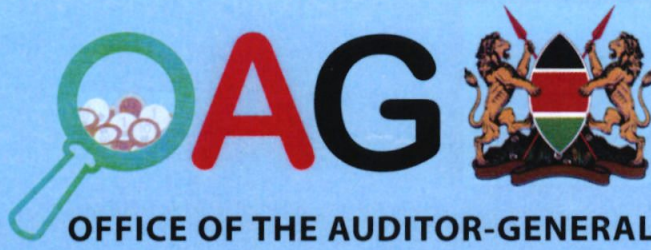


REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT

DATE: 29 APR 2025

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Tuesday.

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BY:

Hon Julius Melly, MP

On Behalf of L.O.M.

OF

CLERK-AT
THE-TABLE:

Benson Irzofu.

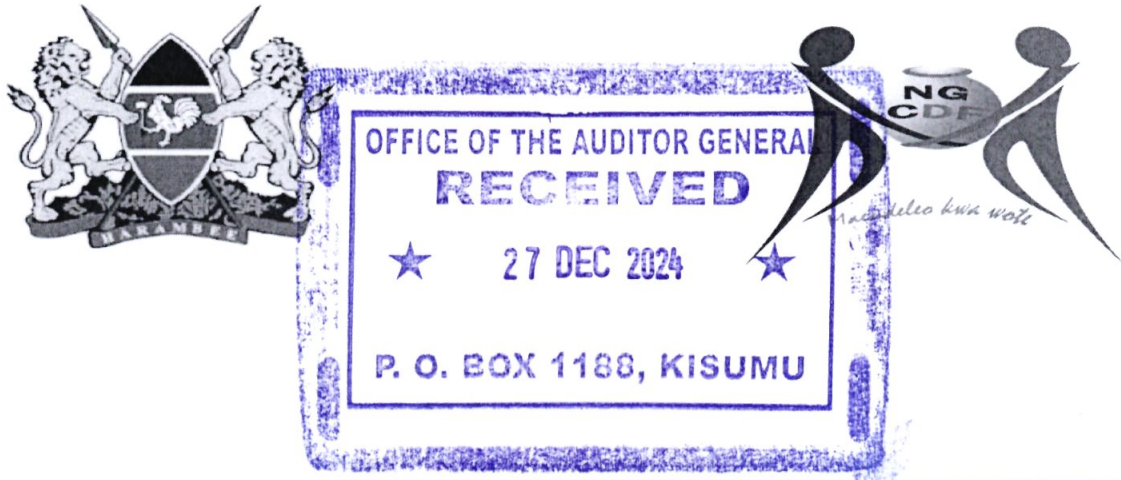
THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – KISUMU EAST
CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2024**

Revised 30th June 2024



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KISUMU EAST CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2024

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

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2023. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

Mandate

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

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;

- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and, in particular, expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The NGCDF Kisumu East Constituency's day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Rotich Kiptoon
2.	National Sub-County Accountant	Cynthia Leting
3.	Chairman NGCDFC	Jackton Acholla
4.	Member NGCDFC	Donna Otieno

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF KISUMU EAST Constituency Headquarters

P.O. Box 3618-40100

Kisumu East NGCDF Office

Kondele Kibos Road Next to Kunya Primary School

*National Government Constituencies Development Fund (NGCDF)
Kisumu East Constituency
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Kisumu, Kenya

(f) NGCDF KISUMU EAST Constituency Contacts

Telephone: (254) 22700266
E-mail: cdfkisumueast@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF KISUMU EAST Constituency Bankers

Equity Bank Ltd...0290262014425
Kisumu
P.O BOX 3621
Kenya

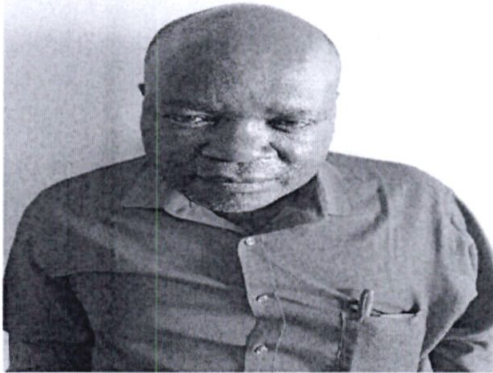
(h) Independent Auditor

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

(i) Principal Legal Adviser

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

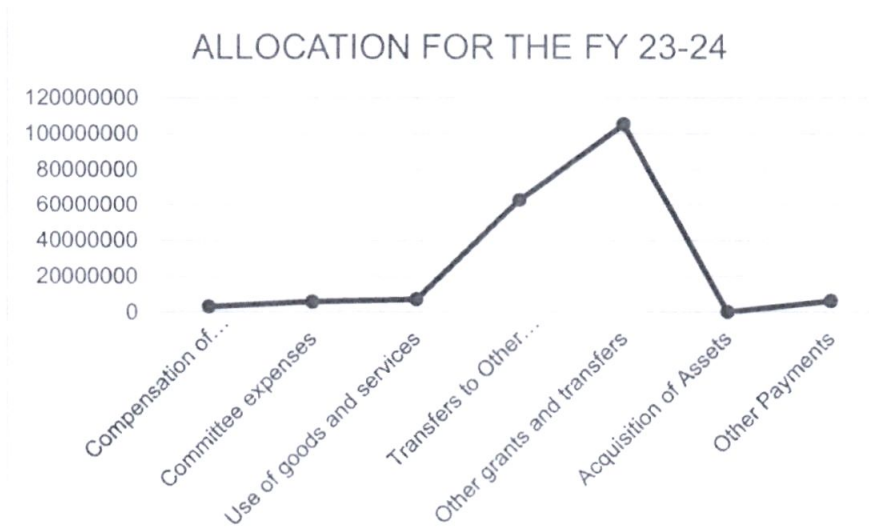
3. NG-CDFC Chairman’s Report



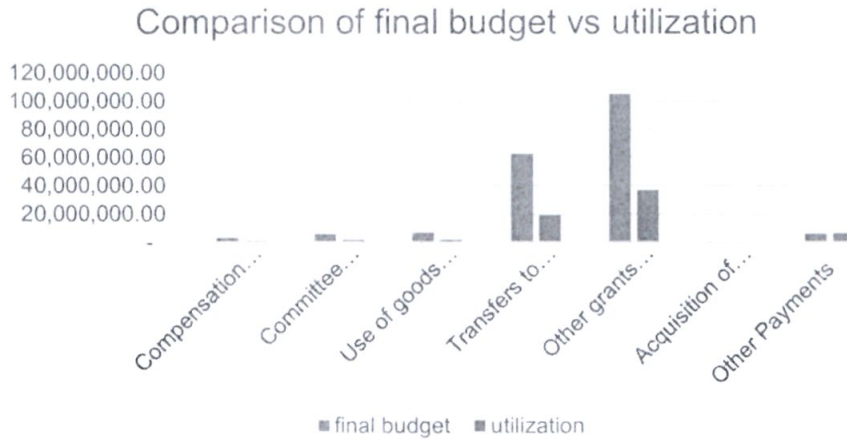
Jackton Achola

Chairperson Kisumu East Constituency

It is my pleasure to present to you the annual report and financial statement for the year ended June 30, 2024. During the year under review, the entity was allocated Kshs 189,795,593 which represents an increase from the previous year by kshs 44,707,990 equivalent to 24% increment. Our performance is generally impressive and we have been able to offer more services to our constituents.



like the previous year, the NGCDF Board did not disburse all the funds relating to the financial year 2023/2024 but only representing 83% which is a notable improvement from 66% in the last financial year. An amount representing 17% wasn't disbursed as at June 30th 2024.



During the year we had Secondary and primary school projects under which two were major that is Kibos secondary school Mbeme and Nyamonge primary school, Renovations and new schools among them were fencing and construction of Latrines. There was also purchase of office land for construction which has not kicked off.

One of the best security projects implemented and 100% complete is Ragumo police station which has an impact in solving the community's insecurity which is rampant in the ward. It has been handed over during the year under review. There is also the construction of kasagam police station and chiga police station which are ongoing.

There was purchase of tanks for secondary and primary schools under Environment which were also implemented.

NHIF social security programme was paid to the needy and the vulnerable within the constituency during the financial year 2023/2024.

Bursary to secondary and tertiary schools were overwhelmingly disbursed during the year. Some of the best implemented projects during the period 2023/2024 are as attached photos.

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2.consruction of a dormitory block at kibos secondary school



3.construction of a multipurpose hall at kibos secondary school



4.construction of ragumo police station



5.construction of two bedroom twin staff houses at Kibos secondary school

EMERGING ISSUES

Employee turnover, employee job security due to political transition.
Repeal of sports under the NGCDF function.
Political unrest in the country.

CHALLENGES

The few challenges that my team experienced was the political environment we were in and the high number of needy cases in both secondary and tertiary institutions. With these funds, we have been able to initiate and complete a number of projects. Our focus in the year was improvement of educational infrastructure security infrastructure where close to 60% of the funds were allocated to these initiatives.

Utilization of funds stood at 78% as compared to 66% in the year 2022/23. This was an increase compared to 2022/23 financial year which was due to improvement by the board in funds disbursement for the period under review.

With my team, our aim is to leverage the utilization of funds to ensure that the constituency is able to develop as quickly as possible while ensuring transparency and accountability in all our activities.

I chairperson I would recommend that NGCDF BOARD disburse funds timely so as to meet the intended plans of the constituency.



.....
Name: Jackton Odhiambo Acholla
Chairman NGCDF Committee

4. Statement of Performance Against Predetermined Objectives for FY 2023/24

Introduction

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

The key development objectives of the **NGCDF KISUMU EAST Constituency 2023-2027** plan are to:

- a) Improving access to quality education through rehabilitation/renovation/ construction of infrastructure, bursaries in various primary, tertiary and secondary school within and without the constituency.
- b) Harnessing youth talent by funding youth sporting initiatives, creating awareness of youth development and promotion of youth talent
- c) Enhancing security in the constituency by construction of infrastructure in security and administration establishments within the constituency.
- d) Improving the tracking of implementation of NGCDF programs through robust Monitoring and Evaluation of projects
- e) Promoting performance management and smooth running of NGCDF office
- f) Catering for any unforeseen occurrences in the constituency through emergency support.
- g) Enhancing social security programmes through NHIF to the PWD, old age, youth and the vulnerable in the society.

Progress on the attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development

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outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Sector	Objective	Outcome	Indicator	Performance
Education and Bursary	To Improve access, affordability and availability of quality education to all school going children.	<ul style="list-style-type: none"> Adequate and conducive environment in terms of classrooms, library, laboratories, dormitories, halls to be used outcomes. Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions 	<ul style="list-style-type: none"> number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary beneficiaries at all levels 	<p>In FY 23/24</p> <p>26 new classrooms were constructed in primary schools and 3 in secondary schools.</p> <p>Fencing was done in one primary school.</p> <p>In terms of bursary disbursed, approximately 2500 benefited in secondary schools and 1500 in tertiary institutions. 1500 vulnerable benefited from social security programme.</p>

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Security	To enhance security within the constituency	Improved security and provision of services to constituents within the constituency	- Number of chiefs, ACC, DCC, assistant chief offices constructed. Number of police posts, stations constructed or rehabilitated	1 police post constructed to completion. 2.purchase of land at chiga police station.
Environment	To promote environment sustainability in the constituency	Enhanced environmental conservation efforts and increased green cover.	Number of trees planted Number of Biogas (green environment) projects	
Disaster Management/emergency	To cater for any unforeseen occurrences in the constituency	Reduced response time to improve disaster management.	Number of response units established, disaster response time, number of people assisted during emergencies.	Construction to completion of twenty-four door toilets PWD compliance which serves over 2000 students.

5. Governance Statement

a. NG-CDFC process of appointment

Section 43(1), (2), (3) and (4) of the National Government Constituencies Development Fund (NG-CDF) Act state that:

1. there is established a National Government Constituency Development Fund Committee for every constituency.
2. Constituency Committee Shall comprise of:
 - a) the national government official responsible for co-ordination of national government functions.
 - b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
 - c) two women nominated in accordance with subsection (3) one of Whom shall be a youth at the date of appointment;
 - d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
 - e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
 - f) the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
 - g) one member co-opted by the Board in accordance with regulations made by the Board
3. The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe. The names of the persons selected under sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the board. The current NGCDFC members were gazetted in 16th December 2022 and the first meeting was held in 11th January 2023

The persons appointed are drawn from different groupings as follows:

- Male Adult-Jackton Achola-Chairman
- Male youth –Zachary Odida- Member
- Female adult—Donna Otieno- Secretary
- Female youth—Lilian Aloys - Member
- PWD REP—George Pete -Member
- CO-opted Member-John Ondele - Member
- Nominee of constituency Office-George Odere - Member
- Nominee of constituency Office-Susan Nunda - Member

b. NG-CDFC Tenure

The NG-CDFC tenure is two years from the time of gazettelement.

c. The Role of the Constituency Committee

1. Project Identification: Committee members identify development projects that align with the needs and priorities of their constituencies.
2. Project Planning: They participate in the planning of projects, ensuring they are feasible, cost-effective, and beneficial to the community.
3. Budget Allocation: Committee members allocate funds from the Constituencies Development Fund (CDF) to approved projects, considering their potential impact and importance.
4. Project Monitoring: They monitor the implementation of projects, ensuring they are carried out according to the agreed-upon plans and timelines.
5. Accountability: Committee members are responsible for ensuring transparency and accountability in the use of allocated funds, making sure they are properly utilized and not misappropriated.
6. Community Engagement: They engage with the local community to gather input and feedback on development priorities and projects, fostering community participation.
7. Evaluation: After completion, they evaluate the outcomes and impact of projects to assess their effectiveness in addressing the constituency's needs.
8. Reporting: Committee members report on the progress and outcomes of projects to relevant authorities, constituents, and other stakeholders.

9. Conflict Resolution: They may address conflicts and issues that arise during project implementation and ensure that disputes are resolved in a fair and timely manner.

10. Advocacy: Committee members may advocate for additional resources and support for their constituencies from the national government and other relevant institutions.

11. Capacity Building: They may facilitate training and capacity-building initiatives for local communities to empower them in participating effectively in development processes.

12. Policy Recommendations: Based on their experiences and observations, committee members can provide insights and recommendations to the government for improving development policies and strategies.

Overall, the roles and functions of NG-CDF committee members in Kenya aim to promote inclusive and sustainable development at the constituency level.

d. Removal of a member

a. Misconduct Evaluation: In case of complaints or alleged misconduct against a committee member, the CDF Implementation Committees investigate the matter.

b. Disciplinary Measures: If the allegations are found to be true, the CDF Implementation Committees may recommend disciplinary measures such as suspension, retraining, or removal to the NG-CDF Board.

c. NG-CDF Board Evaluation: The NG-CDF Board evaluates the recommendation and decides whether to enforce the recommended disciplinary measures or removal.

d. Approval: If the NG-CDF Board approves the removal, the Minister in charge of Finance undertakes the necessary steps to officially remove the committee member.

It is important to note that the precise details and procedures may vary slightly as per the CDF Act and any subsequent regulations or guidelines issued by the relevant authorities.

e. NG-CDFC Induction and training

Induction was held in Eldoret at Starbucks hotel in February 2023 to highlight on their roles on NGCDF mandate and Act .

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f. Number of meetings:

NG-CDF Act Section 13 stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Kisumu East Constituency, the NG-CDF Committee conducted 9 meetings.

	Name of committee member	Meetings held								
		11/01/23	19/01/23	31/01/23	08/02/23	01/03/23	19/04/23	15/06/23	25/07/23	11/08/23
1	Jackton Achola	√	√	√	√	√	√	√	√	√
2	Donna Otieno	√	√	√	√	√	√	√	√	√
3	Lilian Aloys	√	√	√	√	√	√	√	√	√
4	Zachary Odida	√	√	√	√	√	√	√	√	√
5	George Ondere	√	√	√	√	√	√	√	√	√
6	John Ondele	√	√	√	√	√	√	√	√	√
7	Susan Nunda	√	√	√	√	√	√	√	√	√
8	George Pete	√	√	√	√	√	√	√	√	√
9	June Saliku	√	√	√	√	√	√	√	√	√

g. Remuneration Rates

. Remuneration: The remuneration of NGCDFC members may be through; considerations for allowances, stipends, and other benefits.

h. Disclose the policy on conflict of interest

The Members are required to declare any conflict during meetings, which whenever declared, would be recorded in the minutes and in the register.

i. Succession plan

Vacancies arising as a result of the removal or end of tenure of the members of the Constituency Committee, the vacancy shall be filled in the manner set out in section 43 and minutes of the meeting shall indicate the fact of the removal or appointment of members.

j. Ethics and code of conduct

The NG-CDFC members shall be of good conduct and adhere to chapter six of the constitution and shall not have any trail of criminal record. Members shall not indulge in any act in contravention the act and other law, policy regulations that govern operations of NG-CDF.

k. Risk Management

The constituency has a risk policy which they observe and are required to maintain a risk register. The constituency has the following responsibilities.

To assist in ensuring all internal policies, procedures, standards and control are complied with.

To provide a greater level of transparency into the operations of the fund.

To enable the fund follow best practice in risk management.

To establish current level of risk within the constituency.

To enable the constituency detect any forthcoming risks and taka the necessary actions.

6. Environmental and Sustainability Reporting

KISUMU EAST 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 KISUMU EAST NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. Education and Training:** KISUMU EAST Constituency's focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers, thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalized groups, including girls and people living with disabilities.

- b. Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

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

2. Environmental performance

Purchase of tanks, tree planting within the constituency and construction of gabions are among the environmental activities carried out within the constituency.

3. Employee welfare

We invest in providing the best working environment for our employees. Kisumu East 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. Kisumu East constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

4. Market place practices-

KISUMU EAST Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

KISUMU EAST Constituency 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

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

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision. The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

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



.....
**Name: Rotich Kiptoon
Fund Account Manager.**

KISUMU EAST NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
FUND ACCOUNT MANAGER
P.O. BOX 3618 - 40100, KISUMU

7. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-KISUMU EAST Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The Accounting Officer in charge of the NGCDF-KISUMU EAST Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency*'s financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2024, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- KISUMU EAST 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.


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Kisumu East Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2024*

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

Approval of the financial statements

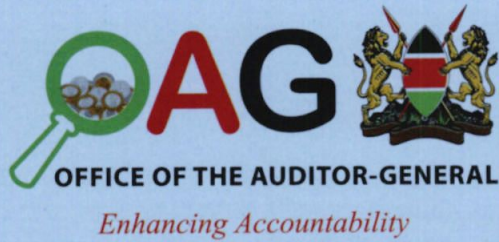
The NGCDF- KISUMU EAST Constituency financial statements were approved and signed by the Accounting Officer on 30/09 2024.


.....
Name: Jackton Odhiambo Acholla
Chairman – NGCDF Committee


.....
Name: Rotich Kiptoon
Fund Account Manager

KISUMU EAST NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
FUND ACCOUNT MANAGER
P.O. BOX 3618 - 40100, KISUMU

REPUBLIC OF KENYA



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kisumu East Constituency set out on pages 1 to 48,

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

which comprise of the statement of assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the 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 and comply with the National Government Constituencies Development Fund (NG-CDF) - Kisumu East Constituency as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with and comply with the National Government Constituencies Development Fund (NG-CDF) Act, 2023 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Project Management Committee (PMC) Bank Account Balances

The other important disclosures under Note 19.4 to the financial statements reflects a balance of Kshs.32,511,091 relating to Project Management Committee (PMC) balances which, as disclosed in Annex 5, represents bank account balances for ninety (90) Project Management Committees. However, cash books, bank statements and certificates of bank balances for the ninety (90) bank accounts were not provided for audit review.

In the circumstances, the accuracy and completeness of the PMC bank account balances of Kshs.32,511,091 could not be confirmed.

2. Lack of Land Ownership Documents

The statement of receipts and payments and as disclosed under Note 9 to the financial statements reflects an amount of Kshs.5,000,000 in respect to acquisition of land. However, the land ownership documents, land valuation report and land plans were not provided for audit.

In the circumstances, the ownership status for the parcel of land purchased worth Kshs.5,000,000 could not be confirmed

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the and comply with the National Government Constituencies Development Fund - Kisumu East 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 audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects a final receipts budget and actual on comparable basis of Kshs.311,774,108 and Kshs.251,978,515 respectively resulting to an underfunding of Kshs.59,795,593 or 19% of the budget. Similarly, The Fund spent a total of Kshs.234,306,671 against an approved budget of Kshs.311,774,108 resulting to an under expenditure of Kshs.77,467,437 or approximately 24.8% of the budget. The underfunding and underperformance affected the planned activities of the Kisumu East Constituency and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management had not resolved the issues as at 30 June, 2024.

Other Information

Conclusion

Management is responsible for the Other Information set out on page iii to xxiv which comprise of Key Entity Information and Management, The Board of Management, NG-CDF Chairman's Report, Statement of Performance Against Fund's Predetermined Objectives, Governance Statement, Environmental and Sustainability Reporting, and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit

or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information and I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Review of the project implementation status report for the year 2023/22024 revealed incomplete projects that should have been completed in the year.

1. Proposed Construction of an Administration Block at Nyamasaria Secondary School.

The statement of receipts and payments reflects transfers to other government units amount of Kshs.86,390,830 and as disclosed in Note 7 to the financial statements. This amount includes Kshs.27,492,000 transfers to secondary school out of which, amount of Kshs.4,400,000 was disbursed to Nyamasaria Secondary School for construction of an administration block at Nyamasaria Secondary School at a contract sum of Kshs.6,389,416. However, the signed contract agreement reflects contract duration of 8 weeks from the date of handover of the site to the contractor, which was done the same day the contract was signed on 31 January, 2024 hence the construction was expected to be completed by April 2024. No request for extension of contract period was applied for by the contractor since the contract period had elapsed and the progress of the works was at 98%. This was contrary to Section 68 (2) of the Public Finance Management Act, 2012 which states that in the performance of a function under subsection (1), an accounting officer shall—(d) ensure that all contracts entered into by the entity are lawful and are complied with.

2. Proposed Construction of 8 no Classrooms at Nyamonge Primary School.

The statement of receipts and payment reflects transfers to other government units amount of Kshs.86,390,830 and as disclosed in Note7 to the financial statements. This amount includes Kshs.58,898,830 transfers to primary schools out of which, amount of Kshs.10,000,000 was disbursed to Nyamonge Primary School

Review of contract records revealed that the contract between the Contractor and the School was signed on 15 March, 2022 at a contract sum of Kshs.21,206,031 for the construction of 8 no classrooms at Nyamonge Primary School. The contract period was for 5 months from the date the contractor possessed the site which was on 15 March, 2022 and the expected date of completion was 15 August, 2022. The contractor never requested for extension of the contract period. However, the Monitoring and Evaluation report done on 28 August, 2024 showed that there were some works pending which were still being done as at that time. The handing over report showed that the building was handed over on 6 September, 2024 which was past the contract period. No explanation on why the contractor did the works past the contract period and the reasons as to why the contractor did not comply with his signed work plan.

The Management was therefore in breach of the law and Public may not have received value for money.

3. Proposed Construction of 8 no Classrooms at Mbeme Primary School

The statement of receipts and payment reflects transfers to other government units amount of Kshs.86,390,830 and as disclosed in Note 7 to the financial statements. This amount includes Kshs.58,898,830 transfers to primary schools out of which, amount of Kshs.10,000,000 was disbursed to Mbeme Primary School.

The contract agreement was signed on 10 March, 2022 at a contract sum of Kshs.21,250,330 for the construction of 8 no classrooms at Mbeme Primary School. The possession of the site by the contractor was done on 10 March, 2022 and the agreed contract duration was for 6 months and the project was expected to be completed by 14 September, 2022. As per the inspection report of the project done on 15 September, 2023, the project was at 80% completion but during the project verification done on 28 November, 2024 the building was in use. The project was completed on 28 November, 2023 and was handed over on 21 December, 2023 which was past the contract period time.

No request for extension of the contract period was done by the contractor although the works were done past the contract period.

Lack of a Strategic Plan

Review of the records revealed that the Kisumu East Constituency (NG-CDF) does not have a strategic plan and it is not clear how the Management will work towards attaining the vision for the future and identify the Fund's goals and objectives.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern

them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

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 controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance

with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 December, 2024

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

9. Statement of Receipts and Payments for the Year Ended 30th June 2024

	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	198,087,603	98,288,879
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
Total Receipts		198,087,603	98,288,879
Payments			
Compensation of Employees	4	2,173,419	2,030,891
Committee expenses	5	8,968,640	4,820,390
Use of Goods and Services	6	10,008,548	6,137,507
Transfers to Other Government Units	7	86,390,830	5,900,000
Other Grants and Transfers	8	120,071,778	40,192,734
Acquisition of Assets	9	5,000,000	-
Other Payments	10	1,693,456	-
Total Payments		234,306,671	59,081,522
Surplus/(Deficit)		(36,219,068)	39,207,357

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

The Constituency financial statements were approved by the NGCDFC on 30/09 2024 and signed by:



**Chairman NG-CDF
Committee
Name: Jackton Achola**



**Fund Accountant Manager
Name: Rotich Kiptoon**



**National Sub-County
Accountant
Name: Cynthia Leting
ICPAK M/No:**


KISUMU EAST NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
FUND ACCOUNT MANAGER
P.O. BOX 3618 - 40100, KISUMU

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


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

	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	11A	17,671,844	53,890,912
Cash Balances	11B	-	-
Total Cash and Cash Equivalents		17,671,844	53,890,912
Accounts Receivable			
Outstanding Imprests	12	-	-
Total Financial Assets (A)		17,671,844	53,890,912
Financial Liabilities			
Accounts Payable			
Retention	13	-	226,867
Gratuity	14	-	-
Total Financial Liabilities (B)			226,867
Net Financial Assets (A-B)		17,671,844	53,664,045
Represented By			
Fund Balance B/Fwd	15	53,890,912	14,456,688
Prior Year Adjustments	16	-	-
Surplus/(Deficit) for The Year		(36,219,068)	39,207,357
Net Financial Position		17,671,844	53,890,912

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NGCDFC on 30/06/2024 and signed by:


.....
Chairman NG-CDF
Committee
Name: : Jackton Achola


.....
Fund Accountant Manager
Name: Rotich Kiptoon


.....
National Sub-County
Accountant
Name: Cynthia Leting

ICPAK M/No:
FUND ACCOUNT MANAGER
P.O. BOX 3618 - 40100, KISUMU

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

11. Statement Of Cash Flows for the Year Ended 30th June 2024

	Notes	2023-2024	2022-2023
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	198,087,603	98,288,879
Other Receipts	3	-	-
Total Receipts		198,087,603	98,288,879
Payments			
Compensation of Employees	4	2,173,419	2,030,891
Committee Expenses	5	8,968,640	4,820,390
Use of Goods and Services	6	10,008,548	6,137,507
Transfers to Other Government Units	7	86,390,830	5,900,000
Other Grants and Transfers	8	120,071,778	40,192,734
Other Payments	10	1,693,456	-
Total Payments		229,306,671	59,081,522
Total Receipts Less Total Payments		-	-
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) in Accounts Receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		(31,219,068)	39,207,357
Cashflow From Investing Activities			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(5,000,000)	-
Net Cash Flows from Investing Activities		(5,000,000)	-
Net Increase in Cash & Cash Equivalent		(36,219,068)	39,207,357
Cash & Cash Equivalent at Start of the Year	11	53,890,912	14,683,555
Cash & Cash Equivalent at End of the Year	11	17,671,844	53,890,912

*National Government Constituencies Development Fund (NGCDF)
Kisumu East Constituency
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12. Summary Statement of Appropriation for The Year Ended 30th June 2024

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 %
	2023/2024	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2023/2024	2023/2024		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	189,795,593	53,890,912	68,087,603	311,774,108	251,978,515	59,795,593	81%
Proceeds From Sale of Assets				-	-	-	0%
Other Receipts							0%
Totals	189,795,593	53,890,912	68,087,603	311,774,108	251,978,515	59,795,593	81%
Payments							
Compensation of Employees	3,005,432	412,700	-	3,418,132	2,173,419	1,244,713	64%
Committee Expenses	5,771,000	5,692,977	-	11,463,977	8,968,640	2,495,337	78%
Use of Goods and Services	7,012,592	1,914,320	1,101,083	10,027,995	10,008,548	19,447	100%
Transfers to Other Government Units	62,692,000	17,398,500	25,700,330	105,790,830	86,390,830	19,400,000	82%
Other Grants and Transfers	105,114,569	28,472,415	34,286,190	167,873,174	120,071,778	47,801,396	72%
Acquisition of Assets	-	-	5,000,000	5,000,000	5,000,000	-	100%
Other Payments	6,200,000	-	2,000,000	8,200,000	1,693,456	6,506,544	21%
Funds Pending Approval**				-		-	
Totals	189,795,593	53,890,912	68,087,603	311,774,108	234,306,671	77,467,437	75%

(a) [All revenues relate to allocation from the NGCDF Board. The utilization of receipts stands at 81% because the NGCDFB has not disbursed kshs 189,795,593 which represents 100% of the allocation for the year 2023/2024.]

(b)

- i. Compensation of employees has a utilization rate of 64%. The difference 36% represents the three year's gratuity not paid.
- ii. Committee expenses has a utilization of 78% and the difference is the amount not yet disbursed by the Board.

**National Government Constituencies Development Fund (NGCDF)
Kisumu East Constituency
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- iii. Use of goods and services comprise a utilization rate of 100% which represents optimum utilization.
- iv. Transfers to other government units is at 82%. The difference of 18% represents the late disbursement of funds by the Board.
- v. Other grants of 72%. The difference of 18% represents the late disbursement of funds by the Board.
- vi. Acquisition of Assets is optimally utilized.
- vii. Other payments include implementation of Kisumu East NGCDF strategic plan 2023-2027 and constituency ICT hub that has not been fully implemented due to late disbursement of funds. The funds had not been received fully by the closure of financial year 2023/2024 thus lack of implementation of the above.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	77,467,437
Less undisbursed funds receivable from the Board as at 30 th June 2024	59,795,593
	17,671,844
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 th June 2024	17,671,844

The Constituency financial statements were approved by NG CDFC on 25/09 2024 and signed by:



Fund Account Manager

Name: Rotich Kiptoon



National Sub-County Accountant

Name: Cynthia Leting
ICPAK M/No:



Chairman NG-CDF Committee

Name: Jackton Achola

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

13. Budget Execution By Sectors And Projects For The Year Ended 30th June 2024

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,005,432	412,700	-	3,418,132	2,173,419	1,244,713
1.2 Committee allowances	4,047,000	2,285,110	-	6,332,110	5,469,973	862,137
1.3 Use of goods and services	3,463,592	1,302,179	650,000	5,415,771	5,415,771	-
Sub-total	10,516,024	3,999,989	650,000	15,166,013	13,059,163	2,106,850
2.0 Monitoring and evaluation						
2.1 Capacity building	1,820,000	47,630	-	1,867,630	1,867,630	-
2.2 Committee allowances	1,724,000	3,407,867	-	5,131,867	3,498,667	1,633,200
2.3 Use of goods and services	1,729,000	564,511	451,083	2,744,594	2,725,147	19,447
Sub-total	5,273,000	4,020,008	451,083	9,744,091	8,091,444	1,652,647
3.0 Constituency Oversight Committee (Itemize as per budget)						
Members allowance	-	-	-	-	-	-
Other committee expenses	-	-	-	-	-	-

National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
Sub-total	-	-	-	-	-	-
4.0 Emergency						
4.1 Primary Schools	9,229,569	4,599,247	1,636,190	15,465,006	14,256,480	1,208,526
4.2 Secondary schools	-	-	-	-	-	-
4.3 Tertiary institutions	-	-	-	-	-	-
4.4 Security projects	-	-	-	-	-	-
Sub-total	9,229,569	4,599,247	1,636,190	15,465,006	14,256,480	1,208,526
5.0 Bursary and Social Security						
5.1 Primary Schools	-	-	-	-	-	-
5.2 Secondary Schools	27,571,217	5,259,300	-	32,830,517	32,081,500	749,017
5.3 Tertiary Institutions	15,000,000	951,168	600,000	16,551,168	1,488,298	15,062,870
5.4 Universities	-	-	-	-	-	-
5.5 Education Support Programmes	-	-	-	-	-	-
5.6 Social Security	9,480,000	6,000,000	-	15,480,000	13,859,000	1,621,000
Sub-total	52,051,217	12,210,468	600,000	64,861,685	47,428,798.	17,432,887
6.0 Sports						
Kisumu East Constituency Sports Tournament	-	-	850,000	850,000	687,000	163,000
Regional Sports Tournament	-	162,700	-	162,700	-	162,700

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Sub-total	-	162,700	850,000	1,012,700	687,000.	325,700
7.0 Environment						
Kibos Pri School(Water Tank)	-	100,000	100,000	200,000	100,000	100,000
Ofunyu Pri School(Water Tank)	-	100,000	100,000	200,000	100,000	100,000
St Ohn Oriang Pri Sch(Water Tank)	-	100,000	100,000	200,000	100,000	100,000
Masawa Pri Sch(Water Tank)	-	100,000	100,000	200,000	100,000	100,000
Got Nyabondo Sec Sch(Water Tank)	-	100,000	100,000	200,000	99,500	100,500
Mayhatta Chiefs Office-Seedlings	33,783	-	-	33,783	-	33,783
Sub-total	33,783	500,000	500,000	1,033,783	499,500.	534,283
8.0 Primary Schools Projects (List all the Projects)						
Rarieda Kaloo Pri. School-Ren	-	-	450,000	450,000	450,000.	-
Ogango Pri School	-	398,500	-	398,500	398,500.	-
Kunya Pri School	-	400,000	-	400,000	400,000.	-
Okok Pri School	-	650,000	-	650,000	650,000.	-
Rae Kajulu Pri School	-	600,000	-	600,000	600,000.	-
Kibos Pri Scool	-	4,500,000	-	4,500,000	4,500,000	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Tido Pri(2 Classes Jss Ng-Cdf)	3,000,000	-	-	3,000,000	-	3,000,000
Bukna Pri(2 Classes Jss Moe)	3,000,000	-	-	3,000,000	3,000,000	-
Okok Pri(2 Classes Jss Moe)	3,000,000	-	-	3,000,000	3,000,000	-
Obwolo Pri(2 Classes Jss Moe)	3,000,000	-	-	3,000,000	3,000,000	-
Kianja Pri(2 Classes Jss Moe)	3,000,000	-	-	3,000,000	3,000,000	-
St Marys Mayenya Pri (1 Class Jss Moe)	1,500,000	-	-	1,500,000	-	1,500,000
St Marys Mayenya Pri (1 Class Jss Moe)	1,500,000	-	-	1,500,000	-	1,500,000
Sub-total	32,400,000	12,898,500	25,000,330	70,298,830	58,898,830	11,400,000
9.0 Secondary Schools Projects (List all the Projects)						
St Albert Angira Sec(2 Classes)	3,000,000	-	-	3,000,000		3,000,000
Dr Aloo Gumbi Mss (Fencing)	2,000,000	-	-	2,000,000		2,000,000
St Aloys Mayenya Ss (2 Classes)	3,000,000	-	-	3,000,000		3,000,000
Nyamasaria Ss (Admin Block)	4,400,000	-	-	4,400,000	4,400,000	-
Kibos Ss (100 Doule Decker Beds)	2,200,000	-	-	2,200,000	2,200,000	-
Kibos Ss(Isuzu 46 Seater Sch Bus)	10,892,000	-	-	10,892,000	10,892,000	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Renja Sec. School- Lab	4,800,000	-	-	4,800,000	4,800,000	-
Got Nyabondo Sec School- Fencing	-	-	700,000	700,000	700,000	-
Nyamasaria Sec School	-	2,000,000	-	2,000,000	2,000,000	-
Got Nyabondo Sec School- Fencing	-	500,000	-	500,000	500,000	-
Kibos Sec School	-	2,000,000	-	2,000,000	2,000,000	-
Sub-total	30,292,000	4,500,000	700,000	35,492,000	27,492,000	8,000,000
10.0 Tertiary institutions Projects (List all the Projects)						
10.1						
10.2						
10.3						
Sub-total						
11.0 Security Projects						
Chiga Police Station	14,000,000	-		14,000,000	13,700,000	300,000
Kasagam Police Station(Admin Block)	29,800,000	-	20,000,000	49,800,000	31,800,000	18,000,000
Gita Police Post	-	-	700,000	700,000	700,000	-
Ragumo Police Station	-	900,000	-	900,000	900,000	-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Gita Acc Office	-	4,000,000	-	4,000,000	4,000,000	-
Ragumo Police Station	-	2,100,000	-	2,100,000	2,100,000	-
Gita Acc Office	-	2,000,000	-	2,000,000	2,000,000	-
Kadero Ass Chiefs Office	-	1,000,000	-	1,000,000	1,000,000	-
Buoye Ass Chiefs Office	-	1,000,000	-	1,000,000	1,000,000	-
Ragumo police station			10,000,000	10,000,000		10,000,000
Sub-total	43,800,000	11,000,000	30,700,000	85,500,000	57,200,000	28,300,000
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)	-		-	-		-
12.2 Construction of CDF office	-		-	-		-
12.3 Purchase of furniture and equipment	-		-	-		-
12.4 Purchase of computers	-		-	-		-
12.5 Purchase of land	-	-	5,000,000	5,000,000	5,000,000	-
Sub-total	-	-	5,000,000	5,000,000	5,000,000	-
13.0 Others						
13.1 Strategic Plan	1,400,000	-	2,000,000	3,400,000	1,693,456	1,706,544
13.2 Innovation Hub	4,800,000	-	-	4,800,000		4,800,000
13.2	-	-	-	-		-

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Funds pending approval**	-	-	-	-		-
Sub-total	6,200,000	-	2,000,000	8,200,000	1,693,456	6,506,544
Total	189,795,593	53,890,912	68,087,603	311,774,108	234,306,671	77,467,437

14. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for:

- Receivables that include imprests
- Payables that include gratuity and retentions.

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Recognition of Receipts

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

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

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

b. Proceeds from the Sale of Assets

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

c. Other receipts

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

d. Unutilized Funds from PMCs.

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

e. External Assistance

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

5. Recognition of payments

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

a) Compensation of Employees

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

b) Use of Goods and Services

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

c) Acquisition of Fixed Assets

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

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

6. In-kind contributions

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

7. Cash and Cash Equivalents

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

8. Accounts Receivable

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

9. Accounts Payable

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

10. Pending Bills

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

11. Unutilized Fund

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

12. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 20XX to 30th June 20XX as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

13. Comparative Figures

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

14. Subsequent Events

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

15. Prior Period Errors

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by i. restating the comparative

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amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restate the opening balances of assets, liabilities, and net assets/equity for the earliest prior period presented. During the year, no errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

16. Related Party Transactions

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

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15. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2023/2024	2022/2023
NGCDF Board	Kshs	Kshs
AIE NO.B214050	10,000,000	-
AIE NO.B214638	20,000,000	-
AIE NO.B214470	33,087,603	-
AIE NO.B225083	30,000,000	-
AIE NO.B225366	5,000,000	-
AIE NO.B226081	30,000,000	-
AIE NO.B226337	10,000,000	-
AIE NO.B214784	30,000,000	-
AIE NO.B226456	30,000,000	-
AIE NO B 185121	-	7,000,000
AIE NO B185662	-	21,000,000
AIE NO B206155	-	5,000,000
AIE NO B206421	-	12,000,000
AIE NO B205793	-	12,000,000
AIE NO B205663	-	100,000
AIE NO B205669	-	11,188,879
AIE NO B207655	-	15,000,000
AIE NO B207815	-	15,000,000
TOTAL	198,087,603	98,288,879

2. Proceeds From Sale of Assets

	2023/2024	2023/2024
	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

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

4. Compensation Of Employees

	<i>2023/2024</i>	<i>2022/2023</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,780,903	1,652,091
Personal allowances paid as part of salary		-
House Allowance	174,000	174,000
Transport Allowance	90,000	90,000
Leave allowance	50,000	50,000
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	43,908	64,800
Employer Contributions Compulsory Housing levy	31,709	-
Employer contributions to National Industrial Training Authority	2,900	-
Total	2,173,419	2,030,891

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5. Committee Expenses

	<i>2023/2024</i>	<i>2022/2023</i>
	Kshs	Kshs
A. NG CDFC		
Sitting allowance	672,000	182,000
Other committee expenses	8,296,640	4,638,390
Sub total	8,968,640	4,820,390
B. Constituency Oversight Committee		
Allowances	-	-
Other committee expenses	-	-
Sub total	-	-
Total (A+B)	8,968,640	4,820,390

6. Use of Goods and services

	<i>2023/2024</i>	<i>2022/2023</i>
	Kshs	Kshs
Utilities, supplies and services	396,251	424,415
Communication, supplies and services	67,410	57,990
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	107,619	-
Rentals of produced assets	-	-
Training expenses	1,570,330	2,393,505
Hospitality supplies and services	-	-
Insurance costs	131,730	-
Specialized materials and services	399,340	252,000
Office and general supplies and services	1,480,099	501,434
Fuel, oil & lubricants	920,000	150,000
Bank Charges	254,748	-
Other operating expenses	2,967,914	436,110
Routine maintenance – vehicles and other transport equipment	830,927	198,060
Routine maintenance – other assets	-	953,173
Other operating expenses	882,180	770,820
Total	10,008,548	6,137,507

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7. Transfer To Other Government Units

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfers To Primary Schools	58,898,830	5,900,000
Transfers To Secondary Schools	27,492,000	-
Transfers To Tertiary Institutions	-	-
Total	86,390,830	5,900,000

8. Other Grants and Other transfers

	2023/2024	2022/2023
	Kshs	Kshs
Bursary – secondary schools	32,081,500	14,008,000
Bursary – tertiary institutions	1,488,298	7,270,000
Bursary – special schools	-	-
Bursary- education support programmes	-	-
Social Security programmes (NHIF)	13,859,000	-
Security projects	57,200,000	11,499,000
Sports projects	687,000	497,800
Environment projects	499,500	1,997,984
Emergency projects	14,256,480	4,919,950
Roads projects	-	-
Total	120,071,778	40,192,734

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9. Acquisition Of Assets

	<i>2023/2024</i>	<i>2022/2023</i>
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	5,000,000	-
Acquisition Intangible Assets		
Total	5,000,000	-

10. Other Payments

	<i>2023/2024</i>	<i>2022/2023</i>
	Kshs	Kshs
Strategic plan	1,693,456	-
ICT Hub	-	-
Others (<i>specify</i>)		-
Total	1,693,456	-

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11. Cash and Cash Equivalents

Name of Bank and Account No.	2023/2024	2022/2023
	Kshs	Kshs
11A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank Kisumu main branch(0290262014425)</i>	17,671,844	53,890,912
<i>Operation account pending closure (Indicate name & account no.)</i>	-	-
<i>Name of Bank, account No. (Deposit)</i>	-	-
Total	17,671,844	53,890,912
11B: Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

12. Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total		-	-	-

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13. Retention

	<i>2023/2024</i>	<i>2022/2023</i>
	KShs	KShs
Retention as at 1 st July (A)	-	226,867
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	226,867

Retentions aging analysis.

	<i>2023/2024</i>	% of the total Retention	<i>2022/2023</i>	% of the total Retention
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	226,867	100%	226,867	%
Total	226,867		226,867	

14. Gratuity

	<i>2023/2024</i>	<i>2022/2023</i>
	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	-	-

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Gratuity aging analysis

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

15. Fund Balance B/F

	(1st July 2023-1)	(1st July 2022-2)
	Kshs	Kshs
Bank accounts	53,890,912	14,683,555
Cash in hand	-	-
Imprest	-	-
Total	53,890,912	14,683,555
Less		
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	-	-

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16. Prior Year Adjustments

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

17. Changes In Accounts Receivable – Outstanding Imprests

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

18. Changes In Accounts Payable – Gratuities and Retentions

	2023/2024	2022/2023
	KShs	KShs
Gratuities and Retentions as at 1 st July (A)	-	-
Gratuities and Retentions held during the year (B)	-	-
Gratuities and Retentions paid during the Year (C)	-	-
Closing account payables D= A+B-C	-	-
Net changes in accounts payables D-A	-	-

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19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

Aging Analysis for Pending Accounts Payables

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

19.2: Pending Staff Payables (See Annex 2)

	<i>2023/2024</i>	<i>2022/2023</i>
	Kshs	Kshs
NGCDFC Staff	-	828,000
Others (<i>specify</i>)	-	-
Total	-	828,000

Aging Analysis for staff Payables

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

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19.3: Unutilized Fund (See Annex 3)

	<i>2023/2024</i>	<i>2022/2023</i>
	Kshs	Kshs
Compensation of employees	1,244,713	1,538,428
Committee expense	2,495,337	18,996
Use of goods and services	19,447	65,093
Amounts due to other Government entities	19,400,000	57,500,000
Amounts due to other grants and other transfers	47,801,396	54,685,998
Acquisition of assets	-	-
Other Payments (specify)	6,506,544	3,152,000
Funds pending approval	-	5,018,000
Total	77,467,437	121,978,516

19.4: PMC account balances (See Annex 5)

	<i>2023/2024</i>	<i>2022/2023</i>
	Kshs	Kshs
PMC account balances	32,511,091.07	8,847,260.97
Total	32,511,091.07	8,847,260.97

19.5 Related Party Transactions

	<i>2023/2024</i>	<i>2022/2023</i>
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	672,000	182,000
Transaction with the NGCDF Board		
Receipts from the NGCDF Board during the year	198,087,603	98,288,879.30
Total	198,087,603	98,288,879.30

16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 20xx	Comments
NG-CDFC Staff				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance		Comments
		2023-2024	2022-2023	
1.0 Administration and recurrent				
1.1 Compensation of employees	salaries and gratuity	1,244,713	1,538,428	ongoing
1.2 Committee allowances	committee expenses	862,137	18,996	complete
1.3 Use of goods and services	office operations	-	65,093	ongoing
Sub-Total		2,106,850	1,622,517	
2.0 Monitoring and evaluation				
2.1 Capacity building	training expenses	-	0	complete
2.2 Committee allowances	committee expenses	1,633,200	0	complete
2.3 Use of goods and services	office operations	19,477	1152000	ongoing
			0	
Sub-Total		1,208,526	1,152,000	
4.0 Emergency				
4.1 Primary Schools	EMERGENCY	1,208,526	9,004,114	ongoing

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2023-2024	2022-2023	
4.2 Secondary schools		-		
4.3 Tertiary institutions		-		
4.4 Security projects		-		
Sub-total		1,208,526	9,004,114	
5.0 Bursary and Social Security				
5.1 Primary Schools		-		
5.2 Secondary Schools	bursary for needy students	749,017	533,500	ongoing
5.3 Tertiary Institutions	bursary for needy students	15,062,870	5,441,250	ongoing
5.4 Universities		-		
5.5 Education Support Programmes		-		
5.6 Social Security	social programme	1,621,000	7,116,000	ongoing
Sub-Total		17,432,887	13,090,750	
6.0 Sports				

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2023-2024	2022-2023	
KISUMU EAST CONSTITUENCY SPORTS TOURNAMENT	sports	163,000	221,755	complete
REGIONAL SPORTS TOURNAMENT	sports	162,700	664,700	complete
			350,000	complete
Sub-Total		325,700	1,236,455	
7.0 Environment				
Kibos Pri School(Water Tank)	purchase of water tank	100,000	100,000	ongoing
Ofunyu Pri School(Water Tank)	purchase of water tank	100,000	100,000	ongoing
St Ohn Oriang Pri Sch(Water Tank)	purchase of water tank	100,000	100,000	ongoing
Masawa Pri Sch(Water Tank)	purchase of water tank	100,000	100,000	ongoing
Got Nyabondo Sec Sch(Water Tank)	purchase of water tank	100,500	100,000	ongoing
Mayhatta Chiefs Office-Seedlings	tree planting	33,783	2,833	ongoing
Nyamasaria Secondary School			2,016	complete

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2023-2024	2022-2023	
Sub-Total		534,283	504,849	
8.0 Primary Schools Projects				
(List all the Projects)				
St Marys Mayenya Pri (5 Door Toile)	construction of 5 door toilet	1,500,000		ongoing
Bwanda Primary Sch(6 Door Toilets)	construction of 6 door toilet	900,000		ongoing
Buoye Pri Sch(Const Of 2 Class-Jss Cdf)	construction of 2 classes	3,000,000		ongoing
Tido Pri(2 Classes Jss Ng-Cdf)	construction of 2 classes	3,000,000		ongoing
St Marys Mayenya Pri (1 Class Jss Moe)	construction of 1 class	1,500,000		ongoing
St Marys Mayenya Pri (1 Class Jss Moe)	construction of 1 class	1,500,000		ongoing
Nyamonge Pri. School- Desks	Purchase of 100 desks		500,000	complete

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Name	Brief Transaction Description	Outstanding Balance		Comments
		2023-2024	2022-2023	
Okok Pri. School- Adm Block	Completion of admin block		650,000	complete
Okok Primary School- Desks	Purchase of 30 desks		150,000	complete
Rarieda Kaloo Pri. School- Ren	Renovation of one classroom		450,000	complete
Kunya Primary School- Fencing	Fencing of 100m		400,000	complete
Rae Kaulu Pri. School- Ren	Renovation of two classrooms		600,000	complete
Rae Kajulu Pri. School- Desks	Purchase of 30 desks		250,000	complete
Oyola Pri. School- Fencing	Fencing of 400m fence		800,000	complete
Oyola Pri. School- Desks	Purchase of desks		150,000	complete
Ogango Pri. School- Fencing	Fencing of school compound		398,500	complete
Ongadi Pri. School- Ren	Renovation of classrooms		500,000	complete
Ongadi Pri. School- Desks	Purchase of desks		200,000	complete
Bwanda Primary School- Ren	Renovation of classrooms		500,000	complete
Renja Pri. School- Ren	Renovation of classrooms		800,000	complete

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2023-2024	2022-2023	
Renja Pri. School- Desks	Purchase of desks		150,000	complete
St. John'S Masawa Pri. School- Const	Construction of two classrooms		3,000,000	complete
St. John'S Masawa Pri. School- Desks	Purchase of desks		150,000	complete
Kibos Pri. School- Constr	Construction of 3 classrooms		4,500,000	complete
Kibos Pri. School- Desks	Purchase of desks		200,000	complete
St. Mary'S Mayenya Pri. School- Desks	Purchase of desks		200,000	complete
Otera Bahati Pri. School- Desks	Purchase of desks		250,000	complete
Alango Pri. School- Desks	Purchase of desks		200,000	complete
St. Francis Nyamonge Pri. School- Desks	Purchase of desks		200,000	complete
Omung'l Pri. School- Desks	Purchase of desks		200,000	complete
Mbeme Pri. School- Desks	Purchase of desks		500,000	complete
Nyamonge Pri. School(Comp)	Completion of 8 classrooms		11,200,000	complete
Mbeme Pri. School(Comp)	Completion of 8 classrooms		11,250,330	complete

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2023-2024	2022-2023	
Wandiege Primary Sch	Renovation of a classroom		100,000	complete
Wandiege Primary School-Land	Purchase of land		2,000,000	complete
Sub-Total		11,400,000	40,448,830	
9.0 Secondary Schools Projects (List all the Projects)				
ST ALBERT ANGIRA SEC(2 CLASSES)	construction of 2 classes	3,000,000		ongoing
DR ALOO GUMBI MSS (FENCING)	fencing	2,000,000		ongoing
ST ALOYS MAYENYA SS (2 CLASSES)	construction of 2 classes	3,000,000		ongoing
Got Nyabondo Sec School-Fencing	Fencing of school compound		700,000	complete
Nyamasaria Sec Sch-Admin Block	Construction of admin block		2,000,000	complete
Kibos Secondary School	Bursary to needy students		2,300,000	complete
Got Nyabondo Sec Sch	Purchase of land		2,000,000	complete
TTI	construction of TTI		10,000,000	complete

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Name	Brief Transaction Description	Outstanding Balance		Comments
		2023-2024	2022-2023	
Sub-Total		8,000,000	17,000,000	
11.0 Security Projects				
CHIGA POLICE STATION	const of police station	300,000		ongoing
KASAGAM POLICE STATION(ADMIN BLOCK)	cons of admin block	18,000,000		ongoing
Gita Acc'S Office	Construction of ACCs office		6,000,000	complete
Gita Police Post	Construction of police station		700,000	complete
Buoye Assistant Chiefs Office	Construction of chiefs office		1,000,000	complete
Kadero Assistant Chiefs Office	Construction of chiefs office		1,000,000	complete
Kasagam Police Station(Motorcycles)	Purchase of police motorcycles		201,000	complete
Koyango Chiefs Office-Land	Purchase of land		2,000,000	complete
Kasagam Police Station(Admin Block)	Construction of police station		20,000,000	complete
Ragumo police police station	Construction of police station	10,000,000		
Sub-Total		18,300,000	30,901,000	
13.0 Others				

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Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2023-2024	2022-2023	
13.1 Strategic Plan	strategic plan	1,706,544	2,000,000	ongoing
13.2 Innovation Hub	ict innovation hub	4,800,000		ongoing
Kisumu East NGCDF Office			5,000,000	
Funds pending approval		-	18,000	
Sub-Total		6,506,544	7,018,000	
Grand Total		77,467,437	121,978,515	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2022/2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2023/2024
Land	1,468,600	5,000,000	0	6,468,600
Buildings and structures	67,439,379	-	0	67,439,379
Transport equipment	3,857,017	-	0	3,857,017
Office equipment, furniture and fittings	1,267,575	-	0	1,267,575
ICT Equipment, Software and Other ICT Assets	1,122,299	-	0	1,122,299
Other Machinery and Equipment	-	-	0	-
Intangible assets				-
Total	75,154,870	5,000,000	0	80,154,870

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

PMC	Bank	Account number	Bank Balance 2023/2024	Bank Balance 2022/2023
Akado YOUTH polytechnic	Equity Kisumu	029026444800	4,811	4,811
Alango Primary School	Equity Kisumu	0290266615670	7,707	7,707
Ayaro Primary School	Equity Ang'awa	1260298195339	303,543	303,543
Bukna Primary School	Equity-Kisumu	0290282083839	7,712	7,712
Bungu Primary School	Equity-Kisumu	0290263688607	15,509	15,509
Buoye Assistant Chief's Office	-	-	52,200	-
Buoye primary school	Equity kisumu	0290299884397	52,200	52,200
Bwanda Primary School	Equity kisumu	0290266854359	5,325	1,001,503
Chiga Primary School	Equity-Kisumu	0290266900550	32,043	53,423
Dago Primary School	Equity kisumu	0290266392714	60,433	100,433
Dr Aloo Gumbi Mixed sec sch	Equity Kisumu	0290264050722	21,514	-
G.P Owiti Secondary School	Equity-Kisumu	0290282266329	113,765	213,765
Gita AP line	Equity-Ang'awa	1260266770898	3,873	99,046
Gita Assistant County Commissioner Office	Equity-Kisumu	0290284751427	564,771	-
Got Nyabondo Secondary School	Equity Kisumu	0290294027172	12,526	6,067
Kadiju Primary School	Equity Kisumu	0290280898327	67,053	13
Kasagam Police Station	Sidian-Kisumu	01009710004388	19,349,720	-

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PMC	Bank	Account number	Bank Balance 2023/2024	Bank Balance 2022/2023
Kianja primary School	Equity Kisumu	0290281777096	48,133	-
Kibos Primary School	Equity Angawa	1260299471720	1,163	808
Kibos Secondary School	Sidian-Kisumu	01009030000929	6,301,817	
Kindu RC Primary School	Equity-Ang'awa	1260298212482	74,610	74,610
Kisumu East NG-CDF Office PMC	Euity Kisumu	0290267475582	17,722	17,722
Koyango Chief's Office	Equity-Kisumu	0290282534281	968,430	442,740
Kunya Primary School	Equity Kisumu	0290281133551	17,188	550
Mbeme Primary School	Equity-Ang'awa	1260266678026	51,435	9,266
Nyamasaria Secondary School	Equity Kisumu	0290263882112	2,375,165	21,019
Nyamonge Primary School	Equity-Kisumu	0290299474900	49,988	3,554
Nyatege Primary School	Equity-Kisumu	0290299919471	7,719	7,719
Obino Primary School	Equity-Kisumu	0290296380336	27,674	8,174
Obwolo Primary School	Equity-Kisumu	0290296380336	16,591	16,591
Ofunyu Primary School	Equity-Kisumu	0290282049535	10,089	10,089
Ogango Primary School	Equity-Kisumu	0290299086592	2,905	6,000
Okago Primary School	Equity Kisumu	0290297668544	1,083	1,604
Okok Primary School	Equity-Kisumu	0290266494888	258,406	361,809
Omung'i Primary School	Equity Kisumu	0290299925389	937	4,292
Ongadi Primary School	Equity-Kisumu	0290282053351	20,424	1,259,443

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PMC	Bank	Account number	Bank Balance 2023/2024	Bank Balance 2022/2023
Orongo Primary School	Equity-Ang'awa	1260298222885	696	696
Otera Bahati Primary School	Equity ang'awa	1260299885750	79,025	79,025
Otiak AP Camp	Euity-Kisumu	0290296411381	59,367	59,366
Oyola Primary School	Equity Kisumu	0290282098371	839,868	39,868
Rae Kajulu Primary School	Equity Kisumu	0290283018641	3,901	18,901
Rae Kanyaika Primary School	Equity-Kisumu	0290282420632	161,910	161,910
Ragumo Administration Police Camp	Equity-Kisumu	0290270743881	64,232	3,602,617
Ragumo primary school	Equity-Kisumu	0290299352422	80,563	80,563
Rarieda Kaloo Primary School	Equity Kisumu	0290281978454	26,873	26,873
Renja Primary School	Equity ang'awa	1260299357303	189,701	564,988
Renja Secondary School	Equity-Ang'awa	1260263464427	6,841	6,841
Senior Chief Ounga	Equity Kisumu	0290266679712	656	656
St. Aloys Mayenya Primary School	Equity ang'awa	1260161963897	1,411	27,391
St. Francis Nyamonge Primary School	Equity Ang'awa	1260298198853	54,534	11,086
St. John Oriang' Primary School	Equity Kisumu	0290299657058	10,324	10,324
St. Johns Masawa Primary School	Equity ang'wa	1260270546526	859	40,287
Tido Primary School	Equity Kisumu	0290264062442	1,794	1,794
Wandiege Primary School	Equity ang'awa	1260261742733	2,357	2,357
Total			32,511,091	8,847,261

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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	<u>Variance in total receipts</u> The statement of receipts and payments reflects total receipts of kshs 98,288,879 while the summary statement of appropriation reflects total receipts of kshs 112,972,434 resulting to unexplained and unreconciled variance of kshs 14,683,555.	The difference represents the opening balance from the previous year.	resolved	N/A
2	<u>Unsupported retention</u> Note 14A to the financial statements reflects a balance of kshs 226,867 in respect of retention money. However, no records were	It is true that at the time of the audit there was unsupported balance of kshs 226,867.i hereby wish to clarify that the amount relates to retention held in respect of fencing	Not resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	provided to support this amount. In addition, management has not indicated the bank account where the funds are held.	works done hence I attach copies of relevant documents to this response for review.		
3	Unsupported PMC balances Note: 19.4 and Annex 5 to the financial statements reflect Project Management Committee (PMC) bank accounts balance of Kshs. 8,847,260.97. However, cash books reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.	Letter written to the banks to provide certificate of bank balance.	Not resolved	N/A
4	Unsupported bursary disbursements	Acknowledgement receipts and letters provided.	resolved	N/A

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The statement of receipts and payments reflects other grants and transfers amount of Ksh. 40,192,734 and as disclosed in Note 8 to the financial statements which includes bursary payments amounting to Kshs. 14,008,000 and Kshs. 7,270,000 disbursed to secondary schools and tertiary institution respectively. However, no acknowledgement letters from beneficiary institutions were provided for audit.</p>			
5	<p><u>Lack of ownership documents</u> The statement of receipts and payments reflects an amount of</p>	<p>The logbooks are in process.</p>	<p>Not resolved</p>	<p>N/A</p>

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Reference No. on the external audit report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs. 40,192,734 relating to other grants and transfers which, as disclosed in Note 8 to the financial statements includes Kshs. 11,499,000 incurred on security projects. This amount in turn includes Kshs. 1,499,000 incurred on purchase on ten (10) motorcycles. However, their logbooks were not provided for audit. Further, the motorcycles were not physically verified.</p>			

KISUMU EAST NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
FUND ACCOUNT MANAGER
P.O. BOX 3618 - 40100, KISUMU



..... Name **Roten Kiptson**

Fund Account Manager.