

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

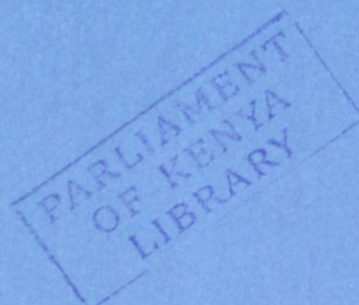
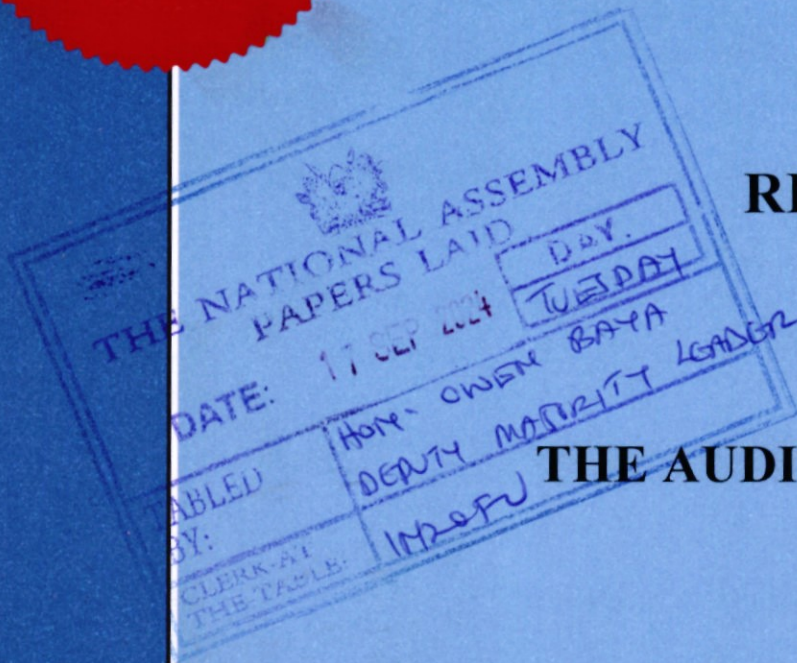
OF

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2023**





OFFICE OF THE AUDITOR GENERAL
P.O. Box 81543 MOMBASA
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KALOLENI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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I. Acronyms and Abbreviations

| | | |
|--------|---|--|
| NGCDF | - | National Government Constituency Development Fund |
| NGCDFB | - | National Government Constituency Development Board |
| NGCDFC | - | National Government Constituency Development Committee |
| PFM | - | Public Finance Management |
| IPSAS | - | International Public Sector Accounting Standards. |
| PMC | - | Project Management Committee |
| FY | - | Financial Year |
| PSASB | - | Public Sector Accounting Standards Board |
| CSR | - | Corporate Social Responsibility |
| KSH | - | Kenya Shillings |
| ARMC | - | Audit and Risk Management Committee |
| OSHA | - | Occupational Safety and Health Act |

II. 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 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Kaloleni 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)

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

| No | Designation | Name |
|----|--------------------------------|--------------------|
| 1. | A.I.E holder | Elisha Ade |
| 2. | National Sub-County Accountant | Brigitor N. Wambua |
| 3. | Chairman NGCDFC | Lennoxeny Mtengo |
| 4. | Member NGCDFC | Aisha Baya |

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kaloleni 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.

(d) Kaloleni Constituency NGCDF Headquarters

P.O. Box 222-80105
NCDF Kaloleni Building
Kaloleni Town
Kaloleni, KENYA

(e) Kaloleni Constituency NGCDF Contacts

P.O. Box 222-80105- KALOLENI
E-mail: ngcdfkaloleni@ngcdf.go.ke
Website: www.cdf.go.ke

(f) Kaloleni Constituency NGCDF Bankers

Cooperative Bank
Mariakani Branch
P.o Box435-80113
MARIAKANI

(g) Independent Auditors

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

(h) Principal Legal Adviser

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

III. NG-CDFC Chairman’s Report

I would like to extend special gratitude to the people of Kaloleni on behalf of my NGCDFC kaloleni and myself for giving us an opportunity to undertake and implement NGCDF projects within Kaloleni jurisdiction. Under my leadership we will ensure all measures are put in place to make the fund a success in uplifting living standard of you Kaloleni people.

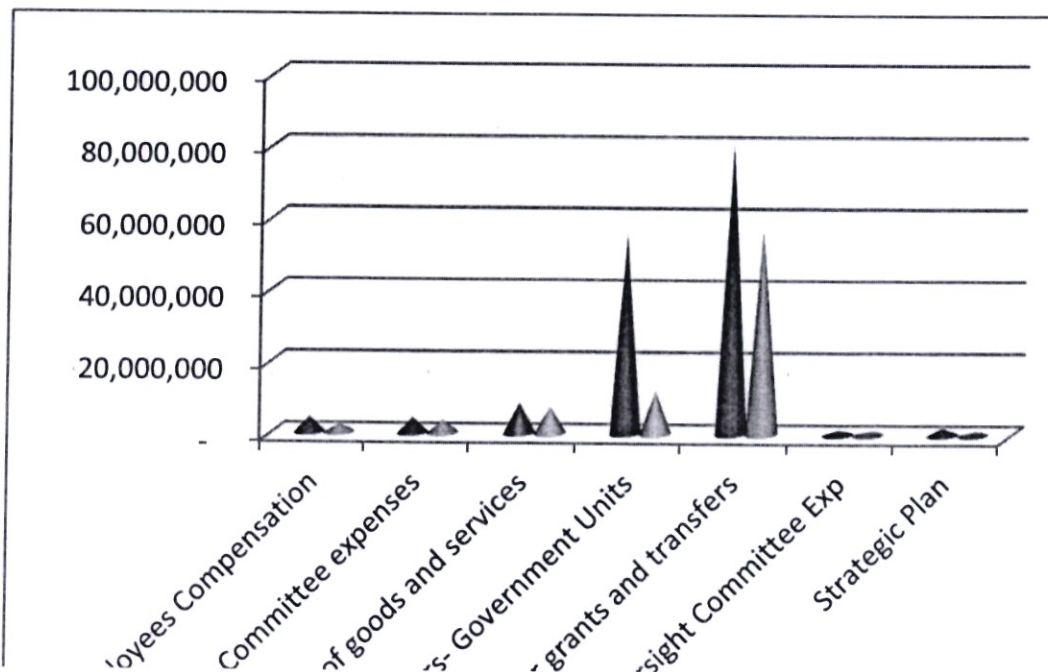


In this financial year 2022-2023 NGCDF Kaloleni had a total budget for utilisation of Kshs. 138,215,033. By closure of the financial year under review a total of Ksh. 51,215,033.00 was yet to be received from the board. This resulted to 70.8% funding of our budget. These funds were well utilized under close supervision of Kaloleni NGCDFC and under support of our Patron, Hon. Paul Katana (our MP), to improve the livelihood of our people within the constituency. The NGCDFC utilised the available funds to fund key developments in our schools and community which range from construction of classrooms, administration blocks, award of bursaries, desks, planting of trees, finance sporting activities among others.

The available budget for utilization was absorbed to a tune of 65.4% as follows:

- Compensation to employees Kshs. 1,672,380,
- Grants to Primary and Secondary Schools Kshs. 56,603,481,
- Bursaries to various institutions Kshs. 48,375,261.00,
- Environment Improvement Kshs. 2,764,300.00 and
- Emergency of Kshs. 7,636,190.

A Graph showing final Budget available for use versus actual utilized budget per vote item



Key achievements

Education sector: Education is the pillar of development to all the communities of the world. NG-CDF Kaloleni made great deliberate efforts to making sure we transform the education Agenda in total by constructing and renovation of modern classrooms, administration blocks, toilet blocks, to increase our learner's integration and provision of desks to learning institution.

90% of these projects are complete and in use and few others are in advanced stages of completion. Through this initiative has positively impacted to our communities and society at large. Our learner's population has been increasing in those schools and improved the schools performances.

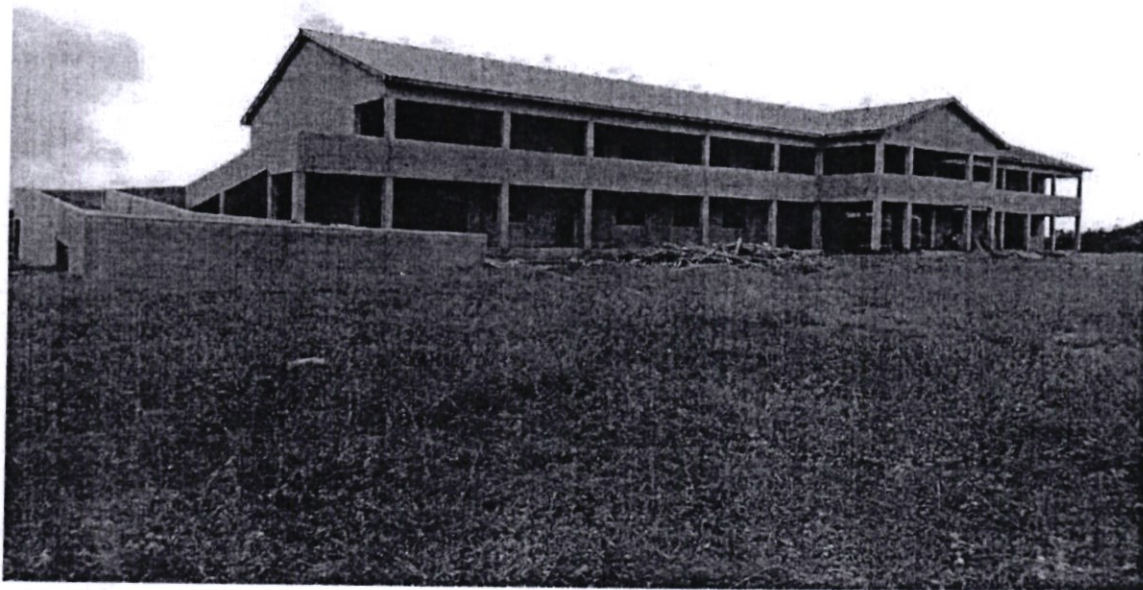
NGCDF Kaloleni bursaries: NG-CDF in this financial year under review, we were able to distribute bursaries to the secondary, colleges and university learners. Thousands of needy and deserving students benefited from our bursary kit. The total amount we disbursed was totalled to Kshs 48,375,261.00 These bursaries led to increase in the retention rate of learners in schools hence contributing highly to positive performance of our learners.

Sports: The Kaloleni NGCDF fully supports Sports activities within Kaloleni Constituency. In the financial year the NGCDF spent Ksh. 2,764,300.00 on support of various sporting activities. The NGCDF supported the sports through donation of uniforms and other sport gears to various teams, mounding of goal posts, flag posts, and field maintenance within the constituency. Due to the In this spirit, we have been able to nurture different talents among our youths within Kaloleni. Our youths are to large extend occupied through sports hence they have little time to be exposed to negative peer pressures.

Environmental: In Kaloleni most parts are very dry and receive very little rainfall, geographically, it is only ¼ of its lands which receives average convectional rainfall. So we supplied most of the schools with tree seedlings to increase the plants vegetation to attract rainfall. It has contributed actually the climate change and created conducive learning environment. This will contribute to positive change of climate and also create habeas learning environment within our schools. The NGCDF used kshs 2,764,300 to purchase more than 11,800 to purchase seedlings to 29 schools for planting.

Pictorial Presentation of some of the projects

On going Project: Construction of a new storey building School: Upcoming Paul Katana High School- Viragoni, comprising of administration block, staffroom and 5No. Classrooms



NGCDF Kaloleni Environment Project: On-going Trees planting exercise in our schools



Desks project: Parliamentary group inspects our projects



Sports Project: Hon Paul Katana issuing sports accessories to teams



The newly built to completion: - Madzimbandi Secondary School

.....
Lennoxeny Mtengo
Chairman NGCDF Committee-Kaloleni

IV. Statement of Performance Against Predetermined Objectives for FY2022/2023

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 *Kaloleni Constituency 2022-2027* plan are to:

- To Improve the level of literacy in the constituency by construction of School infrastructure , provision of bursaries to needy and deserving students
- To Conserve the Environment
- To support sports and recreation activities in the constituency

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 Improve the level of literacy in the constituency by construction of School infrastructure , provision of bursaries to needy and deserving students | To construct 120 classrooms, 35 libraries, 35 administration blocks, 5 laboratories, 5dormestries, 10 ablution blocks, 4,000 desks -To Support 40,000 learners with school bursaries | -To build 24 classrooms per year. -To construct 7 administration blocks per year. -To build 7 libraries in school per year. -To construct one laboratory per year. -Construct one dormitory -To construct 2 ablution blocks per year -Provision of 800 desks to various schools per year. -To provide bursaries to 8,000 learners per year. | In the FY 2022/23 -we increased number of classrooms by 17 classes, 1 no. dormitories, 2no. laboratories and 2no.toilets. in the following Paul Katana High School, Kinangoni Primary School, Tsagwa Primary and St. Michaels Primary School, Mwareni primary School. These projects had a total allocation of 19,396,800. - The NGCDF allocated and distributed Bursary to deserving 6,250learners in both in Secondary Schools and Tertiary Institution . Total bursary issued is Kshs. 49,979,291 -Allocation to purchase of pupils desks in the year amounted to ksh. 6,552,000. |

Kaloleni Constituency**National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2023**

| | | | | |
|-------------|---|--|---|--|
| Environment | To Conserve the Environment | Preservation of nature and natural resources by planting 58,000 trees | -Improve and increase vegetation cover within the constituency by planting 11,600 trees | - In the year, the NGCDF-Kaloleni planted 11,800 trees across 26 different schools within the constituency i.e Makomboani Primary School,MtuluPrimarySchool,BarakaPrimarySchool,MakomboaniSecondary,Miyanisecondary,MadzimbaniPrimary,Kadzandani Primary School,tsangatsini Primary School,Mahenzo Primary School,Kidzini Primary School,Mwakolo,Mnazimwenga Secondary, Mariakani Garisson, Kinangoni, St. Johns Girls,Pangayambo,Imani Primary School,Kizurini Primary School,Kadzongo Primary School,Gandini Primary, Kibao Kiche,Mitsikitsini,Miyani Primary,Ngala memorial Secondary,Kithengwani Primary and Mwanamwinga Primary school. The total allocation for these environment improvement activities was Kshs. 2,764,300. |
| Sports | To support sports and recreation activities in the constituency | Nurturing talents by engaging youth in sports by supporting them with 90sets of sports uniform, 180 balls, 30 trophies and organising sports tournament. | Purchase of sports of 18 sets of uniform, 36balls, 6 trophies, organise one sports tournament | During the year under review, the NGCDFC Kaloleni Distributed 18 sets of sports uniform, 34 balls, 5 trophies to different teams within the constituency. We organise one mega sports tournament in the constituency The total allocation for this various sporting activities was Ksh. 2,764,298 |

V. Statement of Governance

Establishment of the Fund

Section 4 (1) of the National Government Constituencies Development Fund (NG-CDF) Act state that: - There is established a fund to be known as the National Government Constituencies Development Fund which shall:-

- (a) be a national government fund consisting of monies of an amount of not less than 2.5% (two and half per centum) of all the national government's share of revenue as divided by the annual Division of Revenue Act enacted pursuant to Article 218 of the Constitution;
- (b) Comprise of any monies accruing to or received by the Board from any other source; and
- (c) Be administered by the Board

Mandate of the NGCDF Committee

Section II, (I) of the regulations to NGCDF Act 2016 outlines functions of the NGCDF Committee as follows:

- Build the capacity of project management committees and Committee.
- sensitize the Community on the operations of the Fund;
- consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency;
- ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act;
- ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans;
- in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;
- consult with relevant government departments to ensure that cost estimates for projects are realistic;
- in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects;
- subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation, before respective constituencies approve such a project for joint funding;

- rank projects proposals in order of priority while ensuring that on-going projects take precedence;
- ensure that all projects receive adequate funding and are completed within three years;
- where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies;
- ensure that projects proposed for funding fulfill the requirements provided in the Act and relevant circulars issued by the Board;
- monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;
- ensure that project reports are prepared and submitted to the Board;
- ensure formation of project management committees, opening of project accounts, project implementation and closure of projects;
- ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund;
- submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;
- collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account in accordance with section 38(b) of the Act;
- recommend to the Board the removal of a committee member in accordance with section 43(13) and (14) of the Act;
- submit to the Board the report stipulated in section 5(5) of the Act, which report shall contain-a list of all the new projects commenced during the financial year and their completion status; and a list of all projects approved, funded and commenced during previous financial years, and their completion status;
- enter into performance contracting with the Board on an annual basis;
- in exercising its discretion under section 32 of the Act, be guided by the principles of governance enshrined in Article 10 of the Constitution;
- receive returns from project management committees in accordance with regulation 15;
- maintain a database of project management committees and reports from the respective committees;

- receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level;
- ensure that the committee does not enter into commitments for which funding has not been allocated;
- ensure projects are labeled in accordance with the guidelines issued by the Board

Appointment of NGCDFC Members

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

There is established a National Government Constituencies Development fund committee for every constituency.

Each constituency committee shall comprise of

- a) The national government official responsible for co- ordination of national government functions.
- b) Two men each nominated in accordance with subsection (3) one of whom shall be a youth at the date of appointment.
- c) Two women nominated in accordance with subsection (3) one of whom shall be a youth at the date of appointment.
- d) One 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.

The seven persons referred to in sub-section (2) (b), (c), (d) and (e) shall be selected in such a manner and shall have such qualifications as the board may, by regulation, 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 Fund account managers are required initiate the process of appointment of the members of the national government constituencies development fund committees (NG-CDFCs) In their respective constituencies by first constituting selection panel pursuant to the provisions of the regulations 5(4) of the regulations to the act. The selection panel shall stand dissolved upon the appointment of the members of a Constituency Committee.

The following are the lawfully appointed members of NGCDF Committee Kaloleni

| NO. | NAME | CATEGORY | WARD |
|-----|--------------------------|------------------------|------------------|
| 1. | Lennoxeny Kaviha Mtengo | Male(Adult) | Kaloleni ward |
| 2. | Philip Nzovu Katana | Male(Youth) | Kayafungo ward |
| 3. | Victoria Achieng Omollo | Female(Adult) | Mariakani ward |
| 4. | Aisha Nyanje Baya | Female(Youth) | Mwanamwinga ward |
| 6. | Paddyson Kasena Changawa | Person with disability | Kaloleni ward |
| 7. | Said Mohamed | Co-opted member | Kayafungo ward |
| 8. | Easther Jume Kahathi | Parliamentary Nominee | Kayafungo ward |
| 9. | William Kahindi Metu | Parliamentary Nominee | Mariakani ward |

Removal of NGCDF Member

Section 43(8) provides that, the term of office of the members of the constituency committee shall be two years and shall be renewable but shall expire upon the appointment of a new constituency committee in the manner provided for in the act, or as may be approved by the board.

In addition, regulations 5(2) (a) of the regulations to the act states that, a vacancy shall occur in constituency committee upon - commencement of a new parliamentary term.

According to Section 43 (13), a member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practises;
- (f) Causing disharmony within the committee;
- (g) Physical or mental infirmity.

Member Eligibility Criteria for appointment

Regulations 5 and 6 of the NG-CDF regulations 2016 provide for the eligibility criteria and procedures for nomination of five members of the NG-CDF committee as outlined in section 43(2) paragraphs (b) (c) and (d) of the principal Act through a selection panel(regulations 5(4) composed of:

- i. One person nominated by the national government official in charge of sub-county , or a designated representative who shall chair the panel.

- ii. The officer of board seconded to the constituency who shall be the secretary to the selection panel and.
- iii. Two persons, one of either gender, nominated by the constituency office (established under regulations made pursuant to the parliamentary service act)

Further, regulation 6 requires that for one to serve as a member of the NG-CDF Committee, he or she must be:

- a. A citizen of Kenya
- b. Ordinarily resident and a voter in the constituency
- c. Able to read and write, and to communicate in English and Kiswahili.
- d. Meet the requirement of chapter six of the constitution of Kenya
- e. Is available to participate in activities of a constituency committee

Conflict and dispute Resolution

Section 31 of the regulation states that: A Constituency Committee shall establish and maintain a Complaint and complaints register in respect of all complaints received with regard to dispute resolution. The operations of the Fund in the Constituency, and shall forward a status report of the complaints to the Board at the end of each quarter in a financial year. A Constituency Committee shall address all complaints made to it before forwarding the complaints to the Board. A complainant shall, in forwarding a dispute to the Board for consideration, demonstrate efforts made to have the matter resolved at the Constituency level. A Constituency Committee shall, as much as possible, ensure and demonstrate the effort made towards resolving a complaint at the Constituency level. A Constituency Committee shall maintain a clearly marked and secured complaints submission box in accordance with guidelines issued by the Board. The Board shall issue guidelines to a Constituency Committee on mechanisms and procedures for handling complaints and litigation. NGCDF Kaloleni observed and put into practice all the above guidelines.

NCDFC member's remuneration

Section 33 or the regulations states: - The Cabinet Secretary shall, with the approval of the National Assembly Select Committee on National Government Constituencies Development Fund, issue guidelines on allowances payable to members of a constituency committee and other government officers involved in the management of the Fund. Currently the Chairperson to the NGCDFC earns a sitting allowance of Ksh. 7,000 while a committee member is paid Ksh. 5,000.

Conduct and Ethics of a committee member

The chapter six of the Constitution on Leadership and Integrity requires State officers to be guided in their day-to-day conduct by principles of leadership and integrity which, among other requirements, include: being objective and impartial in ensuring that decisions are not influenced by nepotism, favouritism, corruption or other improper motives. NGCDF Kaloleni regularly trains its Committee members on commitment to abide to this chapter six of the Constitution

VI. Environmental and Sustainability Reporting

Kaloleni 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 Kaloleni NG-CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Kaloleni 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; NG-CDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

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

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

2. Environmental performance

- NG-CDF Kaloleni supported pupils and students in carrying out environmental conservation activities. During the year under review, the NGCDF-Kaloleni in support of learners within the constituency planted more than 11,000 trees across 26 different schools within the constituency. The Environment projects were funded to a tune of Ksh 2,764,300. The Schools benefitted from the environment projects include:- Makomboani Primary School, Mtulu Primary School, Baraka Primary School, Mazimbani Primary school, Kadzandani Primary school, Tsangatsini Primary school, Mahenzo Primary School, Kidzini Primary school, Mwakolo Primary school, Mariakani Garisson Primary school, Kinangoni Primary school, Pangayambo Primary school, Imani Primary school, Kizurini Primary school, Kadzonzo Primary school, Gandini Primary school, Kibaokiche Primary school, Mitsikitsini Primary school, Miyani Primary school, Kithengwani Primary school, Mwanamwinga Primary school, Makomboani Secondary School, Myani Secondary School, Mnazimwenga Secondary School, St. Johns Girls Secondary School, Ngala memorial Secondary School
- During the launch of the tree planting exercise, the NGCDF Kaloleni in conjunction with constituency office and other stakeholders Sensitized youth/ community on the impact of drugs and substance abuse and also the importance of environmental conservation and its impact on climate change.
- During the launch of the tree planting exercise, the NGCDF Kaloleni in conjunction with constituency office and other stakeholders Sensitized youth/ community on the impact of drugs and substance abuse and also the importance of environmental conservation and its impact on climate change.

3. Employee welfare

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

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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



Elisha Ade

Fund Account Manager-Kaloleni Constituency

VII. 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- Kaloleni 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, 2023. 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- Kaloleni 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, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Kaloleni Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

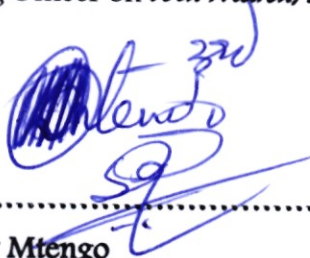
The Accounting Officer in charge of the NGCDF- Kaloleni Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used 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

***Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023***

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- Kaloleni Constituency financial statements were approved and signed by the Accounting Officer on *15th March, 2024*.



.....
Lennoxeny Mtengo

Chairman – NGCDF Committee



.....
Elisha Ade

Fund Account Manager- Kaloleni

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KALOLENI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

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 - Kaloleni Constituency set out on pages 1 to 37, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and summary statement of

*Report of the Auditor-General on National Government Constituencies Development Fund - Kaloleni Constituency
for the year ended 30 June, 2023*

appropriation for the year then ended, and 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 the matter described in the basis for qualified opinion section the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kaloleni Constituency as at 30 June, 2023, 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 (Amended 2022).

Basis for Qualified Opinion

Unsupported Project Management Committee (PMC) Bank Balances

Note 18.4 to the financial statements and detailed in Annex 5 reflects Project Management Committee (PMC) account balances amounting to Kshs.5,077,660. However, the cashbook extracts, bank reconciliation were not provided for audit review.

In the circumstances, the accuracy and completeness of Kshs.5,077,660 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 - Kaloleni Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects a final receipts budget and actual on comparable basis of Kshs.157,464,179 and Kshs.106,249,146 respectively resulting in a shortfall of Kshs.51,215,033 or 33% of the budget. Similarly, the Fund spent Kshs.81,556,844 against actual receipts of Kshs.106,249,146, resulting in under-utilization of Kshs.24,692,302.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of these matters.

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

Unresolved Prior Year Matters

In the audit of the previous year, several issues were raised under the report of financial statements and report on Lawfulness and Effectiveness in Use of Public Resources and report on Effectiveness of Internal Controls, Risk Management and Governance. Even though Management indicate the issues as resolved, the evidence of resolution has not been provided. The issues remain unresolved.

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 Completion and Implementation of Projects

Review of the project implementation status for the financial year 2022/2023 revealed that the constituency had a total of fifty (50) projects planned for the year with an approved budget of Kshs.53,785,279. Out of these, forty-two (42) projects worth Kshs.15,906,658 were completed, nine (9) projects valued at Kshs.35,785,696 were still ongoing and one (1) project with a budget of Kshs.4,692,925 had not started.

In the circumstances, value for money incurred on incomplete projects could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


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

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

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

I communicate with 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 June, 2024

Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

IX. Statement of Receipts and Payments for the Year Ended 30th June 2023


| | Note | 2022-2023 | 2021-2022 |
|-------------------------------------|------|-------------------|---------------------|
| | | Kshs | Kshs |
| Receipts | | | |
| Transfers From NGCDF Board | 1 | 87,000,000 | 182,177,758 |
| Proceeds From Sale of Assets | 2 | - | - |
| Other Receipts –A.I.A | 3 | 31,630 | 85,000 |
| Total Receipts | | 87,031,630 | 182,262,758 |
| Payments | | | |
| Compensation Of Employees | 4 | 2,377,347 | 1,180,572 |
| Committee expenses | 5 | 3,498,537 | 5,470,920 |
| Use Of Goods and Services | 6 | 7,377,062 | 8,894,763 |
| Transfers To Other Government Units | 7 | 11,996,800 | 94,802,677 |
| Other Grants and Transfers | 8 | 56,307,098 | 85,897,055 |
| Acquisition Of Assets | 9 | - | - |
| Oversight Committee Expenses | 10 | - | - |
| Other Payments | 11 | - | - |
| Total Payments | | 81,556,844 | 196,245,987 |
| Surplus/(Deficit) | | 5,474,786 | (13,983,229) |

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

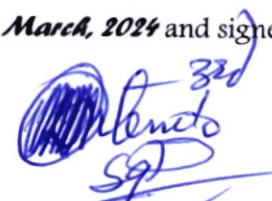
The Constituency financial statements were approved by the NGCDFC on *15th March, 2024* and signed by:


Fund Account Manager

Mr. Elisha Ade


National Sub-County Accountant

Brigitor N. Wambua
 ICPAK M/No:16456


Chairman NG-CDF C - Kaloleni

Mr. Lennoxeny Mtengo

Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

X. Statement Of Assets and Liabilities As At 30th June, 2023

| | Note | 2022-2023 | 2021-2022 |
|--|------|-------------------|-------------------|
| | | Kshs | Kshs |
| Financial Assets | | | |
| Cash And Cash Equivalents | | | |
| Bank Balances (As Per the Cash Book) | 12A | 24,692,302 | 19,217,516 |
| Cash Balances (Cash at Hand) | 12B | - | - |
| Total Cash and Cash Equivalents | | 24,692,302 | 19,217,516 |
| Accounts Receivable | | | |
| Outstanding Imprests | 13 | - | - |
| Total Financial Assets | | 24,692,302 | 19,217,516 |
| Financial Liabilities | | | |
| Accounts Payable (Deposits) | | | |
| Retention | 14A | - | - |
| Gratuity | 14B | - | - |
| Total Financial Liabilities | | - | - |
| Net Financial Assets | | 24,692,302 | 19,217,516 |
| Represented By | | | |
| Fund Balance B/Fwd | 15 | 19,217,516 | 33,200,745 |
| Prior Year Adjustments | 16 | - | - |
| Surplus/Deficit for The Year | | 5,474,786 | (13,983,229) |
| Net Financial Position | | 24,692,302 | 19,217,516 |

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

The Constituency financial statements were approved by NG CDFC on *15th March, 2024* and signed by



Fund Account Manager

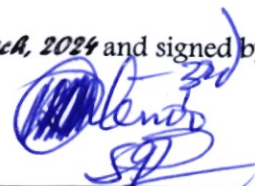
Mr. Elisha Ade



National Sub-County Accountant

Brigitor N. Wambua

ICPAK M/No.16456



Chairman NG-CDF C - Kaloleni

Mr. Lennoxeny Mtengo


Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023


XI. Statement Of Cash Flows for The Year Ended 30th June 2023

| | Notes | 2022-2023 | 2021-2022 |
|--|-------|-------------------|---------------------|
| | | Kshs | Kshs |
| Receipts From Operating Activities | | | |
| Transfers From NGCDF Board | 1 | 87,000,000 | 182,177,758 |
| Other Receipts –A.I.A | 3 | 31,630 | 85,000 |
| Total Receipts | | 87,031,630 | 182,262,758 |
| Payments | | | |
| Compensation Of Employees | 4 | 2,377,347 | 1,180,572 |
| Committee Expenses | 5 | 3,498,537 | 5,470,920 |
| Use Of Goods and Services | 6 | 7,377,062 | 8,894,763 |
| Transfers To Other Government Units | 7 | 11,996,800 | 94,802,677 |
| Other Grants and Transfers | 8 | 56,307,098 | 85,897,055 |
| Oversight Committee Expenses | 10 | - | - |
| Other Payments | 11 | - | - |
| Total Payments | | 81,556,844 | 196,245,987 |
| Total Receipts Less Total Payments | | 5,474,786 | (13,983,229) |
| Adjusted For: | | | |
| Prior Year Adjustments | 16 | - | - |
| Decrease/(Increase) In Accounts Receivable | 17 | - | - |
| Increase/(Decrease) In Accounts Payable | 18 | - | - |
| Net Cash Flow from Operating Activities | | 5,474,786 | (13,983,229) |
| Cashflow From Investing Activities | | | |
| Proceeds From Sale of Assets | 2 | - | - |
| Acquisition Of Assets | 9 | (-) | (-) |
| Net Cash Flows from Investing Activities | | - | - |
| Net Increase In Cash And Cash Equivalent | | 5,474,786 | (13,983,229) |
| Cash & Cash Equivalent At Start Of The Year | 12 | 19,217,516 | 33,200,745 |
| Cash & Cash Equivalent At End Of The Year | 12 | 24,692,302 | 19,217,516 |

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

The Constituency financial statements were approved by NG CDFC on *15th March, 2024* and signed by:


Fund Account Manager
 Mr. Elisha Ade


National Sub-County Accountant
 Brigitor N. Wambua
 ICPAK M/No:16456


Chairman NG-CDF C - Kaloleni
 Mr. Lennoxeny Mtengo

Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

XII. Summary Statement of Appropriation for The Year Ended 30th June 2023

| 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 % |
| | 2022-2023 | Opening Balance (C/Bk) and Accumulated AIA | Previous Years' Outstanding disbursements | 2022-2023 | 2022-2023 | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | |
| Receipts | | | | | | | |
| Transfers From NGCDF Board | 138,215,033 | 19,217,516 | - | 157,432,549 | 106,217,516 | 51,215,033 | 67.47% |
| Proceeds From Sale of Assets | - | - | - | - | - | - | - |
| Other Receipts-A.I.A | - | 31,630 | - | 31,630 | 31,630 | - | 100.00% |
| Totals | 138,215,033 | 19,249,146 | - | 157,464,179 | 106,249,146 | 51,215,033 | 67.48% |
| Payments | | | | | | | |
| Compensation Of Employees | 3,636,000 | 842,194 | - | 4,478,194 | 2,377,347 | 2,100,847 | 53.09% |
| Committee Expenses | 3,124,251 | 1,170,847 | - | 4,295,098 | 3,498,537 | 796,561 | 81.45% |
| Use Of Goods and Services | 5,679,102 | 2,845,396 | - | 8,524,498 | 7,377,062 | 1,147,436 | 86.54% |
| Transfers To Other Government Units | 52,601,481 | 3,000,000 | - | 55,601,481 | 11,996,800 | 43,604,681 | 21.58% |
| Other Grants and Transfers | 69,592,049 | 10,546,079 | - | 80,138,128 | 56,307,098 | 23,831,030 | 70.26% |
| Acquisition of Assets | - | - | - | - | - | - | - |
| Oversight Committee Expenses | 1,382,150 | - | - | 1,382,150 | - | 1,382,150 | 0.00% |
| Other Payments-Strategic plan | 2,200,000 | - | - | 2,200,000 | - | 2,200,000 | 0.00% |
| Funds Pending Approval** A.I.A | - | 844,630 | - | 844,630 | - | 844,630 | 0.00% |
| Totals | 138,215,033 | 19,249,146 | - | 157,464,179 | 81,556,844 | 75,907,335 | 51.79% |

Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

***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) Total collected appropriation in aid (AIA) amounted to Ksh. 844,630. This total amount is yet to be appropriated.
- (b) The balance brought down of Ksh. 19,249,146 is the utilised balances in our cashbook as at 30th June 2022. The amount brought forward will be available for utilization in the year under review thus included the current year budget (ksh. 138,215,033) to make the total budget for the year (Ksh. 157,464,179). This is explained further by the note no.10 and 11 of the significant accounting policies adopted to prepare the financial statements as at 30th June, 2023
- (c) Compensation to employees was utilized up to 53.90% This Underutilization is mainly because of because of unutilized gratuity allocation.
- (d) Payments to other grants and transfers were utilized to a tune of 70.60%. The underutilization was due to huge amount owed to board at the end of financial year
- (e) Transfers To Other Government Units was utilized to a tune of 21.58%. This underutilization was due to late disbursement of funds from the board

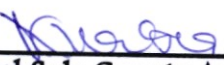
| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities | |
|--|-------------------|
| Description | Amount |
| Budget utilisation difference totals | 75,907,335 |
| Less undisbursed funds receivable from the Board as at 30 th June 2023 | (51,215,033) |
| | 24,692,302 |
| Increase/(decrease) Accounts payable | - |
| (Decrease)/Increase Accounts Receivable | (-) |
| Add/Less Prior Year Adjustments | - |
| Cash and Cash Equivalents at the end of the 30 th June 2023 | 24,692,302 |

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

The Constituency financial statements were approved by NG CDFC on *15th March, 2024* and signed by:


Fund Account Manager

Mr. Elisha Ade


National Sub-County Accountant

Brigitor N. Wambua
 ICPAK M/No: 16456


Chairman NG-CDF C Kaloleni

Mr. Lennoxeny Mtengo

*Kaloleni Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

XIII. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

| 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 | 3,636,000 | 842,194 | - | 4,478,194 | 2,377,347 | 2,100,847 |
| 1.2 Committee allowances | 1,128,000 | 1,164,048 | - | 2,292,048 | 2,292,048 | - |
| 1.3 Use of goods and services | 3,528,902 | 2,431,843 | - | 5,960,745 | 5,034,875 | 925,870 |
| Sub-total | 8,292,902 | 4,438,085 | - | 12,730,987 | 9,704,270 | 3,026,717 |
| 2.0 Monitoring and evaluation | | | | | | |
| 2.1 Capacity building | 1,400,200 | 207,945 | - | 1,608,145 | 1,206,945 | 401,200 |
| 2.2 Committee allowances | 1,996,251 | 6,799 | - | 2,003,050 | 1,607,689 | 395,361 |
| 2.3 Use of goods and services | 750,000 | 205,608 | - | 955,608 | 734,042 | 221,566 |
| Sub-total | 4,146,451 | 420,352 | - | 4,566,803 | 3,548,676 | 1,018,127 |
| 3.0 Emergency | | | | | | |
| 3.1 Primary Schools | | | | | | |
| 3.11. Kinagoni Primary School | | | - | 2,200,000 | 2,200,000 | - |

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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 | | | |
| | | 2,200,000 | | | | |
| 3.12. Tsagwa Primary School | | 1,300,000 | - | 1,300,000 | 1,300,000 | - |
| 3.13. St Michaels Primary School | | 3,900,000 | - | 3,900,000 | 3,900,000 | - |
| 3.2 Secondary schools | | | | | | - |
| 3.3 Tertiary institutions | | | | | | - |
| 3.4 Security projects | | | | | | - |
| 3.5 Unutilised Emergency Allocation | 7,636,190 | 1,542,049 | - | 9,178,239 | | |
| Sub-total | 7,636,190 | 8,942,049 | - | 16,578,239 | 7,400,000 | 9,178,239 |
| 4.0 Bursary and Social Security | | | | | | |
| 4.1 Primary Schools | - | - | - | - | - | - |
| 4.2 Secondary Schools | 33,427,672 | - | - | 33,427,672 | 33,427,672 | - |
| 4.3 Tertiary Institutions | 14,947,589 | 1,604,030 | - | 16,551,619 | 9,950,828 | 6,600,791 |
| 4.4 Universities | - | - | - | - | - | - |
| 4.5 Social Security | - | - | - | - | - | - |
| Sub-total | 48,375,261 | 1,604,030 | - | 49,979,291 | 43,378,500 | 6,600,791 |
| 5.0 Sports | | | | | | |
| 5.1. NGCDF Kaloleni Sports | 2,764,298 | - | - | 2,764,298 | 2,764,298 | - |
| Sub-total | 2,764,298 | - | - | 2,764,298 | 2,764,298 | - |

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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 | | | |
| 6.0 Environment | | | | | | |
| 6.1 NGCDF Kaloleni Environment | 2,764,300 | - | - | 2,764,300 | 2,764,300 | - |
| 6.2 | | - | - | - | - | |
| 6.3 | | - | - | - | - | |
| Sub-total | 2,764,300 | - | - | 2,764,300 | 2,764,300 | - |
| 7.0 Primary Schools Projects (List all the Projects) | | | | | | |
| 7.1. Makululu Primary School | 7,236,925 | - | - | 7,236,925 | - | 7,236,925 |
| 7.2. Nguluweni Primary School | 7,300,000 | - | - | 7,300,000 | - | 7,300,000 |
| 7.3. Mitsikitsini Primary School | 7,236,925 | - | - | 7,236,925 | - | 7,236,925 |
| 7.4. Kadzandani Primary School | 7,300,000 | - | - | 7,300,000 | - | 7,300,000 |
| 7.5. Mwareni Primary School | 4,237,906 | - | - | 4,237,906 | - | 4,237,906 |
| Sub-total | 33,311,756 | - | - | 33,311,756 | - | 33,311,756 |
| 8.0 Secondary Schools Projects (List all the Projects) | | | | | | |
| 8.1. Madzimbani Secondary School | 2,600,000 | - | - | 2,600,000 | - | 2,600,000 |
| 8.2. Paul Katana High Sch-Viragoni | 11,996,800 | - | - | 11,996,800 | 11,996,800 | - |
| 8.3. Paul Katana High Sch-Viragoni | 4,692,925 | - | - | 4,692,925 | - | 4,692,925 |
| 8.4 Kizurini Secondary School | | 3,000,000 | - | 3,000,000 | - | 3,000,000 |
| Sub-total | 19,289,725 | 3,000,000 | | 22,289,725 | 11,996,800 | 10,292,925 |
| 9.0 Tertiary institutions Projects | | | | | | |

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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 | | | |
| (List all the Projects) | | | | | | |
| 9.1 | - | - | - | - | - | - |
| Sub-total | - | - | - | - | - | - |
| 10.0 Security Projects | | | | | | |
| 10.1. Tsagwa Sublocation Ass. Chiefs Office | 1,500,000 | - | - | 1,500,000 | - | 1,500,000 |
| 10.2 | - | - | - | - | - | - |
| Sub-total | 1,500,000 | - | - | 1,500,000 | - | 1,500,000 |
| 11.0 Acquisition of assets | | | | | | |
| 11.1 Motor Vehicles (including motorbikes) | - | - | - | - | - | - |
| 11.2 Construction of CDF office | - | - | - | - | - | - |
| 11.3 Purchase of furniture and equipment | - | - | - | - | - | - |
| 11.4 Purchase of computers | - | - | - | - | - | - |
| Sub-total | - | - | - | - | - | - |
| 12.0 Oversight Committee Expenses (itemize) | | | | | | |
| 12.1 Committee Expenses | 240,000 | - | - | 240,000 | - | 240,000 |
| 12.2 Other Committee Expenses | 1,142,150 | - | - | 1,142,150 | - | 1,142,150 |
| Sub-total | 1,382,150 | - | - | 1,382,150 | - | 1,382,150 |
| 13.0 Others | | | | | | |
| 13.1 Strategic Plan | 2,200,000 | - | - | 2,200,000 | - | 2,200,000 |

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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 | | | |
| Sub-total | 2,200,00 | - | - | 2,200,00 | - | 2,200,00 |
| 14.0 Desk Project | | - | | | | |
| 14.1 NGCDF Kaloleni Desks Project | 6,552,000 | - | | 6,552,000 | | 6,552,000 |
| Sub-total | 6,552,00 | - | - | 6,552,00 | - | 6,552,00 |
| Funds pending approval** A.I.A | - | 844,630 | - | 844,630 | - | 844,630 |
| Total | 138,215,033 | 19,249,146 | - | 157,464,179 | 81,556,844 | 75,907,335 |

NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based.

XIV. 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- Kaloleni 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 Equivalent.

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

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2022 for the period 1st July 2022 to 30th June 2023 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.

Significant Accounting Policies Continued

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 2023.

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.

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

| Description | 2022-2023 | 2021-2022 |
|----------------|-------------------|--------------------|
| NGCDF Board | Kshs | Kshs |
| AIE NO.B185083 | 7,000,000 | - |
| AIE NO.B185504 | 6,000,000 | - |
| AIE NO.B206117 | 5,000,000 | - |
| AIE NO.B185621 | 15,000,000 | - |
| AIE NO.B206371 | 12,000,000 | - |
| AIE NO.B205755 | 12,000,000 | - |
| AIE NO.B207879 | 15,000,000 | - |
| AIE NO.B207517 | 15,000,000 | - |
| AIE NO.B140912 | | 33,000,000 |
| AIE NO.B105452 | | 44,000,000 |
| AIE NO.B105788 | | 24,000,000 |
| AIE NO.B128524 | | 5,000,000 |
| AIE NO.B128836 | | 12,000,000 |
| AIE NO.B154033 | | 12,000,000 |
| AIE NO.B164476 | | 20,000,000 |
| AIE NO.B155833 | | 20,088,879 |
| AIE NO.B155953 | | 12,088,879 |
| | | |
| TOTAL | 87,000,000 | 182,177,758 |

2. Proceeds From Sale of Assets

| | 2022-2023 | 2021-2022 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Receipts from sale of Buildings | - | - |
| Receipts from the Sale of Vehicles and Transport Equipment | - | - |
| Receipts from sale of office and general equipment | - | - |

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| | | |
|--|----------|----------|
| Receipts from the Sale Plant Machinery and Equipment | - | - |
| Others (specify) | - | - |
| | - | - |
| Total | - | - |

3. Other Receipts

| | 2022-2023 | 2021-2022 |
|--|---------------|---------------|
| | Kshs | Kshs |
| Interest Received | - | - |
| Rents | - | 20,000 |
| Receipts from sale of tender documents | | 65,000 |
| Hire of plant/equipment/facilities | - | - |
| Other Receipts –PMC Savings | 31,630 | - |
| Total | 31,630 | 85,000 |

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

| | 2022-2023 | 2021-2022 |
|--|------------------|------------------|
| | Kshs | Kshs |
| NG-CDFC Basic staff salaries | 1,764,815 | 1,123,572 |
| Personal allowances paid as part of salary | | |
| House Allowance | - | - |
| Transport Allowance | - | - |
| Leave allowance | - | - |
| Contribution to NHIF | 52,700 | 37,800 |
| Gratuity to contractual employees | 482,232 | - |
| Employer Contributions Compulsory national social security schemes | 77,600 | 19,200 |
| Total | 2,377,347 | 1,180,572 |

5. Committee Expenses

| | 2022-2023 | 2021-2022 |
|--------------------------|------------------|------------------|
| | Kshs | Kshs |
| Sitting allowance | 1,426,055 | 5,470,920 |
| Other committee expenses | 2,072,482 | - |
| Total | 3,498,537 | 5,470,920 |

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6. Use of Goods and services

| | 2022-2023 | 2021-2022 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 305,712 | 618,868 |
| Communication, supplies and services | 348,640 | 270,675 |
| Domestic travel and subsistence | 657,200 | 790,000 |
| Printing, advertising and information supplies & services | 759,971 | 332,010 |
| Rentals of produced assets | - | - |
| Training expenses | 635,500 | 1,554,180 |
| Hospitality supplies and services | 225,754 | 1,009,370 |
| Insurance costs | 210,985 | 243,611 |
| Specialised materials and services-Cleaning & fumigation | 168,605 | 281,205 |
| Office and general supplies and services | 2,713,647 | 1,318,892 |
| Fuel , oil & lubricants | 732,990 | 550,000 |
| Other operating expenses | 238,410 | 1,304,380 |
| Bank Charges | 67,880 | 49,632 |
| Security operations | - | - |
| Routine maintenance - vehicles and other transport equipment | 121,650 | 388,700 |
| Routine maintenance- other assets | 190,118 | 183,240 |
| | | |
| Total | 7,377,062 | 8,894,763 |

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Notes To The Financial Statements (Continued)

7. Transfer To Other Government Units

| Description | 2022-2023 | 2021-2022 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Transfers To Primary Schools (See Attached List) | - | 39,802,677 |
| Transfers To Secondary Schools (See Attached List) | 11,996,800 | 55,000,000 |
| Transfers To Tertiary Institutions (See Attached List) | - | - |
| Total | 11,996,800 | 94,802,677 |

8. Other Grants and Other transfers

| | 2022-2023 | 2021-2022 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Bursary – secondary schools (see attached list) | 33,427,672 | 34,913,000 |
| Bursary – tertiary institutions (see attached list) | 9,950,828 | 25,598,500 |
| Bursary – special schools (see attached list) | - | - |
| Mock & CAT (see attached list) | - | - |
| Social Security programmes (NHIF) | - | - |
| Security projects (see attached list) | - | - |
| Sports projects (see attached list) | 2,764,298 | 2,741,778 |
| Environment projects (see attached list) | 2,764,300 | 2,741,777 |
| Emergency projects (see attached list) | 7,400,000 | 950,000 |
| NGCDF Kaloleni School Desks Project (see attached list) | - | 18,952,000 |
| Total | 56,307,098 | 85,897,055 |

Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

| | 2022-2023 | 2021-2022 |
|---|-----------|-----------|
| | 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 | - | - |
| Acquisition Intangible Assets | - | - |
| Total | - | - |

10. Oversight Committee Expenses

| | 2022-2023 | 2021-2022 |
|---|-----------|-----------|
| | Kshs | Kshs |
| Constituency Oversight Committee Expenses | - | - |
| Other Oversight Committee expenses | - | - |
| | - | - |

11. Other Payments

| | 2022-2023 | 2021-2022 |
|----------------|-----------|-----------|
| | Kshs | Kshs |
| Strategic plan | - | - |
| ICT Hub | - | - |
| | - | - |

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12. Cash Book Bank Balance

| Name Of Bank, Account No. & Currency | 2022-2023 | 2021-2022 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| 12A: Bank Accounts (Cash Book Bank Balance) | | |
| <i>Cooperative Bank –Mariakani, A/C No. 01141253838300</i> | 24,692,302 | 19,217,516 |
| <i>Name of Bank, account No. (Deposits account)</i> | - | - |
| Total | 24,692,302 | 19,217,516 |
| | | |
| 12 B: Cash on Hand | | |
| Location 1 | - | - |
| Location 2 | - | - |
| Location 3 | - | - |
| | - | - |
| Total | - | - |
| | | |

13. Outstanding Imprests

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

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Notes to the Financial Statement Continued

14. Retention and Gratuity

| 14 A. Retention | 2022-2023 | 2021-2022 |
|--|------------------|------------------|
| | KShs | KShs |
| Retention as at 1 st July (A) | - | - |
| Retention held during the year (B) | - | - |
| Retention paid during the Year (C) | - | - |
| Closing Retention as at 30 th June D= A+B-C | - | - |

| 14 B. Gratuity | 2022-2023 | 2021-2022 |
|---|------------------|------------------|
| | 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 | - | - |

15. Fund Balance B/F

| | 1st July 2022 | 1st July 2021 |
|--|---------------------------------|---------------------------------|
| | Kshs | Kshs |
| Bank accounts | | |
| <i>Cooperative Bank –Mariakani, A/C No. 01141253838300</i> | 19,217,516 | 33,200,745 |
| Cash in hand | - | - |
| Imprest | - | - |
| Total | 19,217,516 | 33,200,745 |
| Less | | |
| Payables: - Retention | - | - |
| Payables – Gratuity | - | - |
| Fund Balance Brought Forward | 19,217,516 | 33,200,745 |

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 | - | - | - |
| Accounts Payables | (-) | - | (-) |
| Receivables | - | - | - |
| Others (<i>specify</i>) | - | - | - |
| Total | - | - | - |

** The adjusted balances are not carried down on the face of the financial statement.

17. Changes In Accounts Receivable – Outstanding Imprests

| | 2022-2023 | 2021-2022 |
|--|-----------|-----------|
| | KShs | KShs |
| Outstanding Imprest as at 1 st July (A) | - | - |
| Imprest issued during the year (B) | 4,157,400 | 6,175,751 |
| Imprest surrendered during the Year (C) | 4,157,400 | 6,175,751 |
| closing accounts in account receivables D= A+B-C | - | - |
| Net changes in accounts Receivables D - A | - | - |

18. Changes In Accounts Payable – Deposits and Retentions

| | 2022-2023 | 2021-2022 |
|---|-----------|-----------|
| | KShs | KShs |
| Deposit and Retentions as at 1 st July (A) | - | - |
| Deposit and Retentions held during the year (B) | - | - |
| Deposit and Retentions paid during the Year (C) | - | - |
| closing account payables $D = A + B - C$ | - | - |
| Net changes in accounts payables $D - A$ | - | - |

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

| | 2022-2023 | 2021-2022 |
|-----------------------------|-----------|-----------|
| | Kshs | Kshs |
| Construction of buildings | - | - |
| Construction of civil works | - | - |
| Supply of goods | - | - |
| Supply of services | - | - |
| Total | - | - |

19.2: Pending Staff Payables (See Annex 2)

| | 2022-2023 | 2021-2022 |
|---------------------------|-----------|-----------|
| | Kshs | Kshs |
| NGCDFC Staff | - | - |
| Others (<i>specify</i>) | - | - |
| Total | - | - |

19.3: Unutilized Fund (See Annex 3)

| | 2022-2023 | 2021-2022 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Compensation of employees | 2,100,847 | 1,377,307 |
| Administration- Use of goods | 925,870 | 3,480,630 |
| Administration- Committee expense | - | - |
| Monitoring & Evaluation- Use of goods | 221,566 | - |
| Monitoring & Evaluation- Committee Expenses | 578,061 | - |
| Monitoring & Evaluation- Capacity Building | 401,200 | - |
| Amounts due to other Government entities (see attached list) | 43,604,681 | 3,000,000 |
| Amounts due to other grants and other transfers (see attached list) | 23,648,330 | 10,546,079 |
| Acquisition of assets | - | - |
| Oversight Committee Expenses | 1,382,150 | - |
| Other Payments (strategic plan) | 2,200,000 | - |
| Funds pending approval- A.I.A | 844,630 | 813,000 |
| Total | 75,907,335 | 19,217,516 |

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18.4: PMC account balances (See Annex 5)

| | 2022-2023 | 2021-2022 |
|--|------------------|-------------------|
| | Kshs | Kshs |
| PMC account balances (see attached list) | 5,077,660 | 76,350,254 |
| Total | 5,077,660 | 76,350,254 |

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XVI. 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. | | | | | |
| Sub-Total | | | | | |
| Construction of civil works | | | | | |
| 2. | | | | | |
| Sub-Total | | | | | |
| Supply of goods | | | | | |
| 3. | | | | | |
| Sub-Total | | | | | |
| Supply of services | | | | | |
| 4. | | | | | |
| Sub-Total | | | | | |
| Grand Total | | | | | |

Annex 2 - Analysis of Pending Staff Payables

| Name of Staff | Designation | Date employed | Outstanding Balance 30 th June 2023 | Comments |
|----------------------|-------------|---------------|--|----------|
| NG-CDFC Staff | | | | |
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| Sub-Total | | | | |
| Grand Total | | | | |

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Annex 3 – Unutilized Fund

| Name | Brief Transaction Description | Outstanding Balance 2022-2023 | Outstanding Balance 2021-2022 | Comments |
|--|--|----------------------------------|----------------------------------|----------|
| Administration and Monitoring & Evaluation | | | | |
| Compensation of employees | To cater for payment of NGCDFC staff salaries | 2,100,847 | 1,377,307 | |
| Administration- Use of goods | | 925,870 | 3,480,630 | |
| Administration- Committee expense | | - | - | |
| Monitoring & Evaluation- Use of goods | | 221,566 | - | |
| Monitoring & Evaluation- Committee Expenses | | 578,061 | - | |
| Monitoring & Evaluation- Capacity Building | | 401,200 | - | |
| Sub-Total | | 4,227,544 | 4,857,937 | |
| Amounts due to other Government entities | | | | |
| Primary Schools | | | | |
| Makululu Primary School | Construction of administration block & 2 classroom | 7,236,925 | - | |
| Nguluweni Primary School | Construction of administration block & 2 classroom | 7,300,000 | - | |
| Mtsikitsini Primary School | Construction of administration block & 2 classroom | 7,236,925 | - | |
| Kadzandani Primary School | Construction of administration block & 2 classroom | 7,300,000 | - | |
| Mwareni Primary School | Completion of 3 classrooms | 4,237,906 | - | |
| Secondary Schools | | | | |
| Kizurini Secondary School | Renovation of laboratory and equipping | 3,000,000 | 3,000,000 | |
| Madzimbani Secondary School | Construction of ablution block | 2,600,000 | - | |
| Paul Katana High School- Viragoni | Construction of toilet block, 3boys,3girls,2teachers | 4,692,925 | - | |
| Sub-Total | | 43,604,681 | 3,000,000 | |
| Amounts due to other grants and other transfers | | | | |
| Bursary –Secondary Schools | Payment of bursary to needy students | - | 413 | |
| Bursary –Tertiary Schools | Payment of bursary to needy students | 6,418,091 | 1,603,617 | |
| Emergency | To cater for unforeseen occurrences | 9,178,239 | 8,942,049 | |
| Sports | | - | - | |

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| Name | Brief Transaction Description | Outstanding Balance 2022-2023 | Outstanding Balance 2021-2022 | Comments |
|--|---|----------------------------------|----------------------------------|----------|
| Environment | | - | - | |
| Security-Tsagwa Sublocation, Chiefs' Office | Construction of office block | 1,500,000 | - | |
| Desks: NGCDF-School Desks project | Purchase of desks for schools in the constituency | 6,552,000 | - | |
| Sub-Total | | 23,648,330 | 10,546,079 | |
| Acquisition of assets | - | - | - | |
| | | - | - | |
| Sub-Total | - | - | - | |
| Oversight Committee Expenses (itemize) | | | | |
| Committee expenses | To cater for Kaloleni COC sitting allowances | 240,000 | - | |
| Other committee Expenses | To cater for other Kaloleni COC expenses | 1,142,150 | - | |
| Sub-Total | | 1,382,150 | - | |
| Others (<i>Strategic Plan</i>) | - | 2,200,000 | - | |
| | | - | - | |
| Sub-Total | | 2,200,000 | - | |
| Funds pending approval-A.I.A | Unallocated A.I.A collected | 844,630 | 813,000 | |
| Grand Total | | 75,907,335 | 19,217,016 | |

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Annex 4 – Summary of Fixed Asset Register

| Asset class | Historical Cost b/f (Kshs) 01.07.2022 | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) At Year End 30.06.2023 |
|--|---------------------------------------|----------------------------------|----------------------------------|---|
| Land | - | | | - |
| Buildings and structures | 23,288,021 | | | 23,288,021 |
| Transport equipment | 11,129,132 | | | 11,129,132 |
| Office equipment, furniture and fittings | 1,048,540 | | | 1,048,540 |
| ICT Equipment, Software and Other ICT Assets | 924,424 | | | 924,424 |
| Other Machinery and Equipment | - | | | - |
| Heritage and cultural assets | - | | | - |
| Intangible assets | - | | | - |
| Total | 36,390,117 | | | 36,390,117 |

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Annex 5 –PMC Bank Balances As At 30th June 2023

| PMC | Bank | Account number | Bank Balance 30 th June, 2023 | Bank Balance 30 th June 2022 |
|---------------------------------------|-------------|----------------|--|---|
| Mahenzo Primary School | Cooperative | 01141764680900 | 715 | 1,492,022 |
| Kaloleni NGCDF Desk Project | Cooperative | 01141764626700 | - | 1,372,014 |
| Kaloleni NGCDF Sports Project | Cooperative | 01141764626600 | - | 213 |
| St. Johns Girls Sec School | Cooperative | 01141765073300 | - | 284,922 |
| Maoro Primary School | Cooperative | 01141765255900 | - | 230 |
| Mwareni Primary School | Cooperative | 01141765353400 | 87,280.00 | 6,698,975 |
| Tsangatsini Primary School | Cooperative | 01141765211700 | - | 202,845 |
| Mwakolo Primary School | Cooperative | 01141765195000 | - | 485 |
| Kizurini Primary School | Cooperative | 01141765189400 | - | 178,053 |
| Mkuluni Primary School | Cooperative | 01141765220200 | - | 500 |
| Mnyenzeni Primary School | Cooperative | 01141765208400 | - | 22,744 |
| Walea Primary School | Cooperative | 01141765111600 | - | 4,150 |
| Miyani Secondary School | Cooperative | 01141765231300 | - | 2,000,185 |
| Kithengwani Primary School | Cooperative | 01141765399000 | - | 2,365,028 |
| Mihingoni Primary School | Cooperative | 01141765397300 | 143,444.00 | 2,084,528 |
| Ndatani Primary School | Cooperative | 01141765397400 | 439,526.00 | 1,372,704 |
| Birininwamleka pri school | Cooperative | 01141765435800 | 66,654.70 | 736,652 |
| Muungano primary school | Cooperative | 01141765463400 | 2,299.50 | 2,678,295 |
| Mtulu primary school | Cooperative | 01141765506600 | 214,571.00 | 6,698,975 |
| Shangia Secondary School | Cooperative | 01141765397500 | 1,062,612.00 | 4,347,780 |
| Migundini Seco School | Cooperative | 01141765419400 | 405,719.00 | 1,483,199 |
| Paul Katana High School- Virangoni | Cooperative | 01141765479800 | 166,008.00 | 23,412,975 |
| Madzimbani secondary school | Cooperative | 01141765479700 | 249,883.00 | 14,413,475 |

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| PMC | Bank | Account number | Bank Balance 30 th June, 2023 | Bank Balance 30 th June 2022 |
|------------------------------------|-------------|----------------|--|---|
| Kaloleni NGCDF SPORTS Project | Cooperative | 01141765599500 | 538,223.00 | - |
| Kaloleni NGCDF Environment Project | Cooperative | 01141765613400 | 975.00 | 330 |
| Kinagoni Primary School Project | Cooperative | 01141765512100 | 105,847.00 | - |
| St. Michael s Primary School | Cooperative | 01141765553800 | 969,927.00 | - |
| Tsagwa Primary School Project | Cooperative | 01141765557500 | 623,976.00 | - |
| Vuga Secondary School | cooperative | 01141765506500 | | 4,498,975 |
| Total | | | 5,077,660 | 76,350,254 |

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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 | Focal Point person to resolve the issue (Name and designation) | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|--|--|-----------------------------------|--|
| 1 | Emergency projects (2017-2018) | <ul style="list-style-type: none"> - During the period drought was a national disaster which necessitated CDFC input. The CDFC through emergency pmc supplied water to Kirumbi girls to assist in curbing the water shortage. - Water is a devolved function but we based our decision on the school management which is a national government function. Also during the time of emergency any of the government can intervene to safe the situation | Elisha Ade (fund account manager) | Resolved | |
| 2 | Inaccuracies In The Financial Statements (2017-2018) | The variance of Kshs. 2,500,000 in the appropriation account resulted as an error where funds for strategic plan project was not well reflected in the appropriation account. The issue was resolved with auditors since had no impact on audit opinion | Elisha Ade (fund account manager) | Resolved | |
| 1.0 | Other matters. budget control and performance(2017-2018) | 1.1 Receipts Budget. The CDFC have agreed to be implementing project promptly and also endeavor on training PMCs on project implementation skills. This will positively influence absorption rate of our allocated funds from the board. Since if we relieve funds from the main account, we will be able to request for additional from the board | Elisha Ade (fund account manager) | Resolved | |
| | | 1.2. Expenditure budget. The budget utilization was at 60%. this is because of huge money owed from the board at the closure of the financial year | Elisha Ade (FAM) | Resolved | |
| | Project | 1.3. All the ongoing projects were well completed. | Elisha Ade | Resolved | |

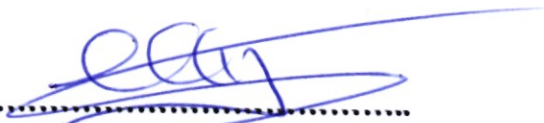
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| | | | | | |
|-------|---|--|--|----------|--|
| | impleme ntation status. (2017- 2018) | <ul style="list-style-type: none"> - We have also undertaken training of PMCs on project implementation skills and we expected improvement on implementation and management of our projects. - We make our project proposals by conducting public participation in every award hence we are satisfied the projects we undertake have direct positive impact on people of Kaloleni | (fund account manager) | | |
| | | Unremitted Statutory Deductions: we have sorted out our pin password problem and we have remitted all statutory deductions (PAYE, NSSF) | Elisha Ade (fund account manager) | Resolved | |
| 5.1 | Irregular Funding Of The Projects | The Mgamboni Dispensary staff house health project was done following the approval from the CDF Board for financial year 2014/15 proposals for the completion of staff house. This was an additional amount from the previous allocation for the approved proposals for financial year 2013/2014 | Elisha Ade (fund account manager) | Resolved | |
| | | The NG CDF Act 2015 states that 'Emergency shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until next financial year without harming the public interest of the constituents'. Based on this the water project funds were drawn from the emergency allocation due to demand from the community during vast drought period that hit not only Kaloleni constituency but the whole country. | Elisha Ade (fund account manager) | Resolved | |
| 5.2 | Bursaries - secondar y schools | There was an error in classifying items in note 7 of the financial statement but we have corrected the error and classified every item in its category. | Elisha Ade (fund account manager) | Resolved | |
| 5.3.1 | security projects Jibana chief's camp | We have attached A.I.E and code list from the board that consists Jibana chief's camp as one of the project under funding, we have also attached approval from the board for your verification | Elisha Ade (fund account manager) | Resolved | |
| 5.3.2 | Kawala/ Kadzonz o assistant chief's office | The land was in dispute but the matter was settled in a court of law that's why the work progressed as planned. We have a letter from the D.C.Cs office for your verification. The excess of Kshs. 167,798 was for the Pmcs administration and branding of the project. | Elisha Ade (fund account manager) | Resolved | |
| 5.3.3 | Tsangatsi ni chief's | The project was successfully done as per the attached project proposal on security | Elisha Ade (fund | Resolved | |



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| | | | | | |
|-----|--|---|-----------------------------------|----------|--|
| | office | We have attached projects tender documents, bank statements and certificates of completion for your verification | account manager) | | |
| 5.4 | Sports Projects | The project was done successful, items were purchased and even some teams were sponsored on their tournaments. For your audit verification, we have attached list of items purchased, bank statements, delivery notes and list of beneficiaries. | Elisha Ade (fund account manager) | Resolved | |
| 5.5 | Environment projects | The over payment was as a result of the balance for the environment project for the financial year 2015/2016. We have a distribution list and delivery notes for the same attached alongside the acceptance committee reports for your verification | Elisha Ade (fund account manager) | Resolved | |
| 6.0 | Bank Balance | As for the year ended 30 June, 2017 the stale cheques which amounted to Kshs. 5,193 were subsequently cleared | Elisha Ade (fund account manager) | Resolved | |
| 8.0 | Project Management Committee Bank Balances | Annex 5 to the financial statement for the year ended 30 June 2017 reflects PMC bank balances of Kshs. 291,561. This was an error, however we have corrected and the correct amount is Kshs 1,496,393. We have attached a copy of the certified bank balances dated 20/6/2017 which was the end of the transaction for that financial year for the projects under review. (See attached annex 8) | Elisha Ade (fund account manager) | Resolved | |



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Elisha Ade

Fund Account Manager-Kaloleni Constituency

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