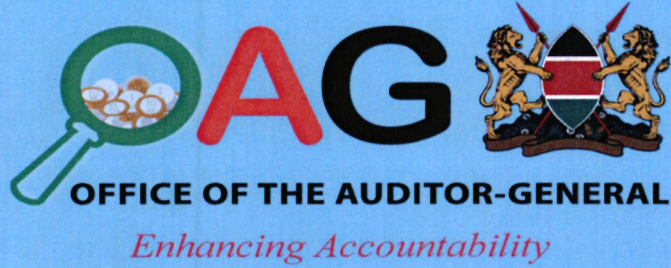


REPUBLIC OF KENYA



REPORT

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THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY	
DATE: 28 JUL 2023	DAY: WED ON
TABLED BY:	Hon Naomi Wago, MP Deputy Majority Whip
CLERK AT THE TABLE:	Enyaya Muriuki

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

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



DAGORETTI NORTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

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ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Paul Kipsang Magut
2.	Sub-County Accountant	Conelius Omony
3.	Chairperson NGCDFC	Leunidah Nyotah Joshua
4.	Member NGCDFC	Doris Kanini Mule

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of DAGORETTI NORTH 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 North Constituency NGCDF Headquarters

P.O. Box Dagoretti North Constituency Headquarters
P.O. Box 36845-00100
Kango Estate Kileleshwa off Tabere Crescent Road
Nairobi, KENYA

(f) DAGORETTI NORTH Constituency NGCDF Contacts

Telephone: (254) 0205217862
E-mail: info@dagorettinorthngcdf.go.ke
Website: www.dagorettinorthngcdf.go.ke

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(g) Dagoretti North Constituency NGCDF Bankers

Equity Bank
Supreme Branch
P. O Box 75104
Nairobi

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

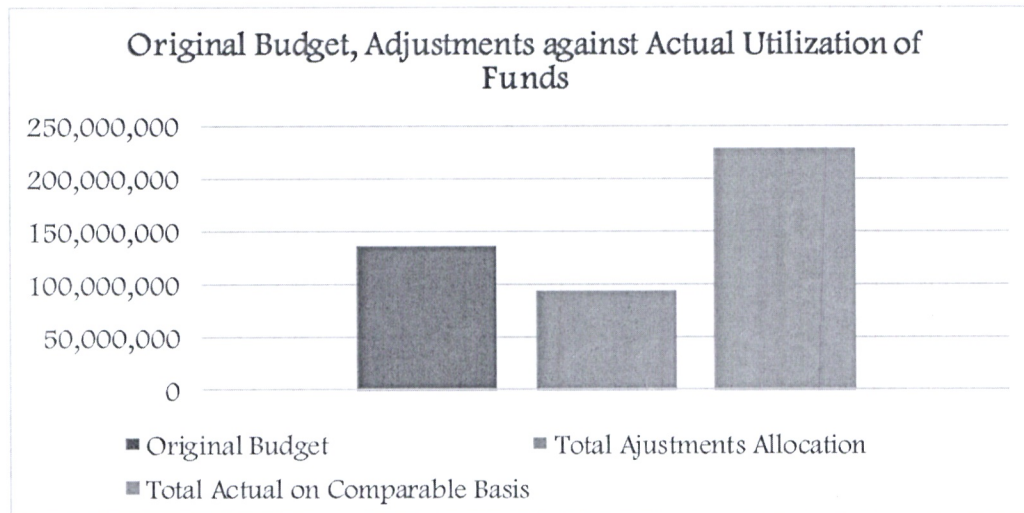
II. NG-CDFC Chairman’s Report



Leunidah Nyotah Joshua – Dagoretti North NGCDFC Chairperson

The introduction of the IPSAS mode of preparing Financial Statements is a great milestone in achieving our end goal of ensuring development and proper utilization of funds. Accountability has been enhanced and the committee has been more empowered in decision making with regards to utilization of funds

The funds allocated during the financial year was implemented at **73%**
 The bellow graph shows the original budget, adjustments and the Actual Utilization of the funds during the financial year 2021/2022.



- Key**
- 1- Original Budget Allocation
 - 2- Total Adjustment Allocation during the FY 2021/2022
 - 3- Total Actual on Comparable Basis

Key achievements in the FY 2021/2022



Figure 1: Construction of Perimeter wall at St. State House Girls Sec School



Figure 2: Renovation of Multipurpose hall at St. Georges Primary School



Figure 3: Renovation Works at Lavington Primary School



Figure 3: Construction of Toilet Block at Kilimani Police Station

Implementation Challenges

Many projects delayed due to the late disbursement of public funds. We hope that this will improve to enable us do the projects in time.

The delay in implementing of the projects was due to the delayed disbursement for the project funds.

There effect of COVID-19 pandemic has affected the operations of the fund.

There is also a challenge in the education sector this is because there are many needy students who are in need of support through the bursary fund which is never enough; this is due to lower middle income economy status within the constituency.

Otherwise the impact of the NG-CDF kitty is felt countrywide and we hope and pray that the fund lives longer and longer in order to impact more and more lives in Kenya.

.....
Name: Leunidah Nyotah Joshua
Chairperson Dagoretti North NGCDFC Committee

DAGORETTI NORTH Constituency
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III. Statement of Performance against Predetermined Objectives for FY 2021/22

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 North Constituency 2018-2022* plan are to:

- a) To provide basic amenities to all constituents through proper planning and prioritization of development projects.
- b) To mobilize effective participation and involvement of the community in development and creation of a better environment.
- c) To strengthen the economic capacity of Dagoretti North Constituency residents towards self-sufficiency and independence.

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Increased number of Classrooms and Increased number of Bursary beneficiaries	In FY 2021/22 we increased number of classrooms from schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules

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Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of renovated Police stations increased, renovation of Police staff Residential and Construction of perimeter wall.
Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Equip schools with good energy saving Jikos and water tanks	High number of energy saving jikos and water installed	High number of energy saving jikos and water installed
Sports	Empower and develop youth and special groups	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased
Emergency	Improve the mechanism used in handling disasters	Reduce loss of live and properties	Number of staircases and rumps put in place.	Construction of structures with spacious staircases and Rumps to enable easier exit in case of an emergency

IV. Environmental and Sustainability Reporting

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

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

- Dagoretti North Constituency NGCDF has often every financial year organized sports tournaments to help in bringing up talents of the youth and giving them a platform where different teams nationwide can see their talents.
- There has also been construction of student water points and carrying out those activities that helps in keeping the environment clean such as cleaning the school compound

3. Employee welfare

We invest in providing the best working environment for our employees. Dagoretti North 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 NORTH 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 North 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 North NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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



.....
**Name: Paul Kipsang Magut
Fund Account Manager**

V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Dagoretti North 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 North 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 North Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

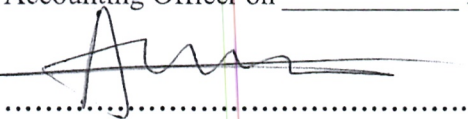
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financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that 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 North Constituency financial statements were approved and signed by the Accounting Officer on _____ 2022.


.....

**Name: Leunidah Nyotah Joshua
Chairperson – NGCDF Committee**


.....

**Name: Paul Kipsang Magut
Finance Account Manager**

REPUBLIC OF KENYA

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Dagoretti North Constituency set out on pages 1 to 31, which comprise of the statement of assets and liabilities as at 30 June, 2022, 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, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund – Dagoretti North 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Opinion

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 North Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

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

1. Budgetary Control and Performance

The summary statement of appropriation reflects a final expenditure budget of Kshs.230,796,588 against actual expenditure of Kshs.169,598,554 resulting in budget under-utilization of Kshs.61,198,034 equivalent to 27% of the approved budget amount.

The underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Dagoretti North Constituency.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues nor given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

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

Unutilized Project Management Committee Funds

Note 17.4 to the financial statements indicates project management committees unutilized fund balances totaling to Kshs.16,428,537 as at 30 June, 2022 as analysed in Annex 5 to the financial statements. However, an amount of Kshs.469,716 in respect of completed and unutilized projects funds had not been returned to the Constituency account contrary to Section 12(8) of the National Government Constituency Development Fund Act, 2015 which requires all unutilised funds of the Project Management Committee to be returned to the constituency account.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to

believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Weak Controls in Assets Management

The financial statements under Annex 4 indicates, the summary of fixed assets register with a historical cost of Kshs.4,008,000. However, the assets register provided for audit listed some computers, printers and other computer accessories without values. Further, some of the assets had the condition indicated as not usable and were not available for physical verification, while several assets had not been tagged.

In the circumstances, the assets may be exposed to misuse or loss.

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

Responsibilities of Management and those Charged with Governance

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

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


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to 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

20 June, 2023


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


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

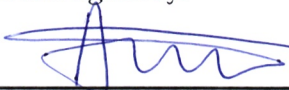
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	188,777,758	154,767,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	4,000	-
Total Receipts		188,781,758	154,767,724
Payments			
Compensation Of Employees	4	4,380,710	3,154,800
Use Of Goods and Services	5	11,310,721	10,680,729
Transfers To Other Government Units	6	102,994,206	99,164,281
Other Grants and Transfers	7	50,886,917	16,149,435
Acquisition Of Assets	8	-	-
Other Payments	9	26,000	-
Total Payments		169,598,554	129,149,245
Surplus/ (Deficit)		19,183,204	25,618,479

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 _____ 2022 and signed by:


 Fund Account Manager
 Name: Paul Kipsang Magut


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


 Chairperson NG-CDF
 Committee
 Name: Lenidah Nyotah Joshua

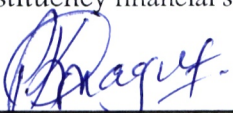
DAGORETTI NORTH Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022


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

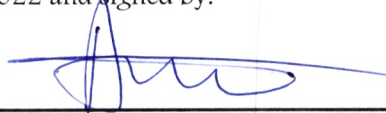
	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	61,198,034	42,014,830
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		61,198,034	42,014,830
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		61,198,034	42,014,830
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		<u>61,198,034</u>	<u>42,014,830</u>
Represented By			
Fund Balance B/Fwd	13	42,014,830	16,396,351
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		19,183,204	25,618,479
Net Financial Position		<u>61,198,034</u>	<u>42,014,830</u>

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 _____ 2022 and signed by:


 Fund Account Manager
 Name: Paul Kipsang Magut


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


 Chairperson NG-CDF
 Committee
 Name: Lenidah Nyotah Joshua

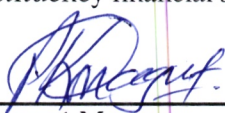
DAĞORETTI NORTH Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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

	Notes	2021 – 2022	2020 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	188,777,758	154,767,724
Other Receipts	3	4,000	-
Total Receipts		188,781,758	154,767,724
Payments			
Compensation Of Employees	4	4,380,710	3,154,800
Use Of Goods and Services	5	11,310,721	10,680,729
Transfers To Other Government Units	6	102,994,206	99,164,281
Other Grants and Transfers	7	50,886,917	16,149,435
Other Payments	9	26,000	-
Total Payments		169,598,554	129,149,245
Total Receipts Less Total Payments		19,183,204	25,618,479
Adjusted For:			
Decrease/ (Increase) In Accounts Receivable	15	-	-
Increase/ (Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		19,183,204	25,618,479
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		19,183,204	25,618,479
Cash & Cash Equivalent At Start Of The Year	10	42,014,830	16,396,351
Cash & Cash Equivalent At End Of The Year	10	<u>61,198,034</u>	<u>42,014,830</u>

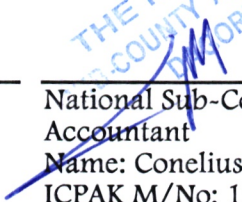
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

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



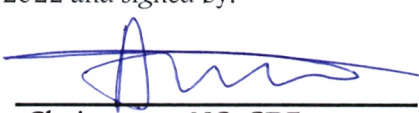
 Fund Account Manager

Name: Paul Kipsang Magut



 National Sub-County
 Accountant

Name: Conelius Omony
 ICPAK M/No: 17636



 Chairperson NG-CDF
 Committee

Name: Lenidah Nyotah Joshua

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

X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2021/2022	30/06/2022		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from NG-CDF Board	137,088,879	42,014,830	51,688,879	230,792,588	230,792,588	-	100%
Proceeds from Sale of Assets				-	-	-	
Other Receipts	-	4,000		4,000	4,000	-	100%
TOTAL RECEIPTS	137,088,879	42,018,830	51,688,879	230,796,588	230,796,588	-	100%
PAYMENTS							
Compensation of Employees	3,668,000	3,216,680	3,000,000	9,884,680	4,380,710	5,503,970	44%
Use of goods and services	8,669,999	4,608,685	28,400	13,307,084	11,310,721	1,996,363	85%
Transfers to Other Government Units	75,802,000	-	32,202,207	108,004,207	102,994,206	5,010,001	95%
Other grants and transfers	48,948,880	34,135,065	16,458,273	99,542,218	50,886,917	48,655,301	51%
Acquisition of Assets				-	-	-	
Other Payments	-	26,000		26,000	26,000	-	100%
Funds pending approval-Sale of Tender	-	32,400	-	32,400	-	32,400	0%
TOTAL	137,088,879	42,018,830	51,688,879	230,796,588	169,598,554	61,198,034	73%


****Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.**

a) The under-utilization under compensation of employees at 44%, other grants and transfers at 51% was generally due the bursary that was yet to be issued as at the end of the financial year and the gratuity that is supposed to be paid to the employees upon contract expiry.


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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	61,198,034
Less undisbursed funds receivable from the Board as at 30 th June 2022	-
	61,198,034
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	61,198,034

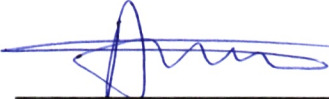
The Constituency financial statements were approved on _____ 2022 and signed by:



 Fund Account Manager
 Name: Paul Kipsang Magut



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



 Chairperson NG-CDF
 Committee
 Name: Lenidah Nyotah Joshua

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

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,668,000	3,216,680	3,000,000	9,884,680	4,380,710	5,503,970
1.2 Committee allowances	1,706,787	1,359,825		3,066,612	3,012,000	54,612
1.3 Use of goods and services	2,850,545	934,417		3,784,962	2,742,622	1,042,340
2.0 Monitoring and evaluation						
2.1 Capacity building	2,160,675	879,363		3,040,038	3,022,450	17,588
2.2 Committee allowances	975,000	925,532	28,400	1,928,932	1,196,500	732,432
2.3 Use of goods and services	976,991	509,549		1,486,540	1,337,149	149,391
3.0 Emergency						
3.1 Primary Schools						
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
3.5 Unutilised	7,192,207	156,051		7,348,258		7,348,258
4.0 Bursary and Social Security						
4.1 Primary Schools						

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.2 Secondary Schools	17,000,000	8,868,980	3,353,422	29,222,402	8,261,750	20,960,652
4.3 Tertiary Institutions	17,273,118	25,110,034		42,383,152	32,473,550	9,909,602
4.4 Universities						
4.5 Social Security						
5.0 Sports						
5.1 Constituency Sports Activity	2,741,778		4,126,226	6,868,004	3,651,617	3,216,387
5.2						
6.0 Environment						
6.1 Constituency Environmental Activities			4,478,625	4,478,625		4,478,625
6.2 Kilimani Pri Sch	456,963			456,963		456,963
6.3 Milimani Pri Sch	456,963			456,963		456,963
6.4 State House Pri Sch	456,963			456,963		456,963
6.5 State Georges Pri Sch	456,963			456,963		456,963
6.6 Kileleshwa Pri Sch	456,963			456,963		456,963
6.7 Dagoretti Muslim Pri Sch	456,963			456,963		456,963
7.0 Primary Schools Projects (List all the Projects)						
7.1 Riruta HGM Primary school	6,500,000			6,500,000	6,500,000	-
7.2 St. Georges Primary School	3,000,000		2,000,000	5,000,000	5,000,000	-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.3 Kawangware Primary School	5,687,500		3,000,000	8,687,500	8,687,500	-
7.4 Kilimani Primary School	2,187,500		15,000,000	17,187,500	17,187,500	-
7.5 Gatina Primary School	4,500,000		-	4,500,000	4,500,000	-
7.6 Muthangari Primary School	5,250,000		-	5,250,000	5,250,000	-
7.7 Lavington Primary School	2,000,000		10,000	2,010,000	2,000,000	10,000
7.8 Kileleshwa Primary School	4,000,000		-	4,000,000	4,000,000	-
7.9 Nairobi Primary School	3,000,000		-	3,000,000	3,000,000	-
7.10 Jacaranda Special School			4,400,000	4,400,000		4,400,000
7.11 Dagoretti Muslim Primary School	4,000,000		-	4,000,000	4,000,000	-
7.12 Milimani Primary School	10,502,000		600,000	11,102,000	10,502,000	600,000
7.13 State House Primary School	2,000,000		-	2,000,000	2,000,000	-
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Nairobi Milimani Sec School	4,400,000			4,400,000	4,400,000	-
8.2 Precious Blood Secondary School	5,475,000		7,192,207	12,667,207	12,667,206	1
8.3 St. Georges Girls Sec School	5,000,000			5,000,000	5,000,000	-
8.4 State House Girls Sec School	8,300,000			8,300,000	8,300,000	-
9.0 Tertiary institutions Projects (List all the Projects)						

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
9.1						
9.2						
10.0 Security Projects						
10.1 Kileleshwa Chiefs Office	2,000,000			2,000,000	2,000,000	-
10.2 Kilimani Police Station			4,500,000	4,500,000	4,500,000	-
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						
12.1 Strategic Plan		26,000		26,000	26,000	-
12.2 Innovation Hub						
12.2						
Funds pending approval**			32,400	32,400	-	32,400
Total	137,088,879	42,018,830	51,688,879	230,796,588	169,598,554	61,198,034

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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Dagoretti North 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 30th June 2021 for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B124763		62,367,724
AIE NO. B104935		1,000,000
AIE NO. B124916		8,500,000
AIE NO. B124837		2,000,000
AIE NO. B119771		12,000,000
AIE NO. B128062		6,900,000
AIE NO. B132117		6,000,000
AIE NO. B128372		12,000,000
AIE NO. B138785		12,000,000
AIE NO. B126080		8,000,000
AIE NO. B126370		11,000,000
AIE NO. B140516		13,000,000
AIE NO. B140864	33,000,000	
AIE NO. B105380	34,000,000	
AIE NO. B105595	10,000,000	
AIE NO. B105747	24,000,000	
AIE NO. B132473	5,000,000	
AIE NO. B128787	12,000,000	
AIE NO. B154388	12,000,000	
AIE NO. B154283	18,000,000	
AIE NO. B140797	22,088,879	
AIE NO. A895058	5,000,000	
AIE NO. B140797	13,688,879	
Total	188,777,758	154,767,724

2. Proceeds From Sale of Assets

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

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3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	4,000	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	4,000	-

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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	2,951,000	2,752,000
Basic wages of casual labour	50,000	40,000
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,349,710	334,800
Employer Contributions Compulsory national social security schemes	30,000	28,000
Total	4,380,710	3,154,800

5. Use of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	2,659,180	1,146,115
Electricity	66,449	124,808
Water & sewerage charges	73,526	54,543
Office rent	773,336	773,336
Communication, supplies and services	80,100	0
Domestic travel and subsistence	-	0
Printing, advertising and information supplies & services	-	142,630
Rentals of produced assets		-
Training expenses	3,022,450	4,230,247
Hospitality supplies and services	9,600	0
Other committee expenses	1,807,000	0
Committee allowance	2,391,000	3,375,750
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services		680,900
Fuel , oil & lubricants	100,000	100,000
Other operating expenses	-	0
Bank service commission and charges	40,080	52,400
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	-	0
Routine maintenance- other assets	288,000	0
TOTAL	11,310,721	10,680,729

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Notes To The Financial Statements (Continued)

6. Transfer to Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	72,627,000	52,920,566
Transfers To Secondary Schools (See Attached List)	30,367,206	46,243,715
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	102,994,206	99,164,281

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	8,261,750	5,578,500
Bursary – tertiary institutions (see attached list)	32,473,550	280,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	6,500,000	5,600,000
Sports projects (see attached list)	3,651,617	3,090,935
Environment projects (see attached list)	-	1,600,000
Emergency projects (see attached list)	-	-
Total	50,886,917	16,149,435

8. Acquisition of Assets

	2021-2022	2020-2021
	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	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
Total	-	-

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9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	26,000	-
ICT Hub	-	-
	26,000	-

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	-	-
<i>Equity Bank, Kilimani Supreme Branch, Dagoretti North NGCDF, A/C no. 14702616322406</i>	61,198,034	42,014,830
Total	61,198,034	42,014,830
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

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>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
<i>Name of Officer</i>	dd/mm/yy	-	-	-
Total		-	-	-

[Include an annex if the list is longer than 1 page.]

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Notes to the Financial Statement Continued

12A. Retention

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

[Provide short appropriate explanations as necessary.]

12B. Gratuity

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

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	42,014,830	16,396,351
Cash in hand	-	-
Imprest	-	-
Total	42,014,830	16,396,351

[Provide short appropriate explanations as necessary]

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14. Prior Year Adjustments

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

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

15. Changes in Accounts Receivable – Outstanding Imprests

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

16. Changes in Accounts Payable – Deposits and Retentions

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

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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	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: Pending Staff Payables (See Annex 2)

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

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	5,503,970	6,216,680
Use of goods and services	1,996,363	4,637,085
Amounts due to other Government entities (see attached list)	5,010,001	32,202,207
Amounts due to other grants and other transfers (see attached list)	48,655,301	50,593,338
Acquisition of assets		
Others (strategic plan)	-	26,000
Funds pending approval	32,400	28,400
TOTAL	61,198,034	93,703,709

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	16,428,537	34,529,732
Total	16,428,537	34,529,732

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Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

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

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
Compensation of employees		5,503,970	6,216,681	
Sub-Total		5,503,970	6,216,681	
Use of goods & services				
ADM- Committee allowances		54,612	1,359,825	
ADM-Use of goods and services		1,042,340	934,417	
M&E Capacity building		17,588	879,363	
M&E Committee allowances		732,432	953,932	
M&E Use of goods and services		149,391	509,549	
Sub-Total		1,996,363	4,637,085	
Amounts due to other Government entities				
Riruta HGM Primary school				
Kawangware Primary School				
St. Georges Primary School				
Lavington Primary school		10,000	10,000	
Milimani Primary School		600,000	600,000	
Kileleshwa Primary School				
Jacaranda Special School		4,400,000	4,400,000	
Dagoretti Muslim Primary School				
Nairobi Milimani Secondary School				
Dagoretti Mixed Secondary School				
Precious Blood Secondary School		1		
State House Girls Sec School				
Sub-Total		5,010,001	5,010,000	
Amounts due to other grants and other transfers				
Bursary		30,870,254	37,332,437	

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Sports		3,216,387	4,126,226	
Environment		7,220,402	4,478,625	
Kilimani Police Station			4,500,000	
Emergency		7,348,258	7,348,258	
Sub-Total		48,655,301	57,785,545	
Acquisition of assets				
Dagoretti North NGCDF Office	Construction of an office		20,000,000	
Sub-Total		-	20,000,000	
Others (specify)				
Strategic plan			26,000	
Sub-Total		-	26,000	
Funds pending approval				
Sale of Tender		32,400	28,400	
Sub-Total		32,400	28,400	
Grand Total		61,198,034	93,703,709	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land				-
Buildings and structures	0			-
Transport equipment	2,050,000			2,050,000
Office equipment, furniture and fittings	1,209,000	288,000.00		1,497,000
ICT Equipment, Software and Other ICT Assets	461,000			461,000
Other Machinery and Equipment				-
Heritage and cultural assets	0			-
Intangible assets	0			-
Total	3,720,000	288,000	0	4,008,000

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

PMC	Account number	Bank	Bank Balance 2021/22	Bank Balance 2020/21
Kileleshwa Police Station	1470272153382	Equity-Kilimani Branch	158,055	3,155,115
Muthangari Primary School	1470271830666	Equity-Kilimani Branch	392,382	287,802
Nairobi Primary School	1470271830574	Equity-Kilimani Branch	541,502	235,125
Milimani Primary School	1470269814613	Equity-Kilimani Branch	964,422	60,925
Lavington Primary School	1470271830222	Equity-Kilimani Branch	307,614	112,725
Kileleshwa Primary School	1470268910687	Equity-Kilimani Branch	420,438	255,803
Riruta HGM Primary School	1470271830060	Equity-Kilimani Branch	1,247,754	471,925
St. Georges Girls Sec. School	1470271425101	Equity-Kilimani Branch	2,399,096	162,889
Dagoretti Muslim Pri. Sch.	1470268579903	Equity-Kilimani Branch	1,905,544	1,732,593
Kabiro Muslim Chiefs Office	1470271424902	Equity-Kilimani Branch	448,411	448,411
Kawangware Primary School	1470271424958	Equity-Kilimani Branch	225,551	265,269
Gatina Primary School	1470268910644	Equity-Kilimani Branch	404,633	258,821
Dagoretti Mixed Secondary School	1470268910618	Equity-Kilimani Branch	603,000	3,504,587
Dagoretti Sub County Office	1470268910586	Equity-Kilimani Branch	2,780	2,780
Kenya High School	1470271829992	Equity-Kilimani Branch	18,525	18,525
Lavington Secondary School	1470268941783	Equity-Kilimani Branch	1,604,402	14,627,803
Jacaranda Special School	1470267814476	Equity-Kilimani Branch	42,414	210,127
Nairobi Milimani Sec. School	1470272153436	Equity-Kilimani Branch	5,400,522	1,000,522
Muthangari Police Station	1470276334943	Equity-Kilimani Branch	169,633	2,284,694
St. Georges Primary School	2036822085	Absa - Hurlingam Branch	776,000	776,000
Kawangware Acc Office	1800277697745	Equity - Kawangware Branch	253,496	53,676
State House Girls High school	1470280205222	Equity - Kilimani Branch	750,570	4,590,751
Precious Blood Secondary School Riruta	0630280149769	Equity-Kawangware Branch	6,224,805	12,867

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PMC	Account number	Bank	Bank Balance 2021/22	Bank Balance 2020/21
Kilimani Primary School	1470268937783	Equity-Kilimani Branch	827,149	
Kilimani Police Station Pmc	1470282343887	Equity-Kilimani Branch	362,962	
Kileleshwa Chiefs Office	1470282641751	Equity-Kilimani Branch	2,000,000	
Total			28,451,657	34,529,732

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Budget Performance Under expenditure of 52% (Ksh. 57,101,305) of the total budget	This was because of late disbursement of funds from the NGCDF Board.	Resolved	
2.	Unpresented Bursary Cheques amounting to Ksh. 14,406,000.00	This was because the Bursary Cheques were issued out in June 2018 hence by the closure of the financial year most of the Cheques had not been presented at the bank. This cheques cleared through the bank in the following months.	Resolved	



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Name: Paul Kipsang Magut
Fund Account Manager.