83,086,071	0	41,884,913	124,970,984	114,130,744	10,840,240	91%
Other grants and transfers	78,336,512	7,779,398	24,639,853	110,755,763	72,179,993	38,575,770	65%
Acquisition of Assets	500,000	0	0	500,000	0	500,000	0%
Other Payments	0	2,000,000	0	2,000,000	1,723,625	276,375	86%
Funds Pending Approval	22,376,211	0	0	22,376,211	0	22,376,211	0%
<b>TOTAL</b>	<b>200,870,484</b>	<b>10,431,618</b>	<b>68,941,046</b>	<b>280,243,147</b>	<b>204,114,592</b>	<b>76,128,556</b>	<b>73%</b>

- *The constituency received Kshs 219,372,664 out of possible Kshs 280,243,147 due to delay in disbursement from the national treasury.*
- *The underutilization for compensation of employees was due to previous budget allocation which was not fully utilized*
- *The underutilization for use of goods and services was due delay in disbursement from the national treasury*
- *The underutilization for other grants and transfers was due delay in disbursement from the national treasury*
- *The underutilization for other payments was due delay in disbursement from the national treasury*

*National Government Constituencies Development Fund (NGCDF)  
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<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	76,128,556
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2024	60,870,484
	<b>15,258,072</b>
Increase/(decrease) Accounts payable	1,716,777
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2024	<b>16,974,849</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG CDFC on 30<sup>th</sup> June 2024 and signed by:



**Chairman NG-CDF Committee**

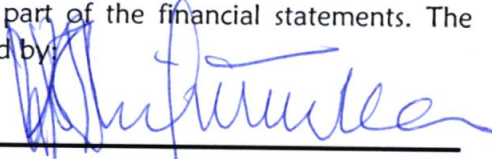
**Name: Millicent A Omollo**



**Fund Accountant Manager**

**Name: Naphtally M Ochuma**





**National Sub-County Accountant**

**Name: Wycliffe Khamati**

**ICPAK M/No: R4205**



*National Government Constituencies Development Fund (NGCDF)*  
*Kisumu Central Constituency*  
*Annual Report and Financial Statements for The Year Ended June 30, 2024*

**13. Budget Execution by Sectors and Projects for the Year Ended 30<sup>th</sup> June 2024**

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	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	7,102,442	439,777	2,416,280	<b>9,958,499</b>	7,277,794	2,680,705
1.2 Committee allowances	864,000	0	0	<b>864,000</b>	795,000	69,000
1.3 Use of goods and services	3,081,351	117,813	0	<b>3,199,164</b>	2,229,960	969,204
<b>Sub-total</b>	<b>11,047,793</b>	<b>557,590</b>	<b>2,416,280</b>	<b>14,021,663</b>	<b>10,302,754</b>	<b>3,718,909</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	2,039,157	0	0	<b>2,039,157</b>	2,109,999	-70,842
2.2 Committee allowances	1,588,000	94,630	0	<b>1,682,630</b>	1,698,452	-15,823
2.3 Use of goods and services	1,896,740	0	0	<b>1,896,740</b>	1,969,025	-72,285
<b>Sub-total</b>	<b>5,523,897</b>	<b>94,630</b>	<b>0</b>	<b>5,618,527</b>	<b>5,777,476</b>	<b>-158,950</b>
<b>3.0 Constituency Oversight Committee (Itemize as per budget)</b>						
3.1	0	0	0	0	0	0
	0	0	0	0	0	0
<b>4.0 Emergency</b>						
4.1 Primary Schools						
Ezra Gumbe Primary School	0	383,330	3,411,670	<b>3,795,000</b>	3,795,000	0
Ondiek Primary	0	0	1,500,000	<b>1,500,000</b>	1,500,000	0

*National Government Constituencies Development Fund (NGCDF)  
Kisumu Central Constituency  
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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	Kshs	Kshs	Kshs	Kshs
Kisumu Union Primary	450,852	0	549,148	1,000,000	1,000,000	0
	<b>450,852</b>	<b>383,330</b>	<b>5,460,818</b>	<b>6,295,000</b>	<b>6,295,000</b>	<b>0</b>
<b>4.2 NGCDF Office</b>						
Construction of Toilet	0	0	399,659	399,659	366,967	32,692
	<b>0</b>	<b>0</b>	<b>399,659</b>	<b>399,659</b>	<b>366,967</b>	<b>32,692</b>
unutilized funds	<b>9,240,195</b>	<b>0</b>	<b>282</b>	<b>9,240,477</b>	<b>0</b>	<b>9,240,477</b>
<b>Sub-total</b>	<b>9,240,195</b>	<b>0</b>	<b>282</b>	<b>9,240,477</b>	<b>0</b>	<b>9,240,477</b>
<b>5.0 Bursary and Social Security</b>						
5.2 Secondary Schools	39,296,495	3,533,045	3,236,005	46,065,545	46,062,044	3,501
5.3 Tertiary Institutions	7,427,457	90,000	7,908,000	15,425,457	7,998,000	7,427,457
5.4 Universities	17,721,513	1,630,446	7,285,084	26,637,043	6,224,452	20,412,591
5.5 Education Support Programmes	0	0	0	0	0	0
5.6 Social Security	0	0	0	0	0	0
<b>Sub-total</b>	<b>64,445,465</b>	<b>5,253,491</b>	<b>18,429,089</b>	<b>88,128,045</b>	<b>60,284,496</b>	<b>27,843,549</b>
<b>6.0 Sports</b>						
6.1 Kisumu Central Sports	0	0	350,005	350,005	350,000	5
<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>350,005</b>	<b>350,005</b>	<b>350,000</b>	<b>5</b>
<b>7.0 Environment</b>						

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Kisumu Central Constituency  
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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			
7.1 Pand Pieri Primary School	300,000	0	0	300,000	300,000	0
7.2 Dunga Primary School	300,000	0	0	300,000	300,000	0
7.3 Lutheran Special School	300,000	0	0	300,000	300,000	0
7.4 Xaverian Secondary School	300,000	0	0	300,000	300,000	0
7.5 Joel Omino Secondary School	300,000	0	0	300,000	300,000	0
7.6 Kosawo Primary School	300,000	0	0	300,000	300,000	0
7.7 Manyatta Primary School	300,000	0	0	300,000	300,000	0
7.8 Obinju Kanyakwar Primary School	300,000	0	0	300,000	300,000	0
7.9 Manyatta Arabs Primary School	300,000	0	0	300,000	300,000	0
7.10 Joyland Special Primary School	300,000	0	0	300,000	300,000	0
7.11 Kudho Secondary School	300,000	0	0	300,000	300,000	0
7.12 Ezra Gumbe Primary School	300,000	0	0	300,000	300,000	0
7.13 MM Shah Primary School	300,000	0	0	300,000	300,000	0
7.14 Arya Primary School	300,000	0	0	300,000	300,000	0
<b>Sub-total</b>	<b>4,200,000</b>	<b>0</b>	<b>0</b>	<b>4,200,000</b>	<b>4,200,000</b>	<b>0</b>
<b>8.0 Primary Schools Projects (List all the Projects)</b>						
Kondele Primary School	2,915,000	0	0	2,915,000	2,915,000	0
Ondiek Primary	1,830,000	0	0	1,830,000	1,830,000	0

*National Government Constituencies Development Fund (NGCDF)  
Kisumu Central Constituency  
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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	Kshs	Kshs	Kshs	Kshs
Lake Primary School	3,540,585	0	0	<b>3,540,585</b>	3,540,585	0
Kosawo Primary School	3,554,417	0	0	<b>3,554,417</b>	3,554,417	0
Dunga Primary School	3,750,000	0	0	<b>3,750,000</b>	3,750,000	0
St. Pauls Kanyakwar Primary School	6,000,000	0	1,197,820	<b>7,197,820</b>	7,197,820	0
Kisumu Union Primary	12,370,000	0	0	<b>12,370,000</b>	8,000,000	4,370,000
Manyatta Primary	6,000,324	0	6,218,185	<b>12,218,509</b>	12,218,509	0
Arina Primary School	0	0	3,362,485	<b>3,362,485</b>	3,362,485	0
Joyland Special Primary School	0	0	1,597,181	<b>1,597,181</b>	1,597,181	0
Highway Primary School	0	0	1,915,897	<b>1,915,897</b>	1,915,897	0
Lutheran Special School	0	0	1,307,940	<b>1,307,940</b>	1,307,940	0
Mm Shah Primary School	0	0	2,724,970	<b>2,724,970</b>	2,724,970	0
Shaurimoyo Primary School	0	0	977,669	<b>977,669</b>	977,669	0
Kudho Primary School	4,000,000	0	0	<b>4,000,000</b>	2,275,052	1,724,948
Xaverian Primary School	4,000,000	0	0	<b>4,000,000</b>	4,000,000	0
Victoria Primary School	5,000,000	0	0	<b>5,000,000</b>	5,000,000	0
Arya Primary School	4,745,292	0	0	<b>4,745,292</b>	0	4,745,292
Kibuye Mixed Primary School	4,745,291	0	0	<b>4,745,291</b>	4,745,291	0
<b>Sub-total</b>	<b>62,450,909</b>	<b>0</b>	<b>19,302,147</b>	<b>81,753,056</b>	<b>70,912,816</b>	<b>10,840,240</b>

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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	Kshs	Kshs	Kshs	Kshs
<b>9.0 Secondary Schools Projects (List all the Projects)</b>						
9.2 Lions High School	7,035,162	0	7,691,513	<b>14,726,675</b>	14,726,675	0
9.3 St Peters Nanga Secondary School	5,000,000	0	0	<b>5,000,000</b>	5,000,000	0
9.4 Joel Omino Secondary School	2,100,000	0	0	<b>2,100,000</b>	2,100,000	0
9.5 St Therasas Kibuye	1,500,000	0	0	<b>1,500,000</b>	1,500,000	0
9.6 Kosawo Secondary School	0	0	14,091,253	<b>14,091,253</b>	14,091,253	0
9.7 Bishop Abiero Secondary School	5,000,000	0	0	<b>5,000,000</b>	5,000,000	0
9.8 Kisumu Day Secondary	0	0	800,000	<b>800,000</b>	800,000	0
<b>Sub-total</b>	<b>20,635,162</b>	<b>0</b>	<b>22,582,766</b>	<b>43,217,928</b>	<b>43,217,928</b>	<b>0</b>
<b>10.0 Tertiary institutions Projects (List all the Projects)</b>						
10.1	0	0	0	0	0	0
<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>11.0 Security Projects</b>						
Kanyakwar Assistant Chief Office	0	1,458,087	0	<b>1,458,087</b>	0	1,458,087
Southern Assistant Chief Office	0	684,490	0	<b>684,490</b>	683,530	960
<b>Sub-total</b>	<b>0</b>	<b>2,142,577</b>	<b>0</b>	<b>2,142,577</b>	<b>683,530</b>	<b>1,459,047</b>
<b>12.0 Acquisition of assets</b>						

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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	Kshs	Kshs	Kshs	Kshs
12.1 Motor Vehicles (including motorbikes)						
12.2 Construction of CDF office						
12.3 Purchase of furniture and equipment						
12.4 Purchase of computers						
12.4 Purchase of computers	500,000	0	0	500,000	0	500,000
<b>Sub-total</b>	<b>500,000</b>	<b>0</b>	<b>0</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>
12.5 Purchase of land						
<b>Sub-total</b>						
<b>13.0 Others</b>						
13.1 Strategic Plan	0	2,000,000	0	2,000,000	1,723,625	276,375
13.2 Innovation Hub	0	0	0	0	0	0
<b>Sub-total</b>	<b>0</b>	<b>2,000,000</b>	<b>0</b>	<b>2,000,000</b>	<b>1,723,625</b>	<b>276,375</b>
Funds pending approval**						
Lake Primary School	1,800,000	0	0	1,800,000	0	1,800,000
Kondele Primary School	2,925,000	0	0	2,925,000	0	2,925,000
Kosawo Primary School	2,185,583	0	0	2,185,583	0	2,185,583
Ondiek Primary	1,830,000	0	0	1,830,000	0	1,830,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursement			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Kondele Primary School	2,250,000	0	0	2,250,000	0	2,250,000
Kosawo Secondary School	11,385,628	0	0	11,385,628	0	11,385,628
Sub-total	22,376,211	0	0	22,376,211	0	22,376,211
<b>Total</b>	<b>200,870,484</b>	<b>10,431,618</b>	<b>68,941,046</b>	<b>280,243,147</b>	<b>204,114,592</b>	<b>76,128,556</b>

*(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. This statement totals should time to totals of statement in schedule 12*

## **14. 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;

- Receivables that include imprests
- Payables that include 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-Kisumu Central 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. Recognition of Receipts**

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

#### **a. 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.

#### **b. Proceeds from the Sale of Assets**

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

**c. Other receipts**

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

**d. 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.

**e. 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.

**5. Recognition of payments**

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

**a) Compensation of Employees**

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

**b) 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.

**c) Acquisition of Fixed Assets**

The payment on the 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

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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 is provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**6. 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.

**7. Cash and Cash Equivalents'**

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

**8. 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.

**9. Accounts Payable**

For 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 the fulfilment of obligations by the contractor and holding deposits on behalf of third parties. Gratuity earned 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 the National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

#### **10. 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.

#### **11. 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 the NGCDF Act, 2015

#### **12. 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 for the period 1<sup>st</sup> July 2023 to 30<sup>th</sup> June 2024 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.

#### **13. Comparative Figures**

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

#### **14. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2024.

#### **15. Prior Period 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

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amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restate 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.

**16. 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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15. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2023-2024	2022-2023
NGCDF Board	Kshs	Kshs
AIE NO. B205792		12,000,000
AIE NO. B205662		1,236,206
AIE NO. B185660		15,000,000
AIE NO. B206420		12,000,000
AIE NO. B185530		6,000,000
AIE NO. B206154		5,000,000
AIE NO. B185120		7,000,000
AIE NO. B207814		15,000,000
AIE NO. B207654		16,000,000
AIE NO. B214013	4,980,872	
AIE NO. B214318	63,960,174	
AIE NO. B225082	30,000,000	
AIE NO. B226080	40,000,000	
AIE NO. B226455	30,000,000	
AIE NO. B214783	40,000,000	
<b>TOTAL</b>	<b>208,941,046</b>	<b>89,236,206</b>

2. Proceeds From Sale of Assets

	2023-2024	2022-2023
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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3. Other Receipts

	<i>2023-2024</i>	<i>2022-2023</i>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	-
Rent	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs account	-	-
Other Receipts Not Classified Elsewhere ( <i>specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

4. Compensation Of Employees

	<i>2023-2024</i>	<i>2022-2023</i>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	4,478,854	3,446,750
Personal allowances paid as part of salary		-
House Allowance	359,280	-
Transport Allowance	276,000	-
Leave allowance		-
Gratuity to contractual employees	1,949,797	1,931,216
Employer Contributions Compulsory national social security schemes	155,520	224,220
Employer Contributions Compulsory Housing levy	54,443	
Employer contributions to National Industrial Training Authority	3,900	
<b>Total</b>	<b>7,277,794</b>	<b>5,602,186</b>

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5. Committee Expenses

	<i>2023-2024</i>	<i>2022-2023</i>
	<b>Kshs</b>	<b>Kshs</b>
<b>A.NG CDFC</b>		
Sitting allowance	2,163,700	1,869,931
Other committee expenses	329,752	414,080
<b>Sub total</b>	<b>2,493,452</b>	<b>2,284,011</b>
<b>B. Constituency Oversight Committee</b>		
Allowances	0	290,000
Other committee expenses	-	1,210,000
<b>Sub total</b>	<b>0</b>	<b>1,500,000</b>
<b>Total (A+B)</b>	<b>2,493,452</b>	<b>3,784,011</b>

6. Use of Goods and services

	<i>2023-2024</i>	<i>2022-2023</i>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	63,871	36,536
Communication, supplies and services	208,000	203,290
Domestic travel and subsistence	271,200	986,000
Printing, advertising and information supplies & services	524,988	-
Rentals of produced assets	194,000	-
Training expenses	2,109,999	1,018,368
Hospitality supplies and services	1,039,485	576,970
Insurance costs	125,201	134,141
Specialized materials and services	13,000	-
Office and general supplies and services	824,047	677,254
Fuel, oil & lubricants	438,179	200,000
Other operating expenses	100,000	
Bank Charges	98,114	27,980
Security Operations	-	-
Routine maintenance – vehicles and other transport equipment	283,900	399,272
Routine maintenance – other assets	15,000	-
<b>Total</b>	<b>6,308,984</b>	<b>4,259,811</b>

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7. Transfer To Other Government Units

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers To Primary Schools	70,912,816	13,076,153
Transfers To Secondary Schools	43,217,928	22,976,502
Transfers To Tertiary Institutions	-	-
<b>Total</b>	<b>114,130,744</b>	<b>36,052,655</b>

8. Other Grants and Other transfers

	2023-2024	2022-2023
	Kshs	Kshs
Bursary – secondary schools	45,753,964	33,905,956.00
Bursary – tertiary institutions	14,222,452	788,000.00
Bursary – special schools	308,080	-
Bursary- education support programme	-	-
Social Security programmers (NHIF)	-	-
Security projects	683,530	89,109
Sports projects	350,000	2,451,332
Environment projects	4,200,000	3,000,000
Emergency projects	6,661,967	1,304,032
Roads projects	-	-
<b>Total</b>	<b>72,179,993</b>	<b>41,538,429</b>

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9. Acquisition Of Assets

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment	-	300,000
Purchase of ICT Equipment, Software and Other ICT Assets	-	110,000
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets		
<b>Total</b>	-	<b>410,000</b>

10. Other Payments

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
Strategic plan	1,723,625	-
ICT Hub	-	-
Others ( <i>specify</i> )		-
<b>Total</b>	<b>1,723,625</b>	-

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11. Cash and Cash Equivalents

Name of Bank and Account No.	2023-2024	2022-2023
	Kshs	Kshs
<b>11A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Family Bank -Kisumu Express A/C no 028000038267 ( main Account)</i>	13,286,524	
<i>Family bank Kisumu Express ac no .028000048231 (deposit account)</i>	1,716,777	10,431,618
<i>Cooperative Bank Kondele Branch ac no .01141495135700 (Account waiting closure)</i>	1,971,548	-
<b>TOTAL</b>	<b>16,974,849</b>	<b>10,431,618</b>
<b>11B: Cash Balances</b>		
Location 1	-	-
Location 2	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

12. Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
<i>Beryl Achieng</i>	26/09/2023	196,115	196,115	-
<i>Beryl Achieng</i>	23/10/2023	6,900	6,900	-
<i>Naphtally Mulesi Ochuma</i>	08/11/2023	120,200	120,200	-
<i>Naphtally Mulesi Ochuma</i>	11/12/2023	150,000	150,000	-
<i>Naphtally Mulesi Ochuma</i>	16/01/2024	364,000	364,000	-
<i>Naphtally Mulesi Ochuma</i>	13/02/2024	200,000	200,000	-
<i>Naphtally Mulesi Ochuma</i>	12/03/2024	236,900	236,900	-
<i>Naphtally Mulesi Ochuma</i>	12/03/2024	74,500	74,500	-
<b>TOTAL</b>		<b>1,348,615</b>	<b>1,348,615</b>	<b>-</b>

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13. Retention

	2023-2024	2022-2023
	KShs	KShs
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

Retentions aging analysis.

	2023-2024	% of the total Retention	2022-2023	% of the total Retention
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-		-	

14. Gratuity

	2023-2024	2022-2023
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)	-	-
Gratuity held during the year (B)	1,949,798	-
Gratuity paid during the Year (C)	233,021	-
<b>Closing Gratuity as at 30<sup>th</sup> June D= A+B-C</b>	<b>1,716,777</b>	-

Gratuity aging analysis

	2023-2024	% of the total Gratuity	2022-	% of the total Gratuity
Under one year	51,993	3%	0	
1-2 years	1,664,784	97%	0	
2-3 years	-	0%	0	
Over 3 years	-	0%	0	
<b>Total</b>	<b>1,716,777</b>		<b>0</b>	

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15. Fund Balance B/F

	(1 <sup>st</sup> July 2023-1)	(1 <sup>st</sup> July 2024-2)
	Kshs	Kshs
Bank accounts	10,431,618	12,839,859
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>10,431,618</b>	<b>12,839,859</b>
<b>Less</b>		
Payables: - Retention		
Payables – Gratuity		
Fund Balance Brought Forward		

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	-	-	-
Imprests	-	-	-
Retentions	-	-	-
Gratuity	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

17. Changes In Accounts Receivable – Outstanding Imprests

	2023-2024	2022-2023
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Closing accounts in account receivables D= A+B-C	-	-
<b>Net changes in accounts Receivables D – A</b>	<b>-</b>	<b>-</b>

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**18. Changes In Accounts Payable – Gratuities and Retentions**

	<i>2023-2024</i>	<i>2022-2023</i>
	<b>KShs</b>	<b>KShs</b>
Gratuities and Retentions as at 1 <sup>st</sup> July (A)	-	-
Gratuities and Retentions held during the year (B)	1,949,798	-
Gratuities and Retentions paid during the Year (C)	233,021	-
Closing account payables D= A+B-C	<b>1,716,777</b>	-
<b>Net changes in accounts payables D-A</b>	<b>1,716,777</b>	-

**19. Other Important Disclosures**

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

	<i>2023-2024</i>	<i>2022-2023</i>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Aging Analysis for Pending Accounts Payables**

	<b>Insert Current FY</b>	<b>% of the total</b>	<b>Insert Comparative FY</b>	<b>% of the total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	<b>-</b>		<b>-</b>	

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

	<i>2023-2024</i>	<i>2022-2023</i>
	<b>Kshs</b>	<b>Kshs</b>
NGCDFC Staff	1,716,777	-
Others ( <i>specify</i> )	-	-
<b>Total</b>	<b>1,716,777</b>	<b>-</b>

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**Aging Analysis for staff Payables**

	<b>Insert Current FY</b>	<b>% of the total</b>	<b>Insert Comparative FY</b>	<b>% of the total</b>
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
<b>Total</b>	-		-	

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

	<i>2023-2024</i>	<i>2022-2023</i>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	2,680,705	2,856,057
Committee expense	53,178	3,989
Use of goods and services	826,077	551,917
Amounts due to other Government entities	10,840,240	43,432,109
Amounts due to other grants and other transfers	38,575,770	30,187,586
Acquisition of assets	500,000	-
Other Payments (specify)	276,375	2,000,000
Funds pending approval	22,376,211	
<b>Total</b>	<b>76,128,556</b>	<b>79,031,658</b>

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

	<i>2023-2024</i>	<i>2022-2023</i>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances	19,076,559	29,884,910
<b>Total</b>	<b>19,076,559</b>	<b>29,884,910</b>

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19.5 Related Party Transactions

	<i>2023-2024</i>	<i>2022-2023</i>
	Kshs	Kshs
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	2,163,700	1,869,931
<b>Transaction with the NGCDF Board</b>		
Receipts from the NGCDF Board during the year	208,941,046	89,236,206
<b>Total</b>		-

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16. Annexes

20. Annexes: 1 Analysis of Pending Accounts Payable

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

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21. Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 20xx	Comments
<b>NG-CDFC Staff</b>				
1. Maxwel Akombo Mboya	Clerk of Works	5th January 2023	298,106	
2. Rachel Atieno Ochieng	Accounts Assistant	1st January 2024	71,992	
3. Felix Otieno Oron	Records Officer II	5th January 2023	189,886	
4. Judith Awour Owino	Clerical Officer	5th January 2023	178,726	
5. Nicholas Owino Balla	Driver II	5th January 2023	140,565	
6. Medith Auma Ouma	Secretary	5th January 2023	123,649	
7. Steve Wonder Okello	Records Officer I	5th January 2023	126,757	
8. Leslie Omondi Okura	Office Assistant	5th January 2023	108,843	
9. Goretty Adhiambo Agengo	Grounds lady	5th January 2023	92,773	
10. Queen Rita Otieno	Tea Girl	5th January 2023	83,101	
11. Silas Odhiambo Ayoo	Security	5th January 2023	80,906	
12. William Odid Obuya	Security	5th January 2023	80,906	
13. Isaac Boro Oyango	Driver II	5th January 2023	140,566	
<b>Sub-Total</b>			<b>1,716,777</b>	

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Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 20xx	Comments
Grand Total			1,716,777	

22. Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Compensation of employees	Payment of salaries and wages for staff	2,680,705	2,856,057	
Committee Expenses	Payment of allowances to committee	53,178	(361,356)	
Use of goods & services	Office running expenses and capacity building	826,077	890,276	
Amounts due to other Government entities				
Arina Primary School	construction of 40 capacity laboratory		3,362,485	
Joyland Special Primary School	renovation of 4 no classrooms		1,597,181	
Highway Primary	renovation of 4 no classrooms		1,915,897	
Lutheran Special Primary School	renovation of 20 door no toilet		1,307,940	
Manyatta Primary School	construction of 3 no classrooms		6,218,185	
MM shah Primary School	construction of 40 capacity lab		2,724,970	
Shaurimoyo Primary School	renovation of 4 no classrooms		977,669	
St Paul Kanyakwar	Construction of 10 door pit latrine		1,197,820	
Kisumu Day Secondary School	renovation of Principal House		800,000	
Kosawo Secondary	Completion of three storey building		14,091,253	

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance Current FY</b>	<b>Outstanding Balance Previous FY</b>	<b>Comments</b>
Lions High school	Construction of 4 classrooms		7,691,513	
Kisumu Union Primary	construction 4 no class/ admin block	4,370,000		
Kudho Primary School	construction of 2 no classroom	1,724,948		
Arya Primary School	Construction of 45 capacity laboratory	4,745,292		
<b>Sub-Total</b>		<b>10,840,240</b>	<b>41,884,913</b>	
Amounts due to other grants and other transfers				
Emergency		9,273,169	6,334,100	
Bursary and Social Security	Provision of bursary to need students	27,843,549	23,592,581	
Sports	Regional and County Sports Tournament	5	350,005	
Southern Sub-location Assistant chief office	Construction of perimeter wall	960	684,489	
Kanyakwar Assistant chief camp	Construction of administration block	1,458,087	773,598	
<b>Sub-Total</b>		<b>38,575,770</b>	<b>31,734,773</b>	
<b>Acquisition of assets</b>				
NGCDF Office	Purchase of Computer and Printer	500,000	0	
<b>Sub-Total</b>		<b>500,000</b>	<b>0</b>	
<b>Oversight Committee Expenses(itemize)</b>				
Oversight committee allowances	Payment of Committee allowances	0	0	
<b>Sub-Total</b>		<b>0</b>	<b>0</b>	
Others ( <i>Strategic Plan</i> )		276,375	2,000,000	
<b>Sub-Total</b>		<b>276,375</b>	<b>2,000,000</b>	
<b>Funds pending approval</b>				
Lake Primary School	Renovation of 3 classrooms	1,800,000		
Kondele Primary School	Renovation of 5 classrooms	2,925,000		
Kosawo Primary School	Renovation of 6 classrooms	2,185,583		

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance Current FY</b>	<b>Outstanding Balance Previous FY</b>	<b>Comments</b>
Ondiek Primary	Renovation of 3 classrooms	1,830,000		
Kondele Primary School	Construction of 10 door toilet	2,250,000		
Kosawo Secondary School	construction of secondary school	11,385,628		
<b>Sub-total</b>		<b>22,376,211</b>	<b>0</b>	
Grand Total		<b>76,128,556</b>	<b>79,004,663</b>	

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23. Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	2,099,168	-	-	2,099,168
Transport equipment	7,730,103	-	-	7,730,103
Office equipment, furniture and fittings	1,364,358	300,000	-	1,664,358
ICT Equipment, Software and Other ICT Assets	845,642	110,000	-	1,265,842
Other Machinery and Equipment	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>12,039,271</b>	<b>410,000</b>	<b>-</b>	<b>12,449,271</b>

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24. Annex 5 –PMC Bank Balances as at 30th June 2024

PMC NAME	Account number	Bank	Bank Balance	Bank Balance
			2023-2024	2022-2023
<b>PMC</b>				
Arina Primary School	004215001005591	ABC BANK – Kisumu	521,822	1,363,456
Arya Primary School	004215001005590	ABC BANK – Kisumu	1,796	
Central Primary School	00422400100097 6	ABC BANK – Kisumu	34,059	35,222
Joel Omino Primary School	00422400100086 8	ABC BANK – Kisumu	144	
Kudho Primary School	004215001000996	ABC BANK – Kisumu	1,653	1,653
Ken Obura Secondary School	004224001000912	ABC BANK – Kisumu	19,850	
National Treasury Kisumu Central	004215001006154	ABC BANK – Kisumu	783	
Southern Sub-location Asst chief's office	004215001005825	ABC BANK – Kisumu	30,805	1,134
St. Ignatius Loyola Sec- Magadi	004215001006142	ABC BANK – Kisumu	1,659	
St. Vitalis Nanga Primary School	004215001005460	ABC BANK – Kisumu	17,859	
Victoria Primary	00422400100097 4	ABC BANK – Kisumu	327	54
Lions High School	00422400100097 5	ABC BANK – Kisumu	1,761,572	2,212,441
M.M Shah Primary School	004215001005588	ABC BANK – Kisumu	117,470	2,014,593
Mathew Ondiek Primary School	004224001000914	ABC BANK – Kisumu	420	
Obinju-Kanyakwar Primary School	004215001005824	ABC BANK- Kisumu	8,507	10,312
Bishop Abiero Shaurimoyo Secondary	01139295151000	Coop Bank – Kisumu Kondele	28,771	
Kisumu Day High School	01141662875200	Coop Bank – Kisumu Kondele	186,790	800,000

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PMC NAME	Account number	Bank	Bank Balance	Bank Balance
			2023-2024	2022-2023
<b>PMC</b>				
Kisumu Union Primary School	01141739180800	Coop Bank – Kisumu Kondele	23,004	
Xaverian Primary School	01141870137300	Coop Bank – Kisumu Kondele	5,069	
Lake Primay School	0290280509545	Equity Bank – Kisumu	261,821	261,821
National Treasury Kisumu	0290282076384	Equity Bank – Kisumu	3,515	
Pand Pieri Primary School	0290282232625	Equity Bank – Kisumu	14,875	216,250
St. Theresa's Girls High School	0290279441335	Equity Bank – Kisumu	351,633	5,556,314
Xaverian Secondary School	0290280711882	Equity Bank – Kisumu	6,791	
Kosawo Secondary School	0290280407832	Equity Bank – Kisumu Ang'awa	13,394,964	10,109,475
Joyland Primary Special school	0290281309974	Equity Bank – Kisumu Main	947	
Highway Primary	028000039200	Family Bank - Kisumu Express	157,449	
Joel Omino Primary School	028000042526	Family Bank - Kisumu Express	53	260,000
Joyland Primary Special School	028000041892	Family Bank - Kisumu Express	12,141	
Kisumu Union Primary School	028000047821	Family Bank - Kisumu Express	349,613	
Kondele Primary	028000039173	Family Bank - Kisumu Express	13,631	
Kudho Primary	028000041696	Family Bank - Kisumu Express	1,255	
Lutheran Special	028000041785	Family Bank - Kisumu Express	15,163	
Manyatta Primary School	028000041707	Family Bank - Kisumu Express	354,148	
Mathew Ondiek Primary School	028000047671	Family Bank - Kisumu Express	98,101	
Ezra Gumbe Primary	028000046186	Family Bank – Kisumu Express	26,825	
Manyatta Primary School	1161424598	KCB BANK – Kisumu main	2,431	

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PMC NAME	Account number	Bank	Bank Balance	Bank Balance
			2023-2024	2022-2023
<b>PMC</b>				
Dunga Primary School	1138181811	KCB BANK – Kisumu Main	297	297
Joel Omino Secondary School	1282600664	KCB BANK – Kisumu Main	7,999	
Kibuye Mixed Primary	1316244954	KCB BANK – Kisumu Main	108	3,472,680
Shaurimoyo Primary School	1316123820	KCB BANK – Kisumu Main	243,079	1,237,668
St Pauls Kanyakwar Primary	136244245	KCB BANK – Kisumu Main	659,886	1,260,000
St. John Chrisostom Kudho Secondary	1259628213	KCB BANK – Kisumu Main	31,419	31,540
Highway Primary School	1316895149	KCB BANK – Kisumu Main	258,975	260,000
Joyland Special Secondary School	1316896277	KCB BANK – Kisumu Main	46,175	260,000
Kondele Primary School	1145795145	KCB BANK – Kisumu Main	870	260,000
Migosi Primary School	1317672852	KCB BANK – Kisumu Main	38	260,000
-	-	-	<b>19,076,559</b>	<b>29,884,910</b>

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25. 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)
	<p><b>Basis of qualified opinion</b>  <b>Stale cheques not reversed in cash book</b>                      The statement of assets and liabilities as disclosed in note 12A to the financial statements reflects cash and cash equivalents balance of Kshs 10,431,616. However review of bank reconciliation statements for the month of June 2023 reflects payments in the cash book not recorded in bank statement of Kshs 8,734,119 out of which cheques totalling to Kshs 39,000 were stale and had not</p>	<p>We agree with the findings of the audit on non-reversal of stale cheques amounting Kshs 39,000. We however wish to state that the amounts were reversed into the cash book in July 2023.                      Attached find cash book extract showing the reversal and bank reconciliation statements for the month of June and July 2023</p>	Not resolved	December 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>been reversed in the cash book or replaced.</p> <p>In the circumstances, the accuracy and completeness of the cash and cash equivalents could not be confirmed.</p>			
	<p><b>Emphasis of Matter</b> <b>Budgetary Control and Performance</b></p> <ul style="list-style-type: none"> <li>The summary statement of appropriation reflects final receipts budget and actual on a comparable basis of Kshs 171,017,110 and Kshs 102,076,065 respectively resulting to an underfunding of Kshs 68,941,045 or 40% of the budget, similarly the fund</li> </ul>	<ul style="list-style-type: none"> <li>The management diligently endeavours to expend funds promptly upon receipt and aims to allocate funds to the PMC within 30 days of receipt. As demonstrated in the financial statements, a total of Kshs</li> </ul>	Not resolved	December 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>spent Kshs 91,985,452 against actual receipts of Kshs 102,076,065 resulting to under-utilization of Kshs 10,090,613 or 10% of the actual receipts.</p> <ul style="list-style-type: none"> <li>The underfunding and underutilization affected the planned activities and may have impacted negatively on the service delivery to the public.</li> </ul>	<p>91,985,452 out of the available Kshs 102,076,065 was spent during the year, resulting in a utilization rate of 91%. The remaining balance accounts for gratuity and expenditures that require more time for implementation.</p> <ul style="list-style-type: none"> <li>It is to be noted there are expenditure like gratuity Kshs 2,856,057 that remain in the account until expiry of employment terms, the</li> </ul>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>strategic plan was also on going and could not be paid until the document was complete. It is also noted that the disbursement of Kshs 16,000,000 was done 6 days to the end of financial year and not easy to be expensed.</p> <ul style="list-style-type: none"> <li>It's important to note that the disbursement of funds is subject to the control of the National Treasury and the National Board.</li> </ul>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>Constituencies can only execute spending once the funds are made available</p>		
	<p><b>Key Audit matters</b>  <b>Unresolved Prior Year Matters</b></p> <ul style="list-style-type: none"> <li>In the audit report of the previous year's several issues were raised under the report on Lawfulness and Effectiveness in use of Public Resources. However the management has not resolved the issues or provided explanation for failure to resolve the issues</li> </ul>	<ul style="list-style-type: none"> <li>The management has responded to the issues raised and is waiting for appearance at the DFAC for the matters to be cleared</li> </ul>	<p>Not resolved</p>	<p>Waiting for date to appear before DFAC</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><b>Report on Lawfulness and Effectiveness in use of Public Resources</b></p> <p><b>1. Transfer to other Government units</b></p> <p><b>1.1 Renovation of classrooms at Kibuye Mixed Primary School</b></p> <p>The transfer to other Government units of Kshs 36,052,655 includes an amount of Kshs 3,472,680 transferred to Kibuye Mixed Primary School for renovation of 6 classrooms. The contract was awarded on 05 July 2023 to a contract sum of Kshs 3,356,040. The contractor raised an invoice of Kshs 1,672,604 and the same amount was paid on 4<sup>th</sup> august 2023. However retention money</p>	<p>e acknowledge the oversight in deducting taxes and retention money from the contractor's payments as required by statutory regulations. This discrepancy was due to the limited capacity of the Project Management Committees (PMCs) in understanding taxation laws. Upon realization of this anomaly, NGCDF Kisumu Central promptly took corrective action by notifying the Kenya Revenue Authority (KRA)</p>	<p>Not resolved</p>	<p>December 2024</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>and taxes were not deducted prior to paying the contractor. A second invoice was of Kshs 1,683,419 was raised and VAT of Kshs 29,024, and withholding taxes of Kshs 43,536 were deducted and remitted to KRA, However no retention money was held to cater for any defects was retained. Further as per the bills of quantities the roof covering was to be done using gauge 28 roofing sheets (510m<sup>2</sup> at a cost of Kshs 900 per piece totalling to Kshs 459,000). However physical verification revealed that the roofing sheets used were gauge 30</p>	<p>through the E-TIMs system and facilitated the recovery of the deducted amounts from the affected contractor. We assure you that appropriate measures will be put in place to ensure compliance with statutory deductions in future project implementations. ( <b>copy etims invoice attached</b>)</p> <p>Regarding the retention funds, it is noted that the contractor was awarded the extra works which were allocated in the last</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>which are weaker. No explanation was provided by the management for allowing use of low quality iron sheets. In the circumstances, the public did not get value for the amount of Kshs 3,472,560 incurred on the project.</p>	<p>payment certificate. This works include external finishers- plastering to masonry, ramp and tilling of ramp, tilling of steps, internal works plastering of masonry surfaces. This works amount to Kshs 410,000. The extra works has not been paid awaiting approval of the board. It is in this context that the Project manager paid for retention and assumed that the extra works once approved will cater for the retention. <b>(Copy of the</b></p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>payment certificate showing extra works is attached)</p> <p>[ii] Non-Compliance with Specifications in Bills of Quantities:</p> <p>Regarding the discrepancies in using gauge 30 roofing sheets instead of gauge 28 as specified in the Bills of Quantities (BQ), we wish to clarify that the project manager was empowered by the agreement clause 4(4.1) to make decisions on contractual matters between the Employer and</p>		

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		<p>the Contractor. This clause allows flexibility for adjustments during project implementation to address unforeseen circumstances or technical requirements. In the case of the Kibuye project, certain changes were approved by the project manager, resulting in additional works beyond the BQ scope. As a result, the project manager made a decision to modify the roofing material specifications to</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>compensate for these changes.</p> <p>It is noted during the final payment the contractor was allocated additional Kshs 410,000 which has not been paid as it awaits approval from the board.</p> <p>We understand the importance of adhering to project specifications and will ensure that all deviations from the BQ are properly documented and justified in future projects.</p> <p>We remain committed to upholding transparency</p>		

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		and accountability in our procurement and project implementation processes.		
	<p><b>1.2 Construction of Laboratories</b> During the year under review an amount of Kshs 1,362,485 was transferred to Arina Primary and Junior Secondary school for the completion of a 45 capacity Laboratory, the amount of contract was awarded to a construction company at a contract sum of Kshs 4,548,360 and the contractor had been paid a total of Kshs 4,327,914 as at 30<sup>th</sup> March 2024.</p>	Given the demand for infrastructural development funds from various learning institutions, and the need to balance between various interests in the constituency, it is sometimes challenging to fully construct and equip facilities like the point in case. Most institutions would therefore present proposals that would have	Not resolved	December 2024

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	<p>Physical verification revealed that the contractor had done all the works as per the bill of quantities as at December 2023. The only remaining works are the completion for ramp and staircases which were partly done. However the bill of quantities did not include equipping the laboratory. as a result the project which was substantially completed cannot be put to use since it is yet to be equipped to make it operational. Further it was also observed that no budgetary provision had been made in the</p>	<p>a high chance of being considered for approval by the NGCDF by not seeming too demanding, and attainable budget wise. Additionally, funding of development activities are based on requests received from learning institutions. We could not fund an activity that had no proposal and/or approval. However, we cannot rule out that the institution has other arrangement with the PTA to pick up the remaining aspects of the</p>		

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	<p>current year to cater for equipping the laboratory.</p> <p>Further an amount of Kshs 2,000,000 was transferred to MM Shah for construction of a laboratory. The contract was awarded on 5<sup>th</sup> July 2023 at a contract sum of Kshs 4,671,256 for a period of 8 weeks.</p> <p>However physical verification on march 15<sup>th</sup> 2024 revealed that the project is 100 percent complete. However the roof covering was done using gauge 30 roofing sheets instead of gauge 28 as per the bills of quantities, further the laboratory is currently not in use</p>	<p>project or they are in the process of requesting for additional funding to equip the laboratory.</p> <p>We will actively pursue solutions, and where feasible, the NGCDFC will offer assistance to expedite the project's utilization.</p> <p>Furthermore, the non-utilization of the building also stems from the school's commitment to equip the laboratory with funds from the Ministry of Education, which have yet to be disbursed. In the financial</p>		

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	<p>as it was not equipped to make it operational.</p> <p>In the circumstances value for money amounting to Kshs 4,671,256 spent in the project was not achieved</p>	<p>year 2024-25, the CDFC pledges to allocate funds for the procurement of laboratory equipment and ensure the facility's functionality. The CDFC acknowledges this issue and is dedicated to allocating sufficient funds for the construction and equipping of laboratories in all future projects.</p>		

  
 .....  
**Naphtally Mulesi Ochuma**  
 Fund Account Manager.

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