




Enhancing Accountability

 THE NATIONAL ASSEMBLY	
P	
DATE: 04 JUL 2023	DAY: TUESDAY
TABLED BY:	HON. OWEN BATA, CBS, MP DEPUTY LEADER OF MAJORITY
CLERK-AT THE-TABLE:	WZOPU MWALE

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REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – KIBRA CONSTITUENCY**

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



KIBRA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

KIBRA CONSTITUENCY

National Government Constituencies Development Fund (NGCDF)

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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

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(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Mr. Jimnah Macharia
2.	Sub-County Accountant	Mr. Conelius Kimori
3.	Chairman NGCDFC	Mr. Emmanuel Mungami
4.	Member NGCDFC	Ms. Jackline Najabi

(d) Fiduciary Oversight Arrangements

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

(e) KIBRA CONSTITUENCY NGCDF Headquarters

P.O. Box 22033-00523
Kibra DC's Compound
Kibera Road
Nairobi, KENYA

(f) KIBRA CONSTITUENCY NGCDF Contacts

Telephone:
E-mail: kibracdf@ngcdf.go.ke
Website: www.kibracdf.go.ke

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(g) KIBRA CONSTITUENCY NGCDF Bankers

Equity Bank,
Kibra Branch,
Account No.1170261223145,
P.O. Box 75104,
City Square 00200
Nairobi, Kenya

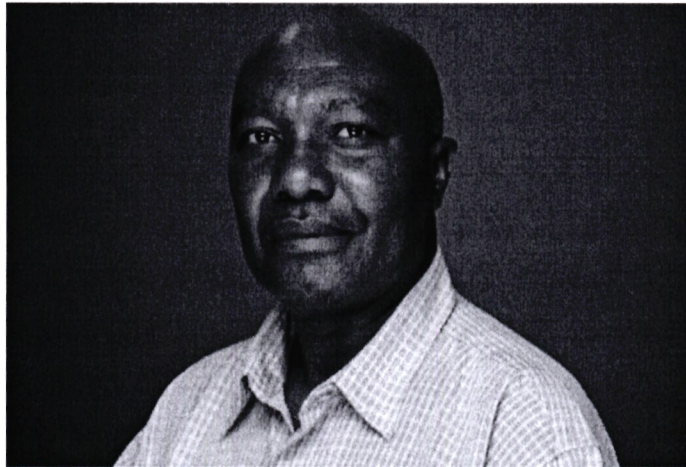
(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. NG-CDFC Chairman's Report



Mr. Emmanuel Mungami

Chairperson

I am pleased to present the Kibra –NCDF annual report and financial statements for the financial year 2021/2022. The people of Kibra constituency are determined to participate effectively in domesticating objectives of vision the big 5 in our development planning. The constituents now have power to implement the formulation and implementation of development programs in the constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory. The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

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Financial year budget

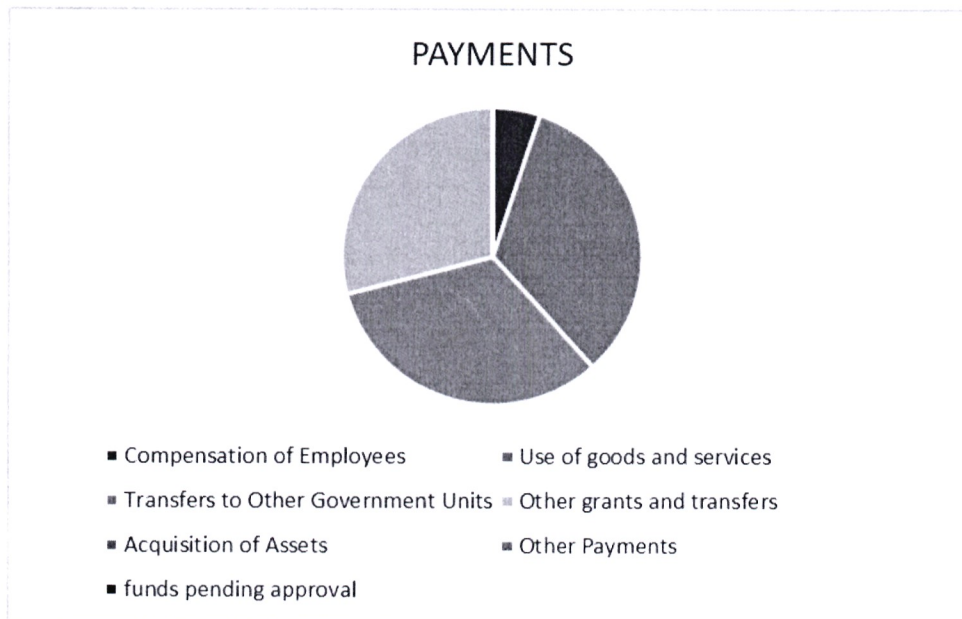
In the financial year 2021/2022 the NG-CDF KIBRA Constituency was allocated Kshs **137,088,879.00** and we have received the whole allocation for the financial year 2021/2022 and the utilization has gone well in which 100% of the funds allocated to projects has been utilized effectively as bellow.

Table 1.0 summary of budget performance

Key achievements

We have therefore completed our allocations in time, and achieved the results as stipulated in the summary graph below:

Compensation of Employees	15%
Use of goods and services	99%
Transfers to Other Government Units	98%
Other grants and transfers	87%
Acquisition of Assets	0%
Other Payments	0%
funds pending approval	0%



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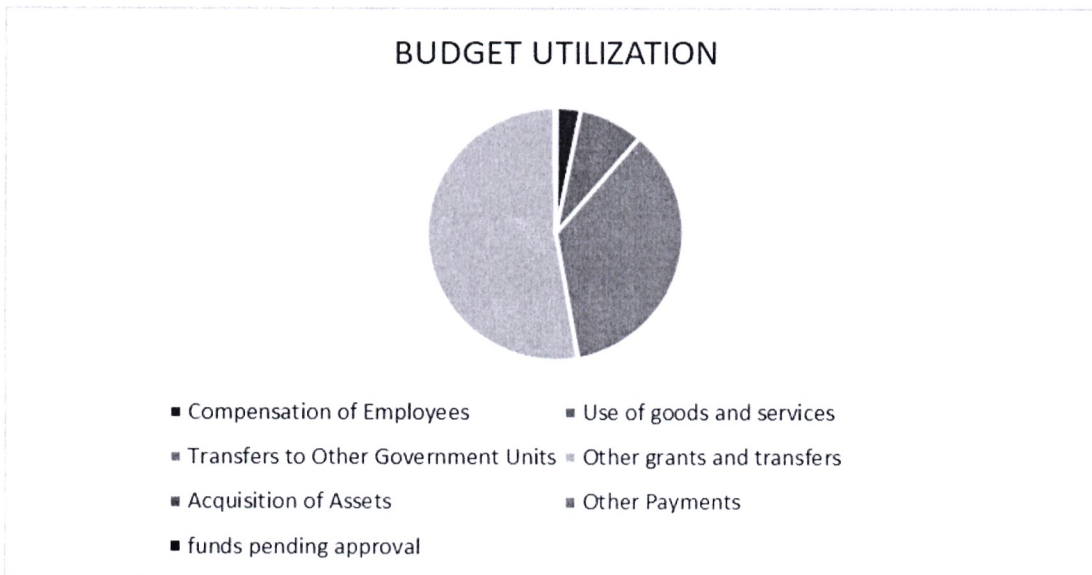
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The budget performance against the actual amount for the current year are as follows:

Receipt/Expense Item	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	Explanation
PAYMENTS				
Compensation of Employees	6,500,777.70	992,880	5,507,897.70	This low utilization was because of few staffs in the office
Use of goods and services	17,343,975.90	17,241,369	102,606.90	There were high operations in the current year
Transfers to Other Government Units	75,590,281.90	73,944,000	1,646,281.90	Most of the project implementation was on going
Other grants and transfers	110,772,197.10	96,546,000	14,226,197.10	Emergency money had not been utilized and were to be reallocated
Acquisition of Assets	49,199.00	-	49,199.00	This is outstanding balance
Other Payments	479,027.00	-	479,027.00	This is outstanding balance
funds pending approval	-	-	-	

The Budget Utilisation can be diagrammatically presented as follows:



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During the Financial year 2021/2022, the Kibra NG-CDF has been able to implement several projects as per seen below



WOODLEY BOYS SECONDARY SCHOOL



ISSUANCE OF SPORTS KITS TO THE LOCAL TEAMS

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VOCATIONAL TRAINING

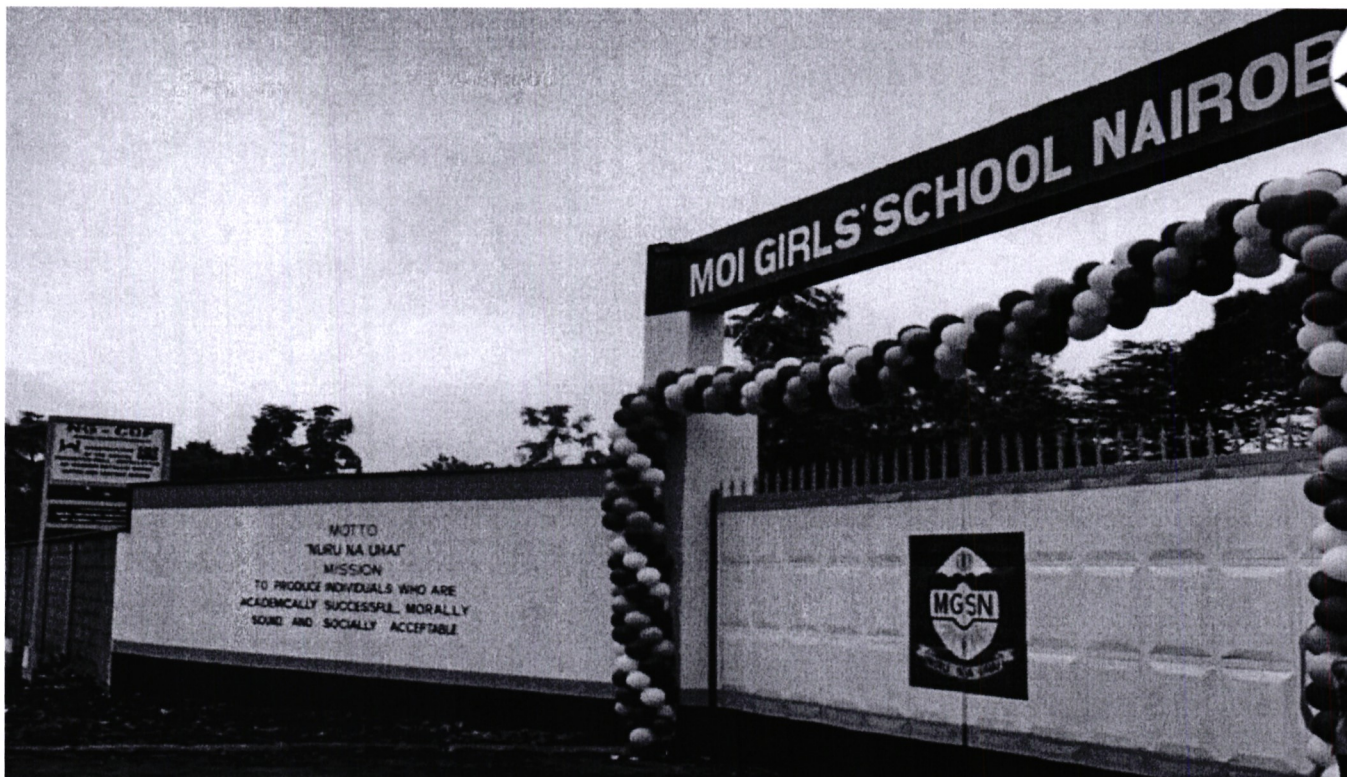


BURSARY CHEQUE ISSUANCE TO THE BENEFICIARIES

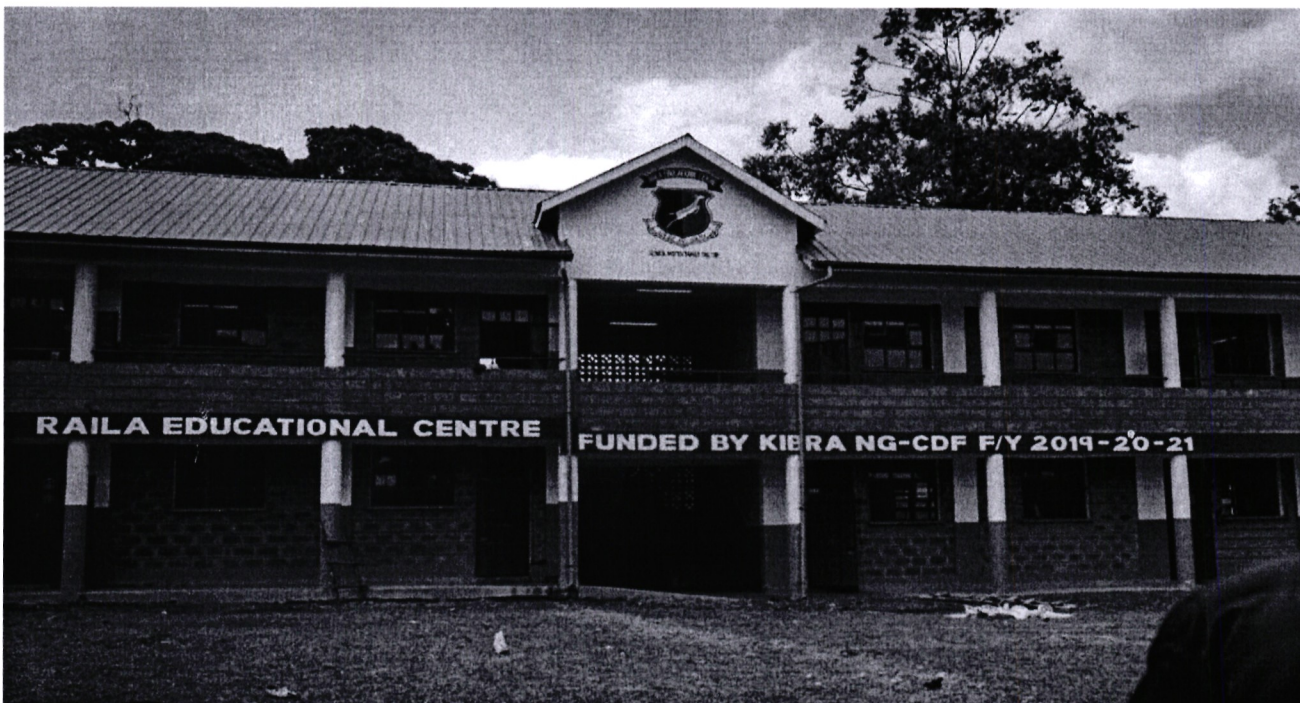
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MOI GIRLS SCHOOL NAIROBI PERIMETER WALL



RAILA EDUCATIONAL CENTRE PRIMARY SCHOOL CLASSROOMS


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CHALLENGES AND EMERGING ISSUES

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

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**Name: EMMANUEL MUNGAMI
CHAIRMAN NGCDF COMMITTEE**

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

Introduction

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

The key development objectives of **KIBRA CONSTITUENCY 2018-2022** plan are to:

Ensure that the following key areas have been implemented

- a) Education
- b) Health
- c) Water, Environment and Sanitation
- d) Security
- e) Roads and Infrastructure
- f) Socio economic empowerment, Youth gender and sports

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and	number of usable physical infrastructure build in primary, secondary, and tertiary institutions	In FY 21/22 -we increased number of classrooms, through construction of a primary school at Raila Education Centre Primary school consisting of 20

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		tertiary institutions	number of bursary's beneficiaries at all levels	classrooms. Woodley Boys Secondary school is complete and comprises of 12 classrooms, laboratories and staffroom. There is also construction of a TVET ongoing that will help in transition from secondary to tertiary. Bursary beneficiaries at all levels were as per the attached schedules
Environment	Accessibility to a clean and pure environment and drainage systems	Coming up with waste management systems formula and routine maintenance of drainage systems	Coming up with an umbrella group in the constituency that could help ascertain challenges facing solid waste management groups in Kibra	Good and clean environment in NGCDF Kibra Constituency.
Sports	Promote drug free sports and recreation, establishing sports institution and engage the institutions and the youths in sporting activities	Reduction in crime rate especially within the youths and also having a good inter socializing environment amongst the schools due to the organized interschool tournaments	Having inter-base soccer and sports tournaments for the youths in the constituency Having interschool soccer tournaments for both the primary and secondary schools in Kibra	There was sports tournament for both the primary and secondary school sector and the teams awarded sports kits amongst other awards
Emergency	Help the community and	Provision to support over	Enhancement of disaster	There were no emergency cases during

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	families know where to take refuge and how to take care for basic medical and emergency issues	6,000 families affected by disaster	response and control Improvement on infrastructure to help in easy accessibility in case of calamities	the year.

IV. Environmental and Sustainability Reporting

Kibra 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 KIBRA NG CDF, the committee funds the following key sectors with the following sustainable priorities.

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

b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the

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constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

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

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

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

2. Environmental performance

The constituency aspires to achieve the highest development levels possible which must be done without ruining the environment. Complementarities between a healthy natural environment and prosperity to achieve sustainable development must factor environmental issues. The natural environmental is central to economic activity and growth, providing the resources we need to produce goods and services, absorbing and processing unwanted by- products in the form of pollution and waste. Waste management is also a very important aspect

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in developed areas, especially in the urban set ups. The constituency needs to meet the needs of the present generation without the ability of future generations to meet their own needs

The NG-CDF also sponsors sporting activities that also help sensitize the community on environmental conservation and also sensitizing the community on the same.

3. Employee welfare

We invest in providing the best working environment for our employees. KIBRA 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. KIBRA 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-

Kibra NGCDF Constituency is committed to fair and ethical market practises.

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

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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-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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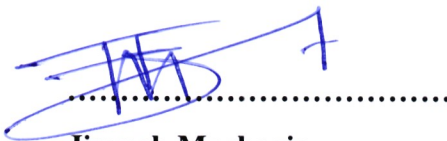
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

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



Jimnah Macharia

FAM

V. Statement of Management Responsibilities

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

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

The Accounting Officer in charge of the NGCDF-Kibra Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Kibra 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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The Accounting Officer in charge of the NGCDF Kibra 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- Kibra Constituency financial statements were approved and signed by the Accounting Officer on 10th May 2023.



.....
Name: Emmanuel Mungami

Chairman – NGCDF Committee



.....
Name: Jimnah Macharia

Fund Account Manager

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
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Enhancing Accountability

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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kibra Constituency set out on pages 1 to 28, which comprise of the statement of assets and liabilities as at 30 June, 2022, statement of

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

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

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

Basis for Qualified Opinion

Unsupported and Irregular Project Implementation

The statement of receipts and payments and Note 6 to the financial statements reflects transfers to other Government units totalling to Kshs.73,944,000. Included in this amount is transfers to primary schools, secondary schools and tertiary institutions totalling to Kshs.36,850,000, Kshs.13,000,000 and Kshs.24,094,000 respectively. Physical verification carried on four (4) projects with an expenditure of Kshs.49,850,000, in March, 2022 revealed that they were complete and in use. However, the payments were not supported with formal contracts agreements, payment certificates, details of work done, certificates of practical completion, contingent provisions and performance bond or security.

In the circumstances, the completeness of transfers to other Government units totalling to Kshs.49,850,000 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects a final expenditure budget of Kshs.210,735,459 against actual expenditure of Kshs.188,724,249 resulting to an under absorption of Kshs.22,011,211 or 10% of the approved budget.

The under absorption may have negatively impacted on service delivery to the public.

2. Unresolved Prior Year Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Delay in Project Implementation - Kibra Technical and Vocational College

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to other Government entities amounting to Kshs.73,944,000. Included in this amount is Kshs.24,094,000 transferred to Kibra Technical and Vocation College Project Management Committee (PMC) Account for construction of one storey building comprising of six administration offices, board room, multipurpose hall, cafeteria, six lecture halls, three workshops and a modern library. Available records and information indicated that the Management awarded the construction work to a contractor at a contract price of Kshs.60,000,000 in financial year 2020/2021 without a formal contract. It was further observed that a total of Kshs.31,423,000 was paid to the contractor in the year under review without retention to cater for the defects liability period. Physical verification carried out on 16 March, 2023 revealed that the project was 50% complete and the contractor was not on site.

In the circumstances, the public may not derive value for money from the project.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Inadequate Safeguarding of Constituency Assets

The Fund maintained an asset register which as disclosed in Annex 4 to the financial statements indicated total historical cost of Kshs.23,298,884 for the year ended 30 June, 2022. However, the assets were not insured against any risk and damage of fire, burglary or theft with exception of the motor vehicle.

In the circumstances, Management is exposed to loss of Fund assets in case of any unforeseen disaster.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

09 June, 2023

KIBRA CONSTITUENCY

National Government Constituencies Development Fund (NGCDF)

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


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

	Note	2021-2022	2020-2021
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	182,177,758	161,367,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		182,177,758	161,367,724
PAYMENTS			
Compensation of employees	4	992,880	993,144
Use of goods and services	5	17,241,369	13,053,252
Transfers to Other Government Units	6	73,944,000	91,990,000
Other grants and transfers	7	96,546,000	55,612,500
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		188,724,249	161,648,896
SURPLUS/DEFICIT		(6,546,491)	(281,172)

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

The Constituency financial statements were approved on 10th May 2022 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: Jimnah Macharia

Name: Conelius Kimori
ICPAK M/No: 176236

Name: Emmanuel Mungami

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


	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	22,011,211	28,557,702
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		22,011,211	28,557,702
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		22,011,211	28,557,702
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL SSETS		22,011,211	28,557,702
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	28,557,702	28,838,873
Prior year adjustments	14	-	
Surplus/Defict for the year		(6,546,491)	(281,172)
NET FINANCIAL POSITION		22,011,211	28,557,702

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

The Constituency financial statements were approved on 10th May 2022 and signed by:



 Fund Account Manager



 National Sub-County
 Accountant



 Chairman NG-CDF
 Committee

Name: Jimnah Macharia

Name: Conelius Kimori
 ICPAK M/No: 17636

Name: Emmanuel Mungami


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

		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	182,177,758	161,367,724
Other Receipts	3	-	-
		182,177,758	161,367,724
Payments for operating activities			
Compensation of Employees	4	992,880	993,144
Use of goods and services	5	17,241,369	13,053,252
Transfers to Other Government Units	6	73,944,000	91,990,000
Other grants and transfers	7	96,546,000	55,612,500
Other Payments	9	-	-
		188,724,249	161,648,896
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		(6,546,491)	(281,172)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(6,546,491)	(281,172)
Cash and cash equivalent at BEGINNING of the year	10	28,557,702	28,838,873
Cash and cash equivalent at END of the year		22,011,212	28,557,702

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

The Constituency financial statements were approved on 10th May 2022 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

Name: Jimnah Macharia

Name: Conelius Kimori
ICPAK M/No: 17636

Name: Emmanuel Mungami

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

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

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	28,557,702	45,088,879	210,735,460.3	210,735,460	-	100.0%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	0.0%
TOTAL RECEIPTS	137,088,879	28,557,702	45,088,879	210,735,460	210,735,460	-	100.0%
PAYMENTS							
Compensation of Employees	2,818,846	3,681,932	-	6,500,777.70	992,880	5,507,897.70	15.3%
Use of goods and services	9,519,153	2,624,823	5,200,000.00	17,343,975.90	17,241,369	102,606.90	99.4%
Transfers to Other Government Units	66,835,788	1,636,272	7,118,222	75,590,281.90	73,944,000	1,646,281.90	97.8%
Other grants and transfers	57,915,092	20,086,448	32,770,657	110,772,197.10	96,546,000	14,226,197.10	87.2%
Acquisition of Assets	-	49,200	-	49,199.00	-	49,199.00	0.0%
Other Payments	-	479,027	-	479,027.00	-	479,027.00	0.0%
funds pending approval	-	-	-	-	-	-	0.0%
TOTAL	137,088,879	28,557,702	45,088,879	210,735,459	188,724,249	22,011,210.60	89.6%

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

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities

Description	Amount
Budget utilisation difference totals	22,011,211
Less undisbursed funds receivable from the Board as at 30 th June 2022	-
Add Accounts payable	22,011,211
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	22,011,211

The Constituency financial statements were approved on 10th May 2023 and signed by:


Fund Account Manager

Name: Jimnah Macharia


National Sub-County Accountant

Name: Conelius Kimori
 ICPAK M/No: 17636


Chairman NG-CDF Committee

Name: Emmanuel Mungami

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

Programme/Sub-programme	Original Budget(a)		Adjustments(b)		Final Budget c = (a+b)		Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilization (f=d/c %)
	2021/2022	Kshs	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2021/2022	Kshs			
1.0 Administration and Recurrent									
1.1 Compensation of employees	2,818,846		3,681,932	-	6,500,778	992,880	5,507,898	15	
1.2 Committee allowances	2,578,729		600,833	-	3,179,562	3,103,000	76,562	98	
1.3 Use of goods and services	2,827,758		680	-	2,828,438	2,828,400	38	100	
Total	8,225,333		4,283,445	-	12,508,778	6,924,280	5,584,498	55	
2.0 Monitoring and evaluation									
2.1 Capacity building	1,297,361		2,009,241	-	3,306,602	3,290,000	16,602.0	99	
2.2 Committee allowances	1,753,990		6,359	3,300,000	5,060,348	5,051,600	8,748.4	100	
2.3 Use of goods and services	1,061,315		7,710	1,900,000	2,969,025	2,968,369	656	100	
Total	4,112,666		2,023,309	5,200,000	11,335,976	11,309,969	26,007	100	
3.0 Emergency									
3.1 Primary Schools									
3.2 Secondary schools									
3.3 Tertiary institutions									
3.4 Security projects									
3.5 Unutilised	4,894,207		-	3,985,479	8,879,686	-	8,879,686	-	
Total	4,894,207		-	3,985,479	8,879,686	-	8,879,686	-	
4.0 Bursary and Social Security									
4.1 Secondary Schools	34,776,485		20,086,448	16,337,159	71,200,092	70,360,000	840,092	99	

4.2 Tertiary Institutions	13,204,623		8,245,033	21,449,656	17,473,500	3,976,156	81
4.3 Social Security	-	-	-	-	-	-	-
4.4 Special Needs	-	-	-	-	-	-	-
Total	47,981,108	20,086,448	24,582,192	92,649,748	87,833,500	4,816,248	95
5.0 Sports							
5.1	2,741,778	-	4,202,011	6,943,789	6,421,500	522,289	92
Total	2,741,778		4,202,011	6,943,789	6,421,500	522,289	92
6.0 Environment							
6.1	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total							
7.0 Primary Schools Projects							
Raila Educational Pri Sch	30,000,000	366,272	4,050,000	34,416,272	34,050,000	366,272	99
Ayany Primary School	-	10,000		10,000	0	10,000	-
Kibera Primary Sch	-	510,000		510,000	0	510,000	-
Joseph Kang'ethe Pry Sch	-	360,000		360,000	0	360,000	-
Shadrack Kimalel Pry Sch	-	360,000		360,000	0	360,000	-
Primary School Desks		30,000		30,000	0	30,000	
Mbagathi Primary School			2,810,000	2,810,000	2,800,000	10,000	100
Total	30,000,000	1,636,272	6,860,000	38,496,272	36,850,000	1,646,272	96
8.0 Secondary Schools Projects							
Woodley Boys Secondary School	5,000,000	-	-	5,000,000	5,000,000	-	100
Moi Girls School	5,000,000	-	-	5,000,000	5,000,000	-	100
Moi Girls School	2,741,778		258,222	3,000,000	3,000,000	-	100
Total	12,741,778	-	258,222	13,000,000	13,000,000	-	100

9.0 Tertiary institutions Projects										
Toi Tec Ed and Voc Training (TVET) Centre	24,094,010					24,094,010			24,094,000	-
Total	24,094,010					24,094,010			24,094,000	10
10.0 Security Projects										
Capitol Hill Police Station	2,298,000.00				975	2,298,975			2,291,000	7,975
Total	2,298,000				975	2,298,975			2,291,000	7,975
11.0 Acquisition of assets										
Construction of CDF office	-			49,200		49,200				49,200
Total	-			49,200		49,200				49,200
12.0 Other payments										
Strategic Plan				402,000		402,000				402,000
Innovation Hub				77,027		77,027				77,027
Total				479,027		479,027				479,027
13.0 unallocated fund										
Unapproved projects										
ALA										
PMC savings										
Total	137,088,879	28,557,702	45,088,879	210,735,460	188,724,249	22,011,211				90

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

KIBRA CONSTITUENCY

National Government Constituencies Development Fund (NGCDF)

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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on xx June 20xx for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

XII. Notes to the Financial Statements

1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES				
	Description		2021-2022	2020 - 2021
			Kshs	Kshs
1330407	Normal Allocation			
	1	AIE NO B104944	-	69,367,724
	2	AIE NO B128126	-	6,900,000
	3	AIE NO B119837	-	13,000,000
	4	AIE NO B124770	-	2,000,000
	5	AIE NO B124983	-	10,000,000
	6	AIE NO B132182	-	6,000,000
	7	AIE NO B128438	-	10,000,000
	8	AIE NO B126144	-	8,000,000
	9	AIE NO B138850	-	12,000,000
	10	AIE NO B126437	-	12,100,000
	11	AIE NO B14081	-	12,000,000
	1	AIE NO B140931	33,000,000.00	-
	2	AIE NO B105390	34,000,000.00	-
	3	AIE NO B105605	10,000,000.00	-
	4	AIE NO B105803	22,000,000.00	-
	5	AIE NO B128543	5,000,000.00	-
	6	AIE NO B154051	12,000,000.00	-
	7	AIE NO B164492	18,000,000.00	-
	8	AIE NO B128855	12,000,000.00	-
	9	AIE NO B155849	24,088,879.00	-
	10	AIE NO B155964	12,088,879.30	
1330408	Conditional Grants	AIE NO...		
1330409	Receipt from other Constituency			
	TOTAL		182,177,758.30	161,367,724
2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS				
	Description		2021-2022	2020 - 2021
			Kshs	Kshs
3510202	Receipts from the Sale of Buildings		-	-
3510601	Receipts from the Sale of Vehicles and Transport Equipment		-	-

3510801	Receipts from the Sale Plant Machinery and Equipment		-	-
3510803	Receipts from the Sale of Office and General Equipment		-	-
	TOTAL		-	-

400000	3 OTHER RECEIPTS			
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	Description		2021-2022	2020 - 2021
			Kshs	Kshs
1410107	Interest Received		-	-
1410405	Rents		-	-
1420601	Receipts Sale of Tender Documents		-	-
	Hire of plant/equipment/facilities		-	-
	Unutilized funds from PMCs		-	-
1450207	Other Receipts Not Classified Elsewhere (specify)		-	-
	TOTAL		-	-

110000	4 COMPENSATION OF EMPLOYEES			
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	Description		2021-2022	2020 - 2021
			Kshs	Kshs
2110201	NG-CDFC Basic staff salaries		923,260.00	915,384
	Personal allowances paid as part of salary			
2110301	House allowance		-	-
2110314	Transport allowance		-	-
2110320	Leave allowance		-	-
2710120	Gratuity-contractual employees		-	-
2120101	Employer Contributions Compulsory national social security schemes		69,620.00	77,760
	TOTAL		992,880.00	993,144

200000	5 USE OF GOODS AND SERVICES			
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	Description		2021-2022	2020 - 2021
			Kshs	Kshs
2210100	Utilities, supplies and services		1,880,000.00	210,000
2210101	Electricity		40,000.00	5,000
2210102	Water & sewerage charges		40,000.00	5,000
2210104	Office rent		-	-
2210200	Communication, supplies and services		110,000.00	90,000
2210300	Domestic travel and subsistence		70,000.00	90,000

2210500	Printing, advertising and information supplies & services		2,547,600.00	570,000
2210600	Rentals of produced assets		-	-
2210700	Training expenses		3,290,000.00	3,640,000
2210800	Hospitality supplies and services		-	-
2210802	Other committee expenses		5,051,600.00	3,930,000
2210809	Committee allowance		3,103,000.00	2,913,500
2210900	Insurance costs		73,489.00	90,907
2211000	Specialised materials and services		-	-
2211100	Office and general supplies and services		640,000.00	1,150,000
2211200	Fuel , oil & lubricants		250,000.00	300,000
2211300	Other operating expenses		-	-
2211301	Bank service commission and charges		145,680.00	38,845
2211310	Other Operating Expenses		-	-
2211313	Security operations		-	-
2220100	Routine maintenance - vehicles and other transport equipment		-	20,000
2220200	Routine maintenance- other assets		-	-
	TOTAL		17,241,369.00	13,053,252

630200	6 TRANSFER TO OTHER GOVERNMENT ENTITIES			
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	Description		2021-2022	2020 - 2021
			Kshs	Kshs
2630204	Transfers to Primary Schools		36,850,000.00	16,090,000
2630205	Transfers to Secondary Schools		13,000,000.00	68,900,000
2630206	Transfers to Tertiary Institutions		24,094,000.00	7,000,000
	TOTAL		73,944,000.00	91,990,000

640000	7 OTHER GRANTS AND OTHER PAYMENTS			
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	Description		2021-2022	2020 - 2021
			Kshs	Kshs
2640101	Bursary - Secondary (see attached list)		70,360,000.00	34,410,000
2640102	Bursary -Tertiary (see attached list)		17,473,500.00	6,390,000
2640104	Bursary- Special Schools		-	
2640105	Mocks & CAT (see attached list)		-	
	Social Security programmes (NHIF)		-	
2640507	Security Projects (see attached list)		2,291,000.00	8,622,000

2640509	Sports Projects (see attached list)		6,421,500.00	1,798,500
2640510	Environment Projects (see attached list)		-	-
2640200	Emergency Projects (see attached list)		-	4,392,000
	TOTAL		96,546,000.00	55,612,500

100000	8 ACQUISITION OF ASSETS			
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Non Financial Assets			2021-2022	2020 - 2021
			Kshs	Kshs
3110102	Purchase of Buildings		-	-
3110202	Construction of Buildings		-	-
3110302	Refurbishment of Buildings		-	-
3110701	Purchase of Vehicles Vehicles and Other Transport Equipment		-	-
3110704	Purchase of Bicycles & Motorcycles		-	-
3110801	Overhaul of Vehicles and Other Transport Equipment		-	-
	Purchase of Household Furniture and Institutional Equipment			
	Purchase of office furniture and and General Equipment		-	-
	Purchase of computers ,printers and other IT equipments		-	-
	Purchase of ICT Equipment, Software and Other ICT Assets		-	-
	Purchase of Specialized Plant, Equipment and Machinery		-	-
	Rehabilitation and Renovation of Plant, Machinery and Equip.		-	-
	Acquisition of Land		-	-
	Acquisition of Intangible Assets			
	TOTAL		-	-

	9 Other Payments			
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211310	Strategic Plan		-	-
211311	ICT Hubs		-	-
				-
	TOTAL		-	-

	10A: Bank Balances (cash book bank balance)			
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	Name of Bank, Account No. & currency	Account Number	2021-2022	2020 - 2021
			Kshs (30/6/2022)	Kshs (30/6/2021)

EQUITY Bank, Kibra Branch	1170261223145	22,011,211	28,557,702
		-	-
		-	-
TOTAL		22,011,211	28,557,702

10B: CASH IN HAND)

		2021-2022	2020 - 2021
		Kshs (30/6/2022)	Kshs (30/6/2021)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
TOTAL		-	-

[Provide cash count certificates for each]

11: OUTSTANDING IMPRESTS

<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2022)</i>
	Date imprest taken	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
		-	-	-
		-	-	-
		-	-	-
TOTAL		-	-	-

12A Retention

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

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

13 BALANCES BROUGHT FORWARD				
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			2021-2022	2020- 2021
			Kshs (1/7/2021)	Kshs (1/7/2020)
Bank accounts			28,557,702	28,838,873
Cash in hand				
Imprest				
TOTAL			28,557,702	28,838,873

14. PRIOR YEAR ADJUSTMENTS				
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			Balance b/f FY 2020/2021 as per Audited Financial statements	Adjusments	Adjusted Balance* * b/f FY 2020/202 1
Description of the error			Kshs	Kshs	Kshs
Bank accounts balances			-	-	-
Cash in hand			-	-	-
Accounts Payable			-	-	-
Receivables			-	-	-
Others (specify)			-	-	-
Total			-	-	-
Clarification note included					

15. CHANGES IN ACCOUNTS RECEIVABLE - OUTSTANDING IMPREST

		2021-2022	2020- 2021
		Kshs	Kshs
Outstanding Imprest as at 1st July (A)		-	-
Imprest issued during the year (B)		-	-
Imprest surrendered during the Year (C)		-	-
Closing accounts receivable as at 30th June 2022 (D=A+B-C)		-	-
Net changes in accounts receivables A-D			

16. CHANGES IN ACCOUNTS PAYABLE - DEPOSITS AND RETENTION

		2020- 2021	2019- 2020
		Kshs	Kshs
Deposits and Retention as a t 1st July 2019 (A)		-	-
Deposits and Retention held during the year (B)		-	-
Deposits and Retention paid during the year ©		-	-
Closing accounts payable at 30th June (D=A+B-C)		-	-
Net changes in accounts payables A-D			

17. OTHER IMPORTANT DISCLOSURES**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

		2021-2022	2020- 2021
		Kshs	Kshs
Construction of buildings		-	-
Construction of civil works		-	-
Supply of goods		-	-
Supply of services		-	-
TOTAL		-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

		2021-2022	2020- 2021
		Kshs	Kshs
NGCDF Staff		-	295,740
Others (specify)		-	-
TOTAL		-	295,740

17.3: UNUTILISED FUNDS (See Annex 3)

		2021-2022	2020- 2021
		Kshs	Kshs
Compensation of employees		5,507,897.70	6,281,932
Use of goods and services		102,606.90	24,823
Amounts due to other Government entities (see attached list)		1,646,281.90	1,636,272
Amounts due to other grants and other transfers (see attached list)		14,226,197.10	65,175,326
Acquisition of assets		49,200.00	49,200
Strategic plan		479,027.00	479,027
Funds pending approval			-
			-
TOTAL		22,011,209.60	73,646,580

17.4: PMC ACCOUNT BALANCES (See Annex 4)

		2021-2022	2020- 2021
		Kshs	Kshs
PMC account balances (see attached list)		37,052,709.00	67,780,342.00
TOTAL		37,052,709.00	67,780,342.00

KIBRA CONSTITUENCY

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

Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff			-	-
1. Faiziah Mohammed	Account Assistant	1/07/2020	-	-
2. Evans Agumba	Driver	1/07/2020	-	-
3. Elizabeth Oluoch	Office Assisstant	1/07/2020	-	-
Sub-Total	-	-	-	-
Grand Total	-	-	-	-

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		5,507,897.70	4,381,932	
Use of goods & services		102,606.90	1,924,823	
Amounts due to other Government entities		1,646,281.90	1,636,272	
Sub-Total		<u>7,256,786.50</u>	7,943,027.26	
Amounts due to other grants and other transfers		14,226,197.10	65,175,326	
Sub-Total		21,482,983.60	73,118,353.45	
Acquisition of assets		49,200	49,200	
Others-ICT HUBS		479,027	479,027	
Sub-Total		22,011,210.60	73,646,580	
Funds pending approval			-	
Grand Total		22,011,210.60	73,646,580	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land				
Buildings and structures	16,729,970	-	-	16,729,970
Transport equipment	4,500,000	-	-	4,500,000
Office equipment, furniture and fittings	1,550,496	-	-	1,550,496
ICT Equipment, Software and Other ICT Assets	518,419	-	-	518,419
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets				
Total	23,298,884	-	-	23,298,884

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

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Capitol Hill Police Station	Equity	01170280816649	310.00	8,621,550.00
Mbagathi Primary School	Equity	01170280747349	290,630.00	2,999,550.00
Moi Girls Nairobi	Equity	01170269765365	600,085.00	4,206,145.00
Kibera Secondary School	Equity	01170270942529	105,050.00	4,667,050.00
Woodley Boys Secondary School	Equity	01170279874087	3,159,950.00	26,491,950.00
Kibra Sub-County A.P Station	Equity	01170279141568	200.00	839,700.00
Upper hill school	Equity	1170270264320	2,905.00	2,905.00
Jamhuri Estate Primary school	Equity	1170279876897	1,167.00	1,167.00
Ayany primary school	Equity	1170279874025	1,287.00	1,287.00
Toi TVET/ Kibra TVET	Equity	01170280229686	31,092,975.00	6,999,488.00
Raila Educational Centre Primary School	Equity	01170278998867	1,798,150.00	12,949,550.00
Total			37,052,709.00	67,780,342.00

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
<p>Report of the Auditors-General on F/s of NGCDF Kibra Constituency</p>	<p>The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.28,527,702 while the board of survey report and cash book reflects a balance of Kshs.28,557,701.55 resulting to an unexplained variance of Kshs.30,000. Further, examination of the June 2021 bank reconciliation statement revealed payments in cash book not yet recorded in bank statement totaling Kshs.23,769,739 out of which cheques totaling Kshs.2,199,221 were stale. The stale cheques are dated from 29 April, 2019 to 10 April, 2020 and had not been reversed in the cash book as at 30 June 2021.</p> <p>Consequently, the cashbook balance is understated by the amount of stale cheques Kshs.2,199,221 and the accuracy of cash book and bank balances could not be confirmed.</p>	<p>Kibra NG-CDF accepts that there was an under cast of Kshs 30,000 between the Cash and cash equivalents balance which was Kshs 28,527,702 and the board of survey report which is Kshs 28,557,701.55. This error has been collected in the financial statement. There was Kshs 23,769,739 cash book not yet recorded in the bank statement. Among this was Kshs 21,570,518 of the bursary cheque that we had already disbursed to the needy beneficiaries and delivered to the institutions but the institutions had not presented them to the bank for payment which have now been presented. The other Kshs 2,199,221 was stale cheques which had been disbursed to the beneficiary. The cheques had not been reversed as at 30th June 2021 but they have now been reversed as per the copy of the cash book and copy of the letter attached in index I of this response. We will ensure that our Cash book will always be up to date and we have revised the Financial Statements to reflect the true and fair position.</p>	<p>Resolved</p>	<p>Corrective measures are to be implemented in two months' time</p>

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Name: Jimnah Macharia
Fund Account Manager.

