

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

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THE NATIONAL ASSEMBLY	
DATE: 08 AUG 2023	
FILED BY:	WED
CLERK OF THE ASSEMBLY	Hon Owen Bayo MP Deputy Leader, majority Muriam Moko

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND – DAGORETTI SOUTH CONSTITUENCY**

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



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**DAGORETTI SOUTH CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT**  
**FUND**

**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2022**

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



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## **I. Key Constituency Information and Management**

### **(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

### **Mandate**

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

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

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

#### **Vision**

Equitable Socio-economic development countrywide

#### **Mission**

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

#### **Core Values**

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

#### **Functions of NG-CDF Committee**

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

**(b) Key Management**

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

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

**(c) Fiduciary Management**

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

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

**(d) Fiduciary Oversight Arrangements**

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

**(e) Dagoretti South Constituency NGCDF Headquarters**

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

**(f) Dagoretti South Constituency NGCDF Contacts**

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

**(a) Dagoretti South Constituency NGCDF Bankers**

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

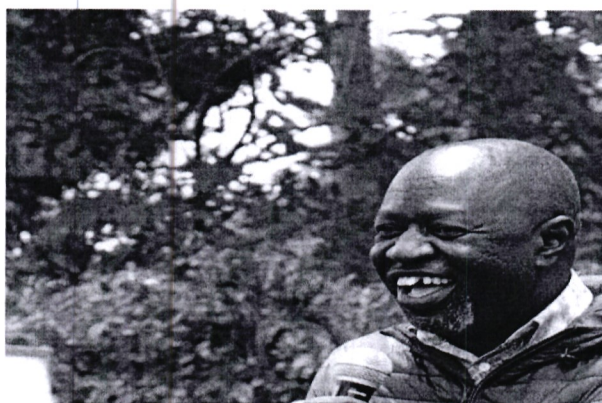
**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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

**II. NG-CDFC Chairman’s Report**

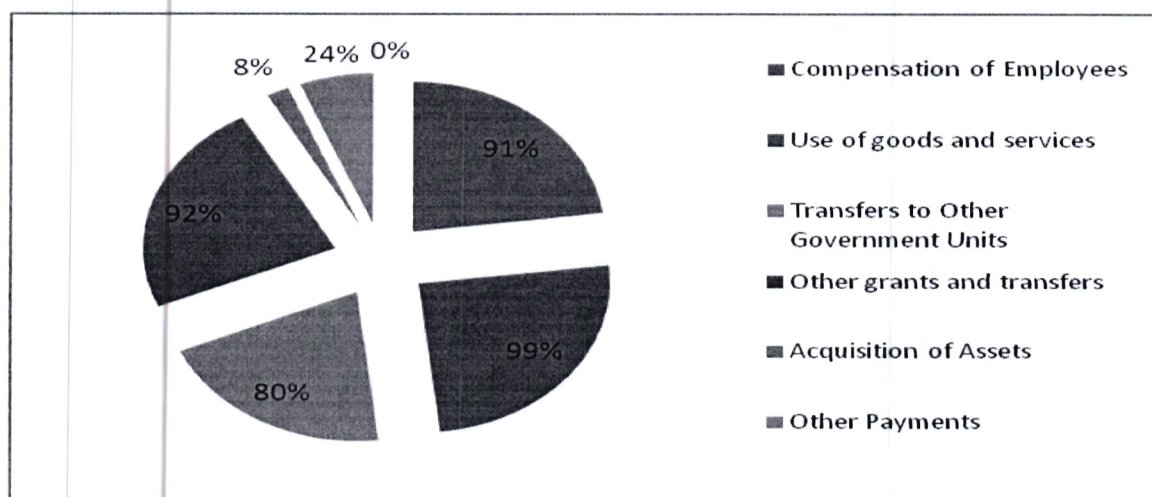


**Sylvester O. Omolo**

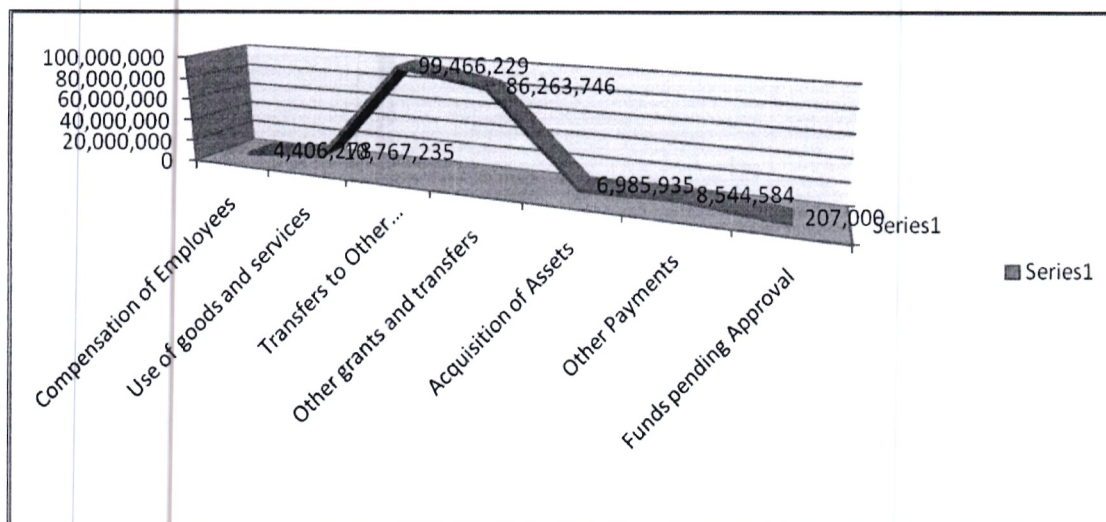
I am pleased to present to you the annual report and financial statements for the financial year 2021-2022 for Dagoretti South Constituency on behalf of the Dagoretti South NG-CDF committee. In the year under review, the constituency received Kshs. **196,123,235** from the board and had an opening cash book balance of Kshs.**20,476,772**. The Constituency spent Kshs **176,599,776** and closed with a cashbook balance of Ksh.**40,041,231** which was **81.4%** compared to last **FYR 2020/2021** of **66.4%** which is a great improvement.

**Fig 1. Pie chart - Percentage of Utilization for FYR 2021/2022**

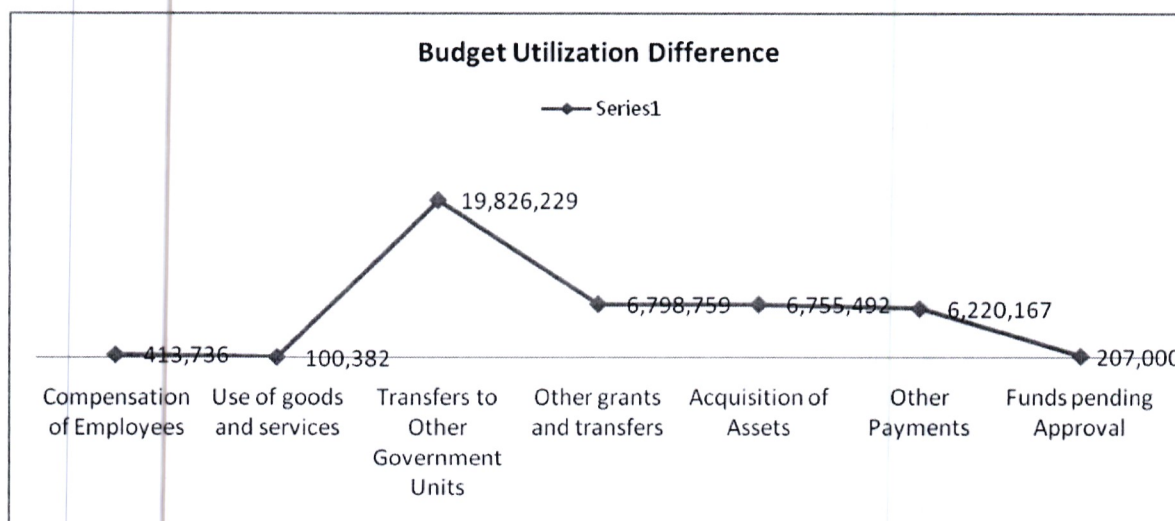
The below pie chart indicates percentage in utilization of funds by the management. It point towards a great in improvement in absorption of funds by the management in various sectors.



**Fig 2. Line graph - Final Budget analysis for FYR 2021/2022**



**Fig 3. Line graph - Final Budget utilization analysis for FYR 2021/2022**



*This years mean aggregate was 81.4% which was an increment from last FYR 2020/2021 percentage of 66.4%.*

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

NO.	PROJECT NAME	ACTIVITY
1.	Nembu Primary School	Paint works and supply of lockers and chairs
2.	Ruthimitu Primary School	Paint works and supply of lockers and chairs
3.	Mukarara Primary School	Paint works and supply of lockers and chairs
4.	Kigiru Primary School	Construction of a perimeter wall, Paint works and supply of lockers and chairs
5.	Kabiria Primary School	Paint works and supply of lockers and chairs
6.	Gitiba Primary School	Paint works and supply of lockers and chairs
7.	Mukarara Primary School	Paint works and supply of lockers and chairs
8.	Kabiria Primary School	Paint works and supply of lockers and chairs
9.	Dr. Muthiora Primary School	Paint works and supply of lockers and chairs
10.	Kagira Mixed Secondary School	Construction of Administration Block and 6 Classroom block.
11.	Mukarara Mixed Secondary School	Construction of Administration Block and 6 Classroom block.
12.	Riruta Satellite School	Construction of Administration Block and 6 Classroom block.
13.	Ngando Administration Hall	Construction of Ngando Hall.

In this financial year we were able to renovating (paintworks) and supply lockers and chairs to all public primary schools within the constituency. We currently are constructing Riruta Satellite Mixed Secondary School which will be part of the five (5) new secondary schools that have been built within a period of 4 years.



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



Figure 2: Ongoing Kariga Mixed Secondary School



*Figure 3: Kabiria Primary School Lockers And Chairs    Figure 4: New Mukarara Mixed Secondary School*



*Figure 5: Mukarara Primary School (Renovations)*

*Figure 6: Nembu Primary School (Renovations)*

The following are emerging issues related Dagoretti South;

- The lack of sewer drainage/laterals within the constituency means the use of septic tanks which pushes the cost of building modern toilets high.
- The residents lack the knowhow of what the reconstituted NG-CDF does and hence require civic education.
- The other issue is derailment in deployment of teacher to the new schools, and the registration process of the school.

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

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The following are implementation challenges and recommendations way forward;

The challenges are similar to aforementioned key emerging issues and thus the following are the recommendation and what the committee is doing to overcome them;

- In relation to the cost of bursary process the committee has selected a lean team per ward to undertake the vetting of the process. They have been trained on best practises of vetting and criteria set to ensure standard vetting procedure.
- On political interference we have been able to educate the society on effect of politicizing projects. We have also ensured transparency in our implementation process from inception to completion.
- On project that fall under county projects that the society deem as priority we have sort consent from the county government before their approval to avoid duplication of the projects.
- The NG - CDF relies fully on ministerial technical departments for support in areas of Bill of Quantities, technical design and supervision of projects, delays normally occur as the personnel involved are not under direct control of NG - CDFC. The NG - CDF Board should have its own technical experts to enhance efficiency in project implementation.

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

I wish to sincerely thank the Member of National Assembly Hon. John Kiarie, NGCDF Committee, NG-CDFC staff, Project Management Committees, the Sub County Accountant, and other stakeholders for the cooperation. Without them we could not achieve our mandate to the people of Dagoretti South Constituency.



Sign.....  
**SYLVESTER O. OMOLO**  
**CHAIRMAN NGCDF COMMITTEE**

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

#### Introduction

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

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

#### Progress on attainment of Strategic development objectives

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

<b>Constituency Sector</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
<i>Education</i>	<i>Improve access to quality education, performance, reduce dropout rates and increase primary, secondary and Junior and senior Secondary education transition rate.</i>	<i>Develop and enhance schools infrastructure to enhance facilities and provide a conducive learning environment for children.</i>	<i>Number of new schools constructed and renovated.  Number of bursary beneficiaries at all levels.</i>	<i>4 New schools were built and all primary schools have been renovated. A total of 24 classrooms have already been built which can appropriately handle 1,440 students.</i>
<i>Education</i>	<i>Increase the percentage of youth (Male and Female) and people with disability benefiting socio-economically Dagoretti South by NG-CDF by the end of 5 years</i>	<i>Increased number of youth and people with disability with business management skills and start-up from the identified agencies</i>	<i>Number of youth (male and female), persons with disability empowered economically</i>	<i>The allocation for bursary was increased and some bright and needy students were enrolled for full scholarship.</i>

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<i>Security</i>	<i>To enhance security by equipping, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery.</i>	<i>Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery</i>	<i>Number of usable physical infrastructure built in locations, sub locations and police stations</i>	<i>Number of Police Post offices increased by 2. In Ngando ward were built an administrative office, Muthua Chief's and police post is ongoing and Martini Police Post is almost complete which was built through CSR by NG-CDF Board.</i>
<i>Environment</i>	<i>To promote environmental sustainability</i>	<i>Develop a road map to improve the environment within the constituency.</i>	<i>Number of trees, landscaping and garbage collection initiatives.</i>	<i>Landscaping of schools</i>
<i>Sports</i>	<i>Empower and develop youth and special groups to</i>	<i>Reduced dependence and spur economic growth through sports</i>	<i>Number of youth groups benefitting from the sports programme</i>	<i>Number of youth groups benefitting from the sports programme increased from 30 to 40</i>
<i>Emergency</i>	<i>Intervening where necessary in relation to unforeseen occurrences within the constituency</i>	<i>Stop gap measure that help in averting further disaster.</i>	<i>Number of school connected to sewer, number of school renovated</i>	<i>Through the management we have connected 4 schools to sewer system and renovated a school.</i>

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

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

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

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

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

planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

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

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

## **2. Environmental performance**

- As part of Environmental Conservation activity and in implementing the Dagoretti South NG-CDF strategic plan 2019-2024 we embarked on collaboration with Kenya Rural Roads authority and NG-CDF Dagoretti South, members of both committees planted trees and clean up exercise at Lenana School.
- The committee while commissioning Riruta Satellite Police Post sensitized the gathered resident on the impact of use of harmful and illegal drugs. The constituency has seen a sharp rise of drug addicts and how syringes are disposed of which in turn cause environmental challenges.
- NG-CDF Committee sponsored a constituency sport tournament that brought together communities and more so the youth who were in turn sensitized on environmental conservation matters.
- The NG-CDF Committee and staff joined members of the public to mark the world's environment day on 14<sup>th</sup> June, 2022 and donated 1,000 seedlings which were planted across the five Wards.

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Dagoretti South constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal

opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Dagoretti South constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

#### **4. Market place practices-**

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

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

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

NGCDF has put in efforts to ensure:

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

**5. Community Engagements-**

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

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

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

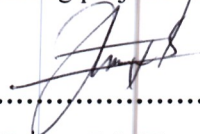
**Public participation** is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

**Public Awareness**

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

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



.....

**Name: Job Tuta**

**FAM**

## **V. Statement of Management Responsibilities**

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

The Accounting Officer in charge of the NGCDF-Dagoretti South Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

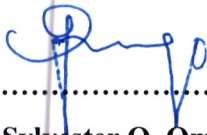
**Dagoretti South Constituency**  
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The Accounting Officer in charge of the NGCDF Dagoretti South Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where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

**Approval of the financial statements**

The NGCDF- Dagoretti South Constituency financial statements were approved and signed by the Accounting Officer on 30/06 2022



.....  
**Name: Sylvester O. Omolo**  
**Chairman – NGCDF Committee**



.....  
**Name: Job Tuta**  
**Finance Account Manager**

# REPUBLIC OF KENYA



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## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022**

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Dagoretti South Constituency set out on pages 1 to 36, which comprise of the statement of assets and liabilities as at 30 June, 2022, statement of receipts and payments, statement of cash flows and the summary statement

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

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

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

### **Basis for Qualified Opinion**

#### **1. Misclassification of Expenditure**

The statement of receipts and payments reflects compensation of employees amount of Kshs.3,992,542 which as disclosed in Note 4 to the financial statements includes Kshs.2,135,650 paid as basic salaries. The basic salaries amount includes training expenses of Kshs.403,000 which should have been charged under use of goods and services. No explanation has been provided for the misclassification of the expenditure by the Management.

In the circumstances, accuracy and completeness of amount of basic salaries of Kshs.2,135,650 could not be confirmed.

#### **2. Unutilized PMC Account Balances not Transferred to the Main CDF Account of the Constituency**

Examination of the financial statements revealed PMC account balances shown in the table below under Equity Bank included in Annex 5 to the financial statements that reflected the same balances as at 30 June, 2021 and 2022.

The balances ought to have been surrendered to the constituency main account in accordance with Section 12(8) of the National Government Constituencies Development Fund Act No. 30 of 2015 revised 2016.

<b>PMC</b>	<b>Bank Balance 2021/2022 (Kshs.)</b>
NGCDF Ruthimitu Girls' Secondary School	106,025.16
NGCDF Ruthimitu Mixed Secondary School	199,437.93
NGCDF Dagoretti Sub-County District Hospital	39,782.50
NGCDF Waithaka Health Center	15,180.50
NGCDF Office	206,504.50
NGCDF Riruta Location Chief's Office	1,792.00
Assistant Chief Office Waithaka	239,151.55
<b>Total</b>	<b>807,874.14</b>

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

In the circumstances, accuracy and completeness of the cash and cash equivalents balance of Kshs.40,321,766 could not be confirmed.

### 3. Cash and Cash Equivalents

The statement of assets and liabilities reflects bank and cash balance of Kshs.40,321,766 as at 30 June, 2022. Examination of the bank reconciliation statement revealed long outstanding unpresented cheques (Stale Cheques) totaling Kshs.232,050 dated 19 January, 2021 and 11 August, 2021 which had not been reversed in the cash book as shown below;

<b>Date</b>	<b>Chq. No</b>	<b>Payee</b>	<b>Amount (Kshs.)</b>
19 January, 2021	15845	Dagoretti NGCDF - Retention	111,000
11 August, 2021	18254	NGCDF Dagoretti - Retention	121,050
		<b>Total</b>	<b>232,050</b>

The cash book balance is understated by the amount of stale cheques and no explanation has been provided for failure to update the cash book with the stale cheques, one of which has been outstanding for more than two years from the date it was drawn.

In the circumstances, accuracy and completeness of the cash and cash equivalents balance of Kshs.40,321,766 could not be confirmed.

### 4. Lack of Ownership Documents

Annex 4 to the financial statements reflects the summary of fixed asset register with a balance of Kshs.85,116,255. Included in the asset register was land, buildings and structures valued at Kshs.60,000,000 and Kshs.19,363,125 respectively. However, the ownership documents pertaining to the land and buildings have not been provided for audit review.

In the circumstances, the accuracy and completeness of the assets totaling to Kshs.85,116,255 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Dagoretti South Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Key Audit Matters

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

## **Other Matter**

### **Budgetary Control and Performance**

The summary statement of appropriation reflects budgeted expenditure of Kshs.216,641,008 against actual expenditure of Kshs.176,319,242 resulting to budget under absorption of Kshs.40,321,766 equivalent to 19% of the budgeted amount. Further, the summary statement of appropriation reflects other payments final budget of Kshs.8,227,027 which includes Innovation Hub funds of Kshs.4,677,027 brought forward from 2020/2021. The amount remained unutilized as at 30 June, 2022. No explanation was provided for failure to utilize the funds for the benefit of Dagoretti South constituents or re-allocate to other needy sectors or projects.

Failure to commence and complete projects and underperformance of the budget affected the planned activities and may have impacted negatively on service delivery to the public.

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

#### **Conclusion**

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

#### **Basis for Conclusion**

##### **Legal Fees**

Examination of legal records provided for audit revealed that an expenditure of Kshs.2,006,860 was incurred on a civil suit case reference Environment and Land Court Civil Suit No.8 of 2015. However, no information and documentary evidence was provided showing how the law firm was identified.

Further, the liability that may arise in future in case the fund loses the case in favour of the complainant has not been disclosed in the statement of the fund management responsibilities or provided for in the financial statements.

In the circumstances, the legal services may not have been properly procured.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

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

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

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

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

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

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

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

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

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

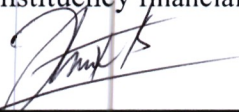
**18 July, 2023**

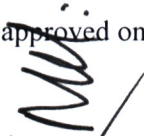
**II. Statement of Receipts and Payments for the Year Ended 30th June 2022**

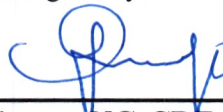
	Note	2021-2022	2020-2021
		Kshs	
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	196,123,235	174,396,697
Proceeds from Sale of Assets	2	-	-
Other Receipts "AIA"	3	41,000	-
<b>TOTAL RECEIPTS</b>		<b>196,164,235</b>	<b>174,396,697</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,992,542	2,390,854
Use of goods and services	5	10,666,853	8,843,475
Transfers to Other Government Units	6	79,640,000	64,749,998
Other grants and transfers	7	79,464,987	75,299,495
Acquisition of Assets	8	548,000	5,547,443
Other Payments	9	2,006,860	-
<b>TOTAL PAYMENTS</b>		<b>176,319,241</b>	<b>156,831,265</b>
<b>SURPLUS/DEFICIT</b>		<b>19,844,994</b>	<b>17,565,432</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 on <sup>12<sup>th</sup> May</sup> ~~30/06~~ 2022 and signed by:

  
**Fund Account Manager**

  
**National Sub-County Accountant**

  
**Chairman NG-CDF Committee**

**Name: Job N. Tuta**

**Name: Lukas Okech**  
**ICPAK M/No: 17541**

**Name: Sylvester O. Omolo**

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

**VIII. Statement of Assets and Liabilities As At 30<sup>th</sup> June, 2022**

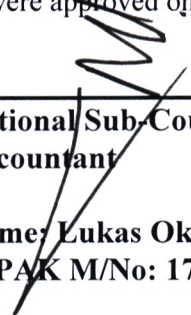
	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	40,321,766	20,476,772
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>40,321,766</b>	<b>20,476,772</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>40,321,766</b>	<b>20,476,772</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL SSETS</b>		<b>40,321,766</b>	<b>20,476,772</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	20,476,772	2,911,339
Prior year adjustments	14		
Surplus/Defict for the year		19,844,994	17,565,432
<b>NET FINANCIAL POSITION</b>		<b>40,321,766</b>	<b>20,476,771</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 on 30/05 2022 and signed by:

  
**Fund Account Manager**

**Name: Job N. Tuta**

  
**National Sub-County Accountant**

**Name: Lukas Okech**  
**ICPAK M/No: 17541**

  
**Chairman NG-CDF Committee**

**Name: Sylvester O. Omolo**

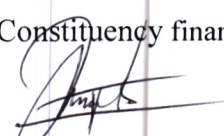
**Dagoretti South Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

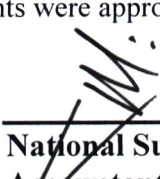
**Statement of Cash Flows for the Year Ended 30th June 2022**

		<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	196,123,235	174,396,697
Other Receipts	3	41,000	-
		<b>196,164,235</b>	<b>174,396,697</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	3,992,542	2,390,854
Use of goods and services	5	10,666,853	8,843,475
Transfers to Other Government Units	6	79,640,000	64,749,998
Other grants and transfers	7	79,464,987	75,299,495
Other Payments	9	2,006,860	-
		<b>175,771,241</b>	<b>151,283,822</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		<b>-</b>	<b>-</b>
<b>Net cash flow from operating activities</b>		<b>20,392,994</b>	<b>23,112,875</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	8	-	-
Acquisition of Assets		(548,000)	(5,547,443)
<b>Net cash flows from Investing Activities</b>		<b>(548,000)</b>	<b>(5,547,443)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
	<b>10</b>	<b>19,844,994</b>	<b>17,565,432</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>20,476,771</b>	<b>2,911,339</b>
<b>Cash and cash equivalent at END of the year</b>		<b>40,321,766</b>	<b>20,476,771</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 on 12/05/2022 and signed by:

  
**Fund Account Manager**

  
**National Sub-County Accountant**

  
**Chairman NG-CDF Committee**

Name: JOS Tuk

Name: **Lukas Okech**  
 ICPAK M/No: 17541

Name:

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

**IX. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2022**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b			
<b>RECEIPTS</b>		<b>Opening Balance (C/Bk) and AIA</b>				
Transfers from NG-CDF Board	137,088,879	20,476,772	216,600,007	216,600,007	0	100.0%
Proceeds from Sale of Assets			0	0	0	0.0%
Other Receipts		41,000	41,000	41,000	0	100.0%
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>20,476,772</b>	<b>216,641,007</b>	<b>216,641,007</b>	<b>0</b>	<b>100.0%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,839,200	1,245,906.24	4,406,278	3,992,542	413,736	91%
Use of goods and services	9,498,799		10,767,235	10,666,853	100,382	99%
Transfers to Other Government Units	57,718,000	41,748,229	99,466,229	79,640,000	19,826,229	80%
Other grants and transfers	67,032,880	19,230,866.11	86,263,746	79,464,987	6,798,759	92%
Acquisition of Assets			7,303,492	548,000	6,755,492	8%
Other Payments	0	8,227,027	8,227,027	2,006,860	6,220,167	24%
Funds pending Approval (AIA)		207,000.00	207,000	-	207,000	0%
<b>TOTAL</b>	<b>137,088,879</b>	<b>20,476,772</b>	<b>216,641,007</b>	<b>176,319,242</b>	<b>40,321,766</b>	<b>81%</b>

**Explanatory Notes.**

(a) The management through sale of tender collected revenue of K.sh. 41,000.

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

- (b) The management notes it has unutilized funds under funds pending approval and it's seeking necessary approvals to be able to utilize the funds.
- (c) The management notes the underutilization of funds under acquisition of assets. This is due to lack of enough funds to buy a suitable vehicle for the constituency and requires additional funds to ensure full utilization of the funds.
- (d) The changes between the original and final budget are as a result of funds approved in previous years that were yet to be utilized due to late disbursement and thus the projects were implemented in this financial year.

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	40,321,766
Less undisbursed funds receivable from the Board as at 30th June 2022	0
Add Accounts payable	40,321,766
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	<b>40,321,766</b>

The Constituency financial statements were approved on 12/05/2022 and signed by:



**Fund Account Manager**

**Name: Job N. Tuta**



**National Sub-County Accountant**

**Name: Lukas Okech  
ICPAK M/No: 17541**



**Chairman NG-CDF Committee**

**Name: Sylvester O. Omolo**

**Dagoretti South Constituency  
National Government Constituencies Development Fund (NGCDF)  
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**X. Budget Execution by Sectors and Projects for the Year Ended 30<sup>th</sup> June 2022**

Programme/Sub-programme	Original Budget		Adjustments		Final Budget		Actual on comparable basis		Budget utilization difference	
	2021/2022	Kshs	30/06/2021	Kshs	2021/2022	Kshs	30/6/2022	Kshs	30/6/2022	Kshs
<b>1.0 Administration and Recurrent</b>										
1.1 Compensation of employees	1,034,628		1,567,078		2,601,706		2,187,970		413,736	
1.2 Compensation of employees-gratuity	1,804,572				1,804,572		1,804,572		0	
1.3 Committee allowances	1,800,000		7,731		1,807,731		1,764,620		43,111	
1.4 Use of goods and services	3,586,133		1,248,420		4,834,553		4,830,853		3,700	
<b>Sub-Total</b>		<b>8,225,333</b>		<b>2,823,229</b>		<b>11,048,562</b>		<b>10,588,015</b>		<b>460,547</b>
<b>2.0 Monitoring and evaluation</b>										
2.1 Capacity building	2,500,000		11,385		2,511,385		2,469,380		42,005	
2.2 Committee allowances	1,000,000		899		1,000,899		1,000,000		899	
2.3 Use of goods and services	612,666		-		612,666		602,000		10,666	
<b>Sub-Total</b>		<b>4,112,666</b>		<b>12,284</b>		<b>4,124,951</b>		<b>4,071,380</b>		<b>53,571</b>
<b>3.0 Emergency</b>										
3.1 emergency	7,192,207				7,192,207		6,845,400		346,807	
<b>Sub-Total</b>		<b>7,192,207</b>		<b>-</b>		<b>7,192,207</b>		<b>6,845,400</b>		<b>346,807</b>
<b>4.0 Bursary and Social Security</b>										
4.1 bursary Secondary Schools	31,600,000		4,130,770		35,730,770		35,450,235		280,535	

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

4.2 Bursary Tertiary Institutions	15,981,107	6,406,096	22,387,203	22,066,465	320,738
4.3 Bursary Special School	400,000	10,248	410,248	410,000	248
<b>Sub-Total</b>	<b>47,981,107</b>	<b>10,547,114</b>	<b>58,528,221</b>	<b>57,926,700</b>	<b>601,521</b>
<b>5.0 Sports</b>					
5.1 bal b/f	2,741,778	17,385	2,759,163	2,534,600	224,563
5.2 bal b/f		-	-		-
5.2.constituency sports tournament	35,450,235	410,000	410,000		-
<b>Sub-Total</b>	<b>2,741,778</b>	<b>17,385</b>	<b>2,759,163</b>	<b>2,534,600</b>	<b>224,563</b>
<b>6.0 Environment</b>					
6.1 Landscaping 2021	2,741,778	-	2,741,778	2,741,776	2
6.2 Balance b/f	1,236,367		1,236,367	1,210,500	25,867
<b>Sub-Total</b>	<b>2,741,778</b>	<b>1,236,367</b>	<b>3,978,145</b>	<b>3,952,276</b>	<b>25,869</b>
<b>7.0 Primary Schools Projects</b>					
7.1 DR MUTHIORA PRIMARY SCHOOL	850,000	2,000,001	2,850,001	2,850,000	1
7.2 DR MUTHIORA PRIMARY SCHOOL	1,104,000		1,104,000	1,104,000	-
7.3 GITIBA PRIMARY SCHOOL	850,000	-	850,000	850,000	-
7.4 GITIBA PRIMARY SCHOOL	1,104,000		1,104,000	1,104,000	-
7.5 NDURARUA PRIMARY SCHOOL	850,000	2,400,000	3,250,000	3,250,000	-
7.6 NDURARUA PRIMARY SCHOOL	1,104,000		1,104,000	1,104,000	-

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

7.7 MUKARARA PRIMARY SCHOOL	850,000	3,000,000	3,850,000	3,850,000	3,850,000	-
7.8 MUKARARA PRIMARY SCHOOL	1,104,000		1,104,000	1,104,000	1,104,000	-
7.9 KIRIGU PRIMARY SCHOOL	850,000	-	850,000	850,000	850,000	-
7.10 KIRIGU PRIMARY SCHOOL	1,104,000		1,104,000	1,104,000	1,104,000	-
7.11 MUTUINI PRIMARY SCHOOL	850,000	-	850,000	850,000	850,000	-
7.12 MUTUINI PRIMARY SCHOOL	1,104,000		1,104,000	1,104,000	1,104,000	-
7.13 NEMBU PRIMARY SCHOOL	850,000	-	850,000	850,000	850,000	-
7.14 NEMBU PRIMARY SCHOOL	1,104,000		1,104,000	1,104,000	1,104,000	-
7.15 KABIRIA PRIMARY SCHOOL	850,000	1	850,001	850,000	850,000	1
7.16 KABIRIA PRIMARY SCHOOL	1,128,000	1,460,000	2,588,000	2,588,000	2,588,000	2,588,000
7.17 RIRUTA SATELLITE PRIMARY SCHOOL	850,000	-	850,000	850,000	850,000	850,000
7.18 RIRUTA SATELLITE PRIMARY SCHOOL	1,104,000		1,104,000	1,104,000	1,104,000	-
7.19 RUTHIMITU PRIMARY SCHOOL	850,000	-	850,000	850,000	850,000	-
7.20 RUTHIMITU PRIMARY SCHOOL	1,104,000		1,104,000	1,104,000	1,104,000	-
7.21 KAGIRA PRIMARY SCHOOL	850,000		850,000	850,000	850,000	-
7.22 KAGIRA PRIMARY SCHOOL	1,104,000		1,104,000	1,104,000	1,104,000	-
7.23 KIRIGU PRIMARY SCHOOL		6,500,000	6,500,000	6,500,000	6,500,000	-
<b>Sub-Total</b>	<b>21,518,000</b>	<b>15,360,002</b>	<b>36,878,002</b>	<b>33,440,000</b>	<b>3,438,002</b>	
<b>8.0 Secondary Schools Projects</b>		-				

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8.1 KAGIRA MIXED SECONDARY SCHOOL		5,000,000	5,000,000	5,000,000	-
8.2 MUKARARA MIXED SECONDARY SCHOOL		5,000,000	5,000,000	5,000,000	-
8.3 BETH MUGO HIGH SCHOOL-2014-2015	2,750		2,750		2,750
8.4 RIRUTA SATELLITE MIXED SEC SCH	29,000,000		29,000,000	29,000,000	-
8.5 MUKARARA MIXED SECONDARY SCHOOL	3,600,000		3,600,000	3,600,000	-
8.6 KAGIRA MIXED SECONDARY SCHOOL	3,600,000		3,600,000	3,600,000	-
8.7 RUTHIMITU MIXED SEC SCHOOL		10,000,000	10,000,000	-	10,000,000
8.8 BETH MUGO HIGH SCHOOL		6,385,477	6,385,477	-	6,385,477
<b>Sub-Total</b>	<b>36,200,000</b>	<b>26,388,227</b>	<b>62,588,227</b>	<b>46,200,000</b>	<b>16,388,227</b>
<b>9.0 NG-CDF OFFICE</b>					
9.1 CONSTRUCTION OF A PERIMETER WARD	317,557		317,557		317,557
<b>Sub-Total</b>	<b>-</b>	<b>317,557</b>	<b>317,557</b>	<b>-</b>	<b>317,557</b>
<b>10.0 Security Projects</b>					
10.1 MUTUJINI POLICE POST	170,000		170,000	170,000	-
10.2 RIRUTA CHIEF'S OFFICE	170,000		170,000	170,000	-
10.3 UTHIRU CHIEF'S OFFICE	170,000		170,000	170,000	-
10.3 WAITHAKA CHIEF'S OFFICE	170,000		170,000	170,000	-
10.4 MUTUJINI CHIEF'S OFFICE	170,000		170,000	170,000	-
10.5 NGANDO CHIEF'S OFFICE	170,000		170,000	170,000	-

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		170,000		170,000	170,000	
10.6 KABIRIA CHIEF'S OFFICE.		170,000		170,000	170,000	-
10.7 RIRUTA SATELLITE POLICE POST	776,011	310,000		1,086,011	1,086,011	-
10.8 NGANDO ADMINISTRATIVE OFFICES		5,000,000		5,000,000	5,000,000	-
10.9 COUNTY COMMISSIONER OFFICE				-		-
10.10 RIRUTA POLICE STATION		930,000		930,000	930,000	-
10.11 MUTHUA CHIEF'S OFFICE	5,600,000			5,600,000		5,600,000
<b>Sub-Total</b>	<b>6,376,011</b>		<b>7,430,000</b>	<b>13,806,011</b>	<b>8,206,011</b>	<b>5,600,000</b>
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles			6,400,000	6,400,000		6,400,000
11.2 Purchase of furniture and equipment			585,935	585,935	548,000	37,935
11.3 Construction of CDF office			-	-		-
11.4 Purchase of computers			-	-		-
LESS REALLOCATED AMOUNT						-
<b>Sub-Total</b>	<b>-</b>		<b>6,985,935</b>	<b>6,985,935</b>	<b>548,000</b>	<b>6,437,935</b>
<b>12.0 Others</b>						
12.1 Strategic Plan			50,000	50,000		50,000
12.2 Innovation Hub			4,677,027	4,677,027	-	4,677,027
12.3 civil suit			3,500,000	3,500,000	2,006,860	1,493,140

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12.4 A.I.A - 2018-2019		90,000	90,000	90,000	-	90,000
12.5 A.I.A - 2019-2020		76,000	76,000	76,000	-	76,000
12.6 A.I.A - 2021-2022		41,000	41,000	41,000		41,000
<b>Sub-Total</b>	-	<b>8,434,027</b>	<b>8,434,027</b>	<b>8,434,027</b>	<b>2,006,860</b>	<b>6,427,167</b>
<b>GRAND TOTALS</b>	<b>137,088,879</b>	<b>79,552,129</b>	<b>216,641,008</b>	<b>176,319,241</b>		<b>40,321,766</b>

## **XI. Significant Accounting Policies**

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

### **1. Statement of Compliance and Basis of Preparation**

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

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

### **2. Reporting Entity**

The financial statements are for the NGCDF-Dagoretti South Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

### **3. Reporting Currency**

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

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

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

**a) Recognition of Receipts**

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

***Significant Accounting Policies continued***

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

***Unutilized Funds from PMCs.***

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

**External Assistance**

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

**b) Recognition of payments**

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

*Significant Accounting Policies continued*

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

*Significant Accounting Policies continued*

**6. Cash and Cash Equivalents.**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

*Significant Accounting Policies continued*

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 10<sup>th</sup> June 2021 for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

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

*Significant Accounting Policies continued*

**14. Errors**

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

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

**15. Related Party Transactions**

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

*Dagoretti South Constituency  
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**XII. Notes to the Financial Statements**

**1. Transfers from NGCDF Board**

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B096871		2,928,973.15
AIE NO. B096943		15,000,000.00
AIE NO. B104592		19,000,000.00
AIE NO. A823504		35,367,724.10
AIE NO. B124552		9,000,000.00
AIE NO. B124777		2,000,000.00
AIE NO. B124805		4,200,000.00
AIE NO. B124917		16,000,000.00
AIE NO. B119772		12,000,000.00
AIE NO. B128063		6,900,000.00
AIE NO. B128374		6,000,000.00
AIE NO. B132118		6,000,000.00
AIE NO. B138786		12,000,000.00
AIE NO. B126081		6,000,000.00
AIE NO. B126371		10,000,000.00
AIE NO. B140517		12,000,000.00
AIE NO: B140865	33,000,000.00	
AIE NO: A888971	17,845,477.00	
AIE NO: B155934	8,188,879.30	
AIE NO: B105423	44,000,000.00	
AIE NO: B105748	24,000,000.00	
AIE NO: B132474	5,000,000.00	
AIE NO: B154389	12,000,000.00	
AIE NO: B128788	12,000,000.00	
AIE NO: B154284		

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	18,000,000.00	
AIE NO: B140798	22,088,879.00	
AIE NO: B140865	33,000,000.00	
AIE NO: A888971	17,845,477.00	
<b>TOTAL</b>	<b>196,123,235</b>	<b>174,396,697</b>

**2. Proceeds From Sale of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	0.00	0.00
Receipts from the Sale of Vehicles and Transport Equipment	0.00	0.00
Receipts from sale of office and general equipment	0.00	0.00
Receipts from the Sale Plant Machinery and Equipment	0.00	0.00
Others (specify)	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**3. Other Receipts**

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	0.00	0.00
Rents	0.00	0.00
Receipts from sale of tender documents	41,000	0.00
Hire of plant/equipment/facilities	0.00	0.00
Unutilized funds from PMCs	0.00	0.00
Other Receipts Not Classified Elsewhere	0.00	0.00
<b>Total</b>	<b>41,000</b>	<b>0.00</b>

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

**4. Compensation Of Employees**

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,135,650	2,040,070
Personal allowances paid as part of salary		
House Allowance		
Transport Allowance		
Leave allowance		
Gratuity to contractual employees	1,804,572	290,904
Employer Contributions Compulsory national social security schemes	52,320	59,880
<b>Total</b>	<b>3,992,542</b>	<b>2,390,854</b>

**5. Use Of Goods and Services**

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	0.00	0.00
Utilities, supplies and services	910,000	999,723
Communication, supplies and services	0.00	0.00
Electricity	39,494	44,850
Domestic travel and subsistence	0.00	0.00
Printing, advertising and information supplies & services	0.00	510,000
Rentals of produced assets	0.00	0.00
Training expenses	1,535,000	2,159,500
Hospitality supplies and services	0.00	290,000
Other committee expenses	2,810,000	100,000
Committee allowance	3,873,880	2,834,000
Insurance costs	0.00	0.00
Specialized materials and services	0.00	0.00
Office and general supplies and services	0.00	1,818,822
Other operating expenses	1,489,359	0.00
Routine maintenance – vehicles and other transport equipment	0.00	0.00
Bank service commission and charges	9,120	86,580
Routine maintenance – other assets	0.00	0.00
<b>Total</b>	<b>10,666,853</b>	<b>8,843,475</b>

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

Notes To The Financial Statements (Continued)

**6. Transfer To Other Government Units**

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	33,440,000	26,749,998.00
Transfers To Secondary Schools (See Attached List)	46,200,000	38,000,000.00
Transfers To Tertiary Institutions (See Attached List)	0.00	0.00
<b>Total</b>	<b>79,640,000</b>	<b>64,749,998</b>

**7. Other Grants and Other transfers**

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – Secondary schools (see attached list)	35,450,235	24,327,685
Bursary – Tertiary institutions (see attached list)	22,066,465	25,369,250
Bursary – special schools (see attached list)	410,000	1,400,000
Mock & CAT (see attached list)	-	0.00
Social Security programmes (NHIF)		0.00
Security projects (see attached list)	8,206,011	13,000,000
Sports projects (see attached list)	2,534,600	2,590,000
Environment projects (see attached list)	3,952,276	1,110,000
Emergency projects (see attached list)	6,845,400	7,502,560
<b>Total</b>	<b>79,464,987</b>	<b>75,299,495</b>

**8. Acquisition Of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	0.00	0.00
Construction of Buildings (Perimeter wall)	0.00	5,547,443
Refurbishment of Buildings	0.00	0.00
Purchase of Vehicles and Other Transport Equipment	0.00	0.00
Purchase of Household Furniture and Institutional Equipment	0.00	0.00
Purchase of Office Furniture and General Equipment	548,000	0.00
Purchase of ICT Equipment, Software and Other ICT Assets	0.00	0.00
Purchase of Specialized Plant, Equipment and Machinery	0.00	0.00
Acquisition of Land	0.00	0.00
<b>Total</b>	<b>548,000</b>	<b>5,547,443</b>

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

**9. Other Payments**

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	0.00	0.00
ICT Hub	0.00	0.00
Legal Fees	2,006,860	0.00
	<b>2,006,860</b>	<b>0.00</b>

**10: Cash Book Bank Balance**

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
<b>10A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Name Of Bank, Account No. 0630262089069</i>	40,321,766	20,476,772
<b>Total</b>	<b>40,321,766</b>	<b>20,476,772</b>
<b>10 B: Cash on Hand</b>		
Location 1	0.00	0.00
Location 2	0.00	0.00
Location 3	0.00	0.00
Other Locations ( <i>Specify</i> )	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**11: Outstanding Imprests**

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		Kshs	Kshs	Kshs
<i>Name of Officer</i>		0.00	0.00	0.00
<i>Name of Officer</i>		0.00	0.00	0.00
<i>Name of Officer</i>		0.00	0.00	0.00
<i>Name of Officer</i>		0.00	0.00	0.00
<i>Name of Officer</i>		0.00	0.00	0.00
<i>Name of Officer</i>		0.00	0.00	0.00
<b>Total</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Dagoretti South Constituency**  
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**Annual Report and Financial Statements for The Year Ended June 30, 2022**

**Notes to the Financial Statement Continued**

**12A. Retention**

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 <sup>st</sup> July (A)	0.00	0.00
Retention held during the year (B)	0.00	0.00
Retention paid during the Year (C)	0.00	0.00
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	<b>0.00</b>	<b>0.00</b>

**12B. Gratuity**

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 <sup>st</sup> July (A)	0.00	0.00
Gratuity held during the year (B)	0.00	0.00
Gratuity paid during the Year (C)	0.00	0.00
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	<b>0.00</b>	<b>0.00</b>

**13. Balances Brought Forward**

	2021-2022 (1 <sup>st</sup> July 2021)	2020-2021 (1 <sup>st</sup> July 2020)
	Kshs	Kshs
Bank accounts	<b>20,476,772</b>	<b>2,911,339</b>
Cash in hand	0.00	0.00
Imprest	0.00	0.00
Total	<b>20,476,772</b>	<b>2,911,339</b>

**14. Prior Year Adjustments**

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0.00	0.00	0.00
Cash in hand	0.00	0.00	0.00
Accounts Payables	0.00	0.00	0.00
Receivables	0.00	0.00	0.00
Others ( <i>specify</i> )	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**15. Changes in Accounts Receivable – Outstanding Imprests**

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	0.00	0.00
Imprest issued during the year (B)	0.00	0.00
Imprest surrendered during the Year (C)	0.00	0.00
closing accounts in account receivables D= A+B-C	0.00	0.00
Changes in Account Receivables E= D-A	<b>0.00</b>	<b>0.00</b>

**16. Changes in Accounts Payable – Deposits and Retentions**

	2021 – 2022	2020 – 2021
	0.00	0.00
Deposit and Retentions as at 1 <sup>st</sup> July (A)	0.00	0.00
Deposit and Retentions held during the year (B)	0.00	0.00
Deposit and Retentions paid during the Year (C)	0.00	0.00
closing account payables D= A+B-C	0.00	0.00
Changes in Accounts Payable E= D-E	<b>0.00</b>	<b>0.00</b>

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

**17. Other Important Disclosures**

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

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	0.00	0.00
Construction of civil works	0.00	0.00
Supply of goods	0.00	0.00
Supply of services	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

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

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	235,476	1,319,382
Others ( <i>specify</i> )	0.00	0.00
<b>Total</b>	<b>235,476</b>	<b>1,319,382</b>

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

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	413,736	1,567,077
Use of goods and services	100,382	1,268,436
Amounts due to other Government entities (see attached list)	19,826,229	17,402,752
Amounts due to other grants and other transfers (see attached list)	6,798,760	28,414,619
Acquisition of assets	6,755,492	7,303,492
Others (payments)	6,220,167	23,388,752
Funds pending approval	207,000	166,000
<b>Total</b>	<b>40,321,766</b>	<b>79,511,128</b>

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

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	<b>39,903,845.22</b>	8,573,997.18
<b>Total</b>	<b>39,903,845.22</b>	<b>8,573,997.18</b>

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**Annexes**

**Annexes: 1 Analysis of Pending Accounts Payable**

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2022 d=a-c	Comments
<b>Construction of buildings</b>					
1.					
2.					
3.					
Sub-Total					
<b>Construction of civil works</b>					
4.					
5.					
6.					
Sub-Total					
<b>Supply of goods</b>					
7.					
8.					
9.					
Sub-Total					
<b>Supply of services</b>					
10.					
Sub-Total					
<b>Grand Total</b>					

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

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2022	Comments
<b>NG-CDFC Staff</b>				
1. Charles Waitthaka	Accountant	01-01-2022	86,006	Gratuity
2. Lucy Njeri	Clerical Officer	01-01-2022	65,286	Gratuity
3. Jane Wambui	Cleaner	01-01-2022	37,684	Gratuity
4. Isaac Khaemba	Messenger	01-01-2022	27,900	Gratuity
5. David Kiongo	Gardener	01-01-2022	18,600	Gratuity
<b>Sub-Total</b>			<b>235,476</b>	
<b>Grand Total</b>			<b>235,476</b>	

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**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2021/2022	2020/2021	
Compensation of employees	FOR SALARY AND GRATUITY	413,736	1,567,077	
Use of goods & services	FOR OFFICE USE	100,382	1,268,436	
<b>Sub-Total</b>		<b>514,118</b>	<b>2,835,513</b>	
<b>Amounts due to other Government entities</b>				
Transfer to Primary Schools	DR MUTHIORA PRIMARY SCHOOL	1	7,400,002	
	KABIRIA PRIMARY SCHOOL	1	10,002,750	
	KABIRIA PRIMARY SCHOOL	2,588,000		
	RIRUTA SATELLITE PRIMARY SCHOOL	850,000		
<b>Sub-Total</b>		<b>3,438,002</b>		
Transfer to Secondary Schools	BETH MUGO HIGH SCHOOL	2,750		
	RUTHIMITU MIXED SEC. SCHOOL	10,000,000		
	BETH MUGO HIGH SCHOOL	6,385,477		
<b>Sub-Total</b>		<b>16,388,227</b>	<b>17,402,752</b>	
<b>Amounts due to other grants and other transfers</b>				
Emergency	FOR EMERGENCY USE	346,807	9,835,718	
Bursaries	FOR BURSARIES USE	601,521	9,896,866	

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Sports	FOR SPORTS USE	224,563	181,666	
Environment	FOR ENVIRONMENT USE	25,869	1,236,367	
Security	FOR SECURITY USE	5,600,000	7,430,000	
<b>Sub-Total</b>		<b>6,798,760</b>	<b>28,580,618</b>	
<b>Acquisition of assets</b>		<b>6,755,492</b>	<b>7,303,492</b>	
<b>Others (specify)</b>				
Strategic Plan		50,000	50,000	
Innovation Hub		4,677,027	4,677,027	
Legal Fees		1,493,140	17,845,477	
Roads			650,248	
<b>Sub-Total</b>		<b>6,220,167</b>	<b>23,222,752</b>	
Funds pending approval		<b>207,000</b>	<b>166,000</b>	
<b>Grand Total</b>		<b>40,321,766</b>	<b>79,511,128</b>	

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

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2020/21</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2021/22</b>
Land	60,000,000	0.00	0.00	60,000,000
Buildings and structures	19,363,125	0.00	0.00	19,363,125
Transport equipment	-	0.00	0.00	
Office equipment, furniture and fittings	2,571,746	548,000	0.00	3,119,746
ICT Equipment, Software and Other ICT Assets	2,633,384	0.00	0.00	2,633,384
Other Machinery and Equipment	0.00	0.00	0.00	0.00
Heritage and cultural assets	0.00	0.00	0.00	0.00
Intangible assets	0.00	0.00	0.00	0.00
<b>Total</b>	<b>84,568,255</b>	<b>548,000</b>	<b>0.00</b>	<b>85,116,255</b>

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Annex 5 – PMC Bank Balances As At 30<sup>th</sup> June 2022**

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
	Equity	0630278213134	1,426,567.44	224,211.44
Mukarara Primary School				
	Equity	0630277835497	1,826,821.59	438,745.59
Ndurarua Primary School-				
	Equity	0630277813241	185,113.89	375,457.89
Ruthimitu primary School-				
	Equity	0630277810653	106,025.06	106,025.16
NGCDF Ruthimitu girls' secondary school				
	Equity	0630278546966	199,437.93	199,437.93
NGCDF Ruthimitu Mixed Secondary School				
	Equity	0630278996748	39,782.50	39,782.50
NGCDF Dagoretti Sub-County District Hospital				
	Equity	0630278996737	15,180.50	15,180.50
NGCDF Waithaka Health centre				
	Equity	0630278347562	2,083,352.50	751,592.50
NGCDF Mutuini Primary school				
	Equity	0630277833692	874,478.00	15,878
NGCDF Nembu Primary school				
	Equity	0630278350909	307,201.00	199,185.00
NGCDF Kagira Primary school				
	Equity	0630278262378	900,234.09	50,234.09
NGCDF Gitiba Primary school				
	Equity	0630278468492	57,580.95	49,160.95
NGCDF Riruta satellite primary school				
	Equity	0630278625680	206,504.50	206,504.50
NGCDF office				
	Equity	0630278463295	1,792.00	2,152.00
NGCDF Riruta location chief's office				
	Equity	0630277808978	1,009,173.17	518.17
NGCDF Dr Muthiora primary school				
	Equity	0630275925278	239,151.55	239,151.55
Assistant Chief Office Waithaka				
	Equity	1800280851815	2,457,771.00	2,308,590.00
Mukarara Mixed Secondary School				
	Equity	1800280851757	1,473,554.85	815,849.35
Kagira Mixed Secondary School				

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2021/22</b>	<b>Bank Balance 2020/21</b>
Riruta Satellite Mixed Secondary School	Equity	1800282433464	13,551,725.00	0.00
Ngando Administrative Office	Equity	1800280851465	410,664.00	1,209,340.00
Mutuini High School	Equity	0630278460590		1,327,000.06
NGCDF Kirigu Primary school	Equity	0630262662908	3,770,864.00	0.00
NGCDF Kabiria Primary School PMC	Equity	0630263922102	8,760,869.70	0.00
<b>Total</b>			<b>39,903,845.22</b>	<b>8,573,997.18</b>

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NBI/2021/DAGORETTI SOUTH/NGCDF/VOL 1	Presentation of the Financial Statements	The Management has noted the findings and we have revised our financial statement ending 30 <sup>th</sup> June 2021. See attached Financial statement.	Resolved	
OAG/NBI/2021/DAGORETTI SOUTH/NGCDF/VOL 1	Inaccuracies in the Financial Statements	The Management has noted the findings and we have revised our financial statement ending 30 <sup>th</sup> June 2021. See attached Financial statement	Resolved	
OAG/NBI/2021/DAGORETTI SOUTH/NGCDF/VOL 1	Branding of Constituency Projects	We accept the findings and we have ensured the projects have been branded in accordance with The National Government Constituencies Funds Regulations, 2016. We have attached photos of the branding and the same is ready for verification. (See Annex 6)	Resolved	

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 Name: Job Talle  
 Fund Account Manager.