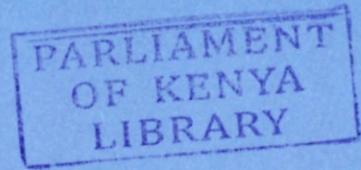


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAIN

DATE: 13 AUG 2024 Tuesday

TABLED BY:	Hon. Naam Nya MP Deputy Whip
CLERK AT THE TABLE:	A. Shibuko

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUTIONAL DEVELOPMENT FUND – KISUMU CONSTITUENCY

FOR THE YEAR
30 JUNE, 2024





KISUMU CENTRAL CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

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)

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

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

I. Acronyms and Abbreviations

NGCDF	National Government Constituency Development Fund
PFM	Public Finance Management
IPSAS	International Public Sector Accounting Standards.
PMC	Project Management Committee
FY	Financial Year
NGCDFC	National Government Constituency Development Fund Committee

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 Kisumu Central 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	Naphtally Mulesi Ochuma
2.	Sub-County Accountant	Wyclife Khamati
3.	Chairman NGCDFC	Millicent Atieno Omollo
4.	Member NGCDFC	Silas Diang'a

(c) Fiduciary Oversight Arrangements

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

P.O. Box 1077-40100
Tom Mboya Estate
Behind Golden Elites Premier School
Kisumu, KENYA

(e) Kisumu Central Constituency NGCDF Contacts

Telephone: (254) 723970729
E-mail: cdfkisumucentral@ngcdf.go.ke
Website: www.ngcdf.go.ke

(f) Kisumu Central Constituency NGCDF Bankers

Cooperative Bank of Kenya Ac No-01141495135700
Kisumu East Branch
P.O Box 1077-40100
Kisumu

(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

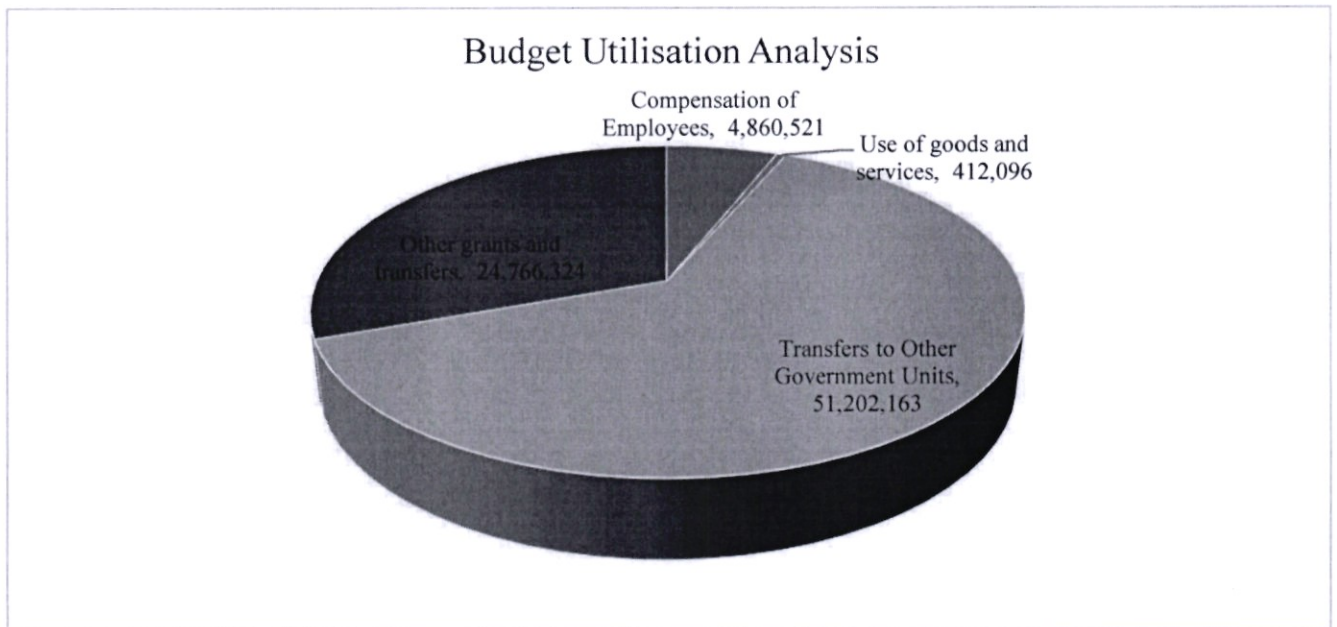
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

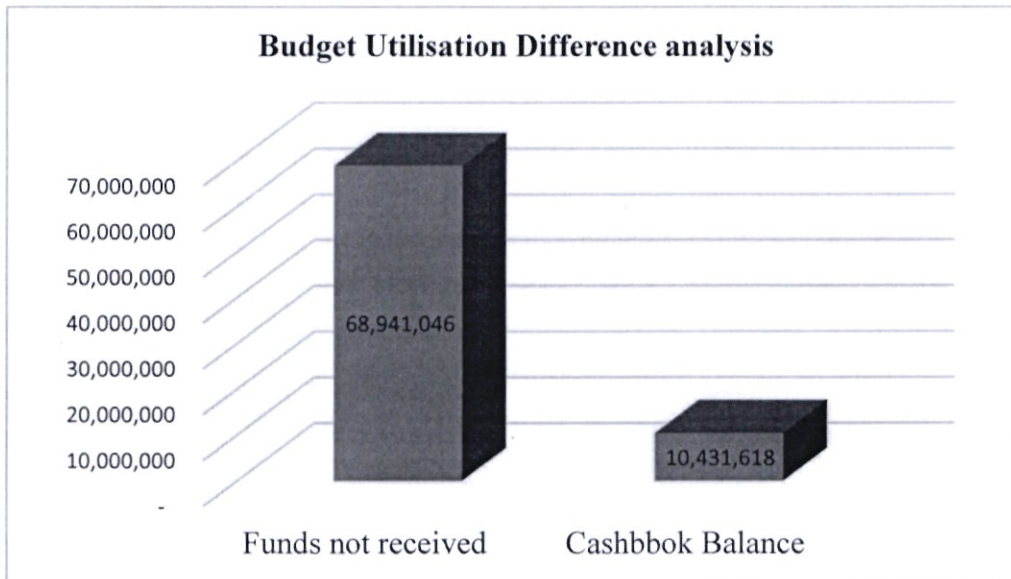
III. NG-CDFC Chairman's Report



Millicent Atieno Omollo-NGCDFC Chairperson

I present our constituency Annual Report and Financial Statements for the year ended 30th June 2023. The total receipts from the NGCDF board for the year 2022/2023 was **Kshs. 88,000,000** against the annual budget (allocation) of **Kshs151,960,174**. An additional **Kshs. 1,236,206** was received in relation to the previous financial years. By the closure of the financial year, a balance of **Ksh. 4,980,871.50** from previous years had not been received. Also, **Ksh. 63,960,174** had not been received for the FY 2022/2023 as elaborated in the appropriation summary (see graph on appropriation of the budget utilization). This resulted into an average absorption with a utilization rate of **52.9%** overall as indicated by the appropriation analysis summary (see the graphs below). This is a decrease of **38.1%** from last financial year's absorption rate pointing to a range of challenges in implementation of budget in line with the approved codelist and the performance contract.





Our commitment to serve Kisumu Central constituents in line of education, school development projects, sports activities, and environmental projects has been our main motivation despite the difficulties experienced in executing various projects.

Some of the key achievements during this financial year included the disbursement of funds to different government agencies, that is, 14 schools both primary and secondary in regard to environmental projects (Ksh. 2,725, 500), 6 primary schools in regard to renovation works and fresh projects (Ksh. 13,076,153) and secondary schools (Kshs 22,976,502.20) consequently giving total transfer to other government institutions of Kshs. 38,778,155. We were also able to disburse a total of Kshs 34,693,956 to various secondary schools and tertiary institutions benefitting more than 5,543 students whose majority were partially sponsored as a result indicating how education wise the NG-CDF fund is impacting on lives of the Kisumu Central Constituents.

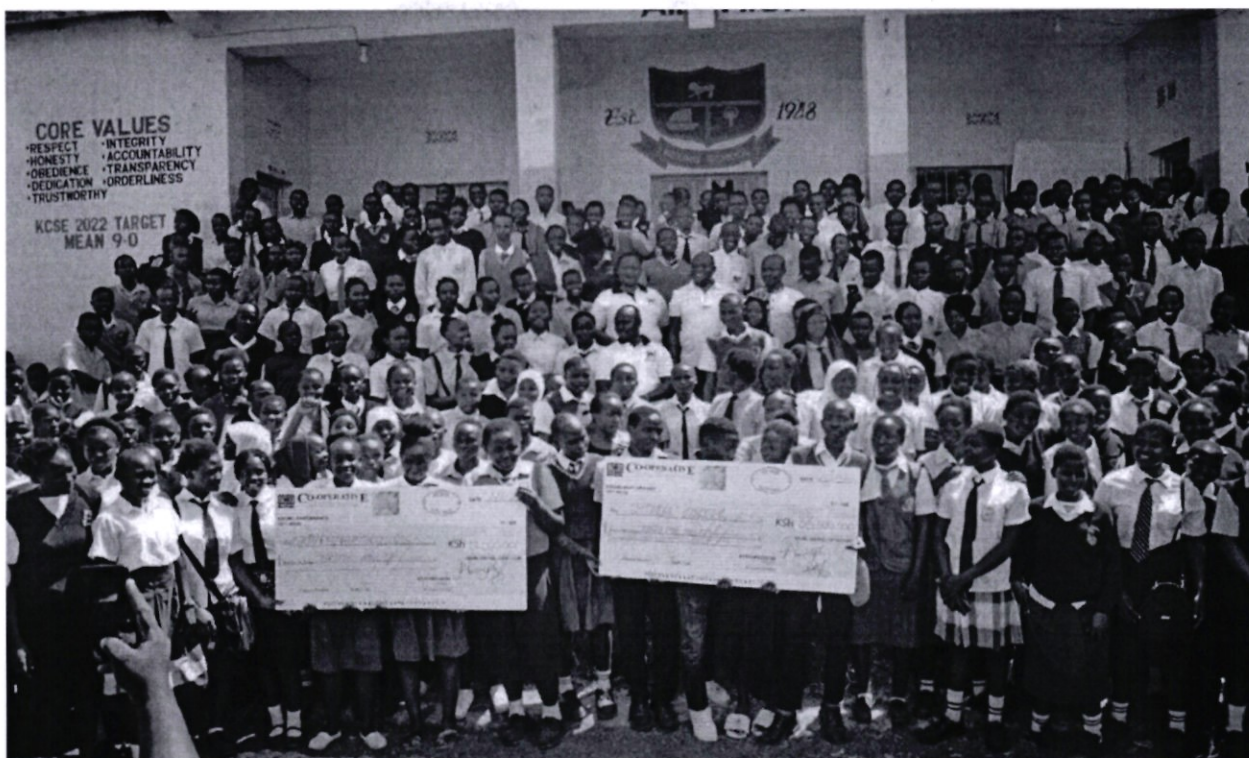
The following sample photos portray the projects that were achieved in the just ended FY 22/23;



Construction of a story building Made of 6No. classrooms at PandPieri Primary School



Construction of a story building made of 6No. Classrooms at Dunga Primary



Bursary Project launch

Challenges

During the year, it was noticed that there are given projects that irrespective of the feasibility study and all the required due diligence before proposing, they still pose challenges. For instance, this was experienced in Railways ward at Kanyakwar Assistant Chief's office where the project was allocated funds. However, the land to construct the same office is yet to be allotted by the DCC delaying the project execution. Furthermore, delay in disbursement of funds from NG-CDF Board slowed down the implementation of projects during the Financial Year.

Recommendations

- a) The NG-CDFC should often allocate maximum bursary funds to be able to reach more beneficiaries within the constituency especially in regard to tertiary institutions.

.....
**Name: Millicent Atieno Omollo
CHAIRPERSON NGCDF COMMITTEE**

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 *Kisumu Central Constituency 2022-2023* plan are to:

- a) To institutionalize and to continue to build capacity of Kisumu Central Constituency
- b) To increase access to education and training opportunities
- c) To develop infrastructure aimed at improving living conditions of the constituents
- d) To promote social and cultural development
- e) To promote access to information, communication and technology to accelerate development and skills development
- f) To reduce insecurity within the constituency
- g) To improve the environment

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To improve learning facilities by constructing new classrooms and equipping them, renovating dilapidated structures, modernising libraries and laboratories, construction of ablution and administration blocks, better management of bursary funds	-Increase access to education and training opportunities	- Students benefits from bursary yearly - Number of Primary schools, secondary schools and tertiary institution projects	- More than 5,543 students benefited from bursary -In FY 22/23 number of new classrooms increased by 12, in the following schools/institutions; Dunga Primary, and Pand Pieri Primary School
Security	Renovation of police post, construction of chiefs' camps, DCC's office,	-Availability of security in the communities to curb criminal activities	-Number of Police stations infrastructure - Number of Chiefs offices	Kanyakwar Assistant chief's office is in progress of land identification to

Kisumu Central Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

	chief and Assistant chief's office across the constituency		- Number of DCC's offices	enable its implementation
Environment	Planting trees, supplying and installation of tanks	-Tanks installed	Number of institution that have benefited from Trees planting -Number of schools with water reserves	-In FY 2022/2023 10 tanks have been installed in secondary and primary schools thus; Migosi Primary School, Highway primary School, Kondele Primary School, Joel Omino Primary School, Shaurimoyo Primary School, Victoria Primary School, Joyland Special Sec School, St. Pauls Kanyakwar Primary School, Lake Primary School, Kudho Primary School .
Sports	Empower and develop youth and special groups	- Number of youth groups benefiting from the sports programme -Number of institutions benefitting from sports programme	-Number of sports tournament sponsored by the constituency fund -Number of teams who benefited from sports uniforms	-In FY 2022/2023, sports uniforms were bought and issued to some teams (7) within the constituency.
Emergency	Avoid potential losses from hazards	Eliminate/reduce possibility of risk occurring	Preparedness by budgeting for emergency funds	-In FY 2022/2023 emergency activities were partially implemented in three schools; Joyland Special Sec School, Joyland Special Primary School and Lutheran Special School; fumigation of dormitories, offices, staff quarters and toilets

V. Statement of Governance

APPOINTMENT OF NG-CDFC MEMBERS

The process of appointing members to the National Government Constituencies Development Fund Committee (NG-CDFC) in Kenya involves several steps and is governed by the National Government Constituencies Development Fund Act, 2015. This committee plays a crucial role in overseeing the allocation and utilisation of funds for constituency development projects. Here's a general outline of the process:

1) Nomination by Constituency Development Fund Committees (CDFCs):

The members of the constituency committee are selected by a selection panel established in accordance with the law upon an occurrence of a vacancy in the constituency committee.

2) Advertisement of Vacancies:

The Officer of the Board within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to the constituency committee.

3) Application Submission:

Interested candidates from various constituencies submit their applications to the NG-CDF Office within the specified deadline. Applicants are typically required to provide their qualifications, experience, and other relevant information.

4) Shortlisting of Candidates:

The selection panel within fourteen days of receiving the applications selects five applicants taking into account age, gender, special interest groups and regional balance. Within seven days of the selection process, the officer of the Board submits to the Board the names of the selected candidates together with the report of the selection panel.

5) Selection and Appointment:

The Board then submits the names of the seven persons selected from each constituency to the National Assembly for approval. Within fourteen days after receipt of the names approved by the National Assembly, the Board appoints the members of the constituency committee by a Gazette notice. The Board, within fourteen days of the gazette of members of the constituency committee, informs the members of their appointment in writing.

REMOVAL OF NG-CDFC MEMBERS

The removal of National Government Constituencies Development Fund Committee (NG-CDFC) members in Kenya can occur under certain circumstances and is governed by the National Government Constituencies Development Fund Act, 2015. The Act outlines specific provisions for the removal of NG-CDFC members. Here are some common reasons and the general process for removing NG-CDFC members:

- **Misconduct or Incompetence**

If an NG-CDFC member is found to be engaged in misconduct, malpractice, or incompetence in the performance of their duties, they can be removed from office. Misconduct may include corruption, embezzlement of funds, or any behaviour that undermines the integrity of the NG-CDFC.

- **Conviction of a Criminal Offence**

If an NG-CDFC member is convicted of a criminal offence, especially one related to corruption or financial impropriety, they may be subject to removal from their position.

- **Incapacity or Inability to Perform Duties**

If a member becomes incapacitated due to illness, injury, or any other reason that renders them unable to perform their duties effectively, they may be removed from the NG-CDFC.

- **Non-Attendance**

NG-CDFC members are expected to attend meetings and fulfil their responsibilities. Persistent non-attendance or failure to actively participate in the committee's activities can lead to removal.

The general process for removing NG-CDFC members typically involves the following steps:

- **Complaint or Petition**

In most cases, a complaint or petition outlining the reasons for removal is submitted to the NG-CDF Board or the relevant authority responsible for overseeing the NG-CDFC.

- **Investigation**

The NG-CDF Board or a designated body initiates an investigation into the allegations or reasons for removal. This investigation may involve gathering evidence, conducting interviews, and assessing the situation.

- **Recommendation**

After the investigation is completed, a recommendation is made based on the findings. If the evidence supports the removal of the NG-CDFC member, a formal recommendation for removal is made to the appropriate authority.

- **Decision and Approval**

The decision to remove an NG-CDFC member may require approval from the relevant authority.

- **Notification**

Once the decision to remove an NG-CDFC member is finalised and approved, the member is formally notified of their removal.

- **Replacement**

Depending on the circumstances, a process to fill the vacant NG-CDFC position may be initiated to ensure the committee continues to function effectively.

ROLES AND FUNCTIONS OF NG-CDFC

- **Resource Allocation**

The committee is responsible for determining how the NG-CDF funds are allocated within the constituency. This involves identifying priority areas for development and setting aside budgets for various projects and programs.

- **Project Identification**

NG-CDF Committees are tasked with identifying development projects within the constituency. They often consult with the local community to gather input and assess the needs of the constituency through public participation.

- **Project Selection**

Once projects are identified, the committee must evaluate and prioritise them based on their feasibility, impact, and alignment with the constituency's development goals.

- **Budgeting**

Committees are responsible for creating and managing budgets for approved projects. They need to ensure that funds are allocated appropriately and efficiently to cover project costs.

- **Project Implementation**

The committee monitors the progress of ongoing projects to ensure they are being implemented according to plan. They may also address any challenges or delays that arise during implementation.

- **Financial Management**

NG-CDF Committees are responsible for the financial management of the funds allocated to the constituency. This includes managing bank accounts, financial reporting, and ensuring that funds are used in accordance with the law.

- **Accountability and Transparency**

Committees are expected to maintain a high level of transparency in their operations. They must provide regular reports to the public and stakeholders on the utilization of NG-CDF funds.

- **Community Engagement**

Committees should engage with the local community to keep them informed about the NG-CDF projects and to gather feedback and input on development priorities.

- **Audit and Evaluation**

NG-CDF Committees are subject to regular audits to ensure that funds are used for their intended purposes and in compliance with the law. They may also evaluate the impact of projects and make necessary adjustments.

- **Compliance with Regulations**

It's essential for NG-CDF Committees to comply with all relevant laws, regulations, and guidelines governing the use of constituency development funds.

- **Advocacy**

In some cases, NG-CDF Committees may advocate for additional resources or support from the national government to meet the development needs of their constituencies.

INDUCTION AND TRAINING OF NG-CDFC MEMBERS

The training of members of a National Government Constituency Development Fund Committee (NG-CDFC) typically involves a combination of orientation, capacity building, and ongoing support. The NG-CDFC is responsible for overseeing the allocation and utilisation of funds allocated to constituencies for development projects, and their members need to have a good understanding of their roles and responsibilities. Here are some key components of training for NG-CDFC members:

- **Orientation**

New members of the NG-CDFC should receive an orientation that provides an overview of the organization's structure, mandate, and objectives. This may include an introduction to the legal framework governing the NG-CDF and the specific roles and responsibilities of committee members.

- **Legal and Regulatory Framework**

Members should be educated on the relevant laws, regulations, and guidelines governing the NG-CDF. They should understand the rules and procedures for allocating and disbursing funds, as well as the reporting and accountability requirements.

- **Financial Management**

Training in financial management is crucial, as NG-CDFC members are responsible for overseeing the use of public funds. This may include budgeting, financial reporting, and auditing processes.

- **Project Management**

NG-CDFC members should have a basic understanding of project management principles. They should know how to evaluate project proposals, monitor project implementation, and ensure that projects are completed within budget and on time.

- **Community Engagement**

NG-CDFC members should be trained in community engagement and participation. This includes techniques for gathering input from constituents, prioritizing projects, and ensuring that local communities are actively involved in the development process.

- **Ethics and Integrity**

Training on ethical conduct and integrity is essential to prevent corruption and misuse of funds. Members should understand the importance of transparency and accountability.

- **Conflict Resolution**

Given the potential for disputes and conflicts in project selection and implementation, NG-CDFC members may benefit from conflict resolution and negotiation training.

- **Monitoring and Evaluation**

Training on monitoring and evaluation techniques helps members assess the impact of funded projects and make informed decisions about future allocations.

- **Communication Skills**

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Effective communication is essential for engaging with constituents, government officials, and other stakeholders. Training in communication skills can enhance members' ability to convey information and advocate for their constituencies

- The training of NG CDFC Kisumu Central was undertaken by the NG CDF Board in Eldoret in the month of April 2023 where they were taken through various topics as stated above.

VI. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Environmental policy is the commitment of an organization or government to the laws, regulations and other policy mechanisms concerning environmental issues. Kisumu central NG-CDF has drafted an environmental policy on:-

- a) Increasing of the number of trees in the constituency by ensuring that in every year funds on planting of trees are allocated to schools within the constituency.
- b) Ensuring that water reserves are installed every year on NG-CDF projects to promote harvesting of water.

Success of the policy.

Kisumu Central NGCDF was able to install 10 water reserves in various institutions (both secondary and primary schools). Besides, due to continued planting of trees especially in primary and secondary schools, the ground cover has been enhanced reducing the soil erosion. It is also evident that the weather patterns have been enhanced due to the increased number of trees in the constituency. The communities have been aroused on the need to conserve environment based on the benefits witnessed over time.

Shortcomings

One of the shortcomings of the environmental policy in Kisumu Central is sustainability of the projects. The trees planted in schools are left to the institutions to manage which leaves the trees planted prone to drying. Even though the schools have currently committed to take care of the trees to be planted, the perception is still that the trees belong to the NG-CDF therefore being a limiting factor to the tree planting project.

In regard to the tanks installed, there is a need of consistent maintenance of the gutter through cleaning leaves which usually drops from trees. This has been noted as a major challenge where most schools do not understand that every project requires maintenance to serve for a longer period of time.

3. Employee welfare

We invest in providing the best working environment for our employees. Kisumu Central constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate

of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

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

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

4. Market place practices-

Kisumu Central 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-

Kisumu Central 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.

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



Name; Naphtally Mulesi Ochuma

Fund Account Manager.



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-Kisumu Central 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- Kisumu Central 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- Kisumu Central 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 Kisumu Central 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

***Kisumu Central 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- Kisumu Central Constituency financial statements were approved and signed by the Accounting Officer on _____ 2023.



.....
Name: Millicent Atieno Omollo
Chairman – NGCDF Committee



.....
Name: Naphtally Mulesi Ochuma
Fund Account Manager



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 - KISUMU CENTRAL 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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 Constituency Development Fund - Kisumu Central Constituency set out on pages 1 to 38, 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 appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kisumu Central NGCDF 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

Stale Cheques Not Reversed in the Cash Book

The statement of assets and liabilities as disclosed in Note 12 A to the financial statements reflects cash and cash equivalents balance of Kshs.10,431,618. However, review of the bank reconciliation statement for the month of June, 2023 reflects payments in the cash book not recorded in the bank statement of Kshs.8,734,119, out of which cheques totalling Kshs.39,000 were stale and had not been reversed in the cashbook or replaced.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.10,431,618 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 – Kisumu Central Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on a comparable basis of Kshs.171,017,110 and Kshs.102,076,065 respectively resulting to an underfunding of Kshs.68,941,045 or 40% of the budget. Similarly, the Fund spent Kshs.91,985,452 against actual receipts of Kshs.102,076,065 resulting to an under-utilization of Kshs.10,090,613 or 10% of the actual receipts.

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 this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or provided explanation for failure to resolve the issues.

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 matters described in the Basis for the 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 the public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Transfer to Other Government Units

The statement of receipts and payments reflects an amount of Kshs.36,052,655 relating to transfers to other Government units. The amount was transferred to Project Management Committee in Kisumu Central Constituency for completion of various projects. Physical verification of the projects carried out in March, 2024 revealed the following irregularities:

1.1. Renovation of Classrooms at Kibuye Primary School

The transfers to other Government units of Kshs.36,052,655 includes an amount of Kshs.3,472,680 transferred to Kibuye Mixed Primary School for renovation of six classrooms. The contract was awarded on 05 July, 2023 at a contract sum of Kshs.3,356,040. The contractor raised an invoice of Kshs.1,672,604 and the same amount was paid on 4 August, 2023. However, retention money and taxes were not deducted prior to paying the contractor. A second invoice of Kshs.1,683,419 was raised and VAT of Kshs.29,024 and withholding taxes of Kshs.43,536 were deducted and remitted to the Kenya Revenue Authority. However, no retention money to cater for any defects was retained.

Further, as per the Bills of Quantities, the roof covering was to be done using gauge 28 roofing sheets (510 m² at a cost of Kshs.900 per piece totalling Kshs.459,000). However, physical verification revealed that the roofing sheets used were gauge 30 which are weaker. No explanation was provided by Management for allowing use of low-quality iron sheets.

In the circumstances, the public did not get value for the amount of Kshs.3,472,680 incurred on the project.

1.2. Construction of School Laboratories

During the year under review, an amount of Kshs.1,362,485 was transferred to Arina Primary and Junior secondary Schools for the completion of a 45-capacity laboratory. The contract was awarded to a construction company at a contract sum of Kshs.4,548,360 and the contractor had been paid a total of Kshs.4,327,914 as at 30 March, 2024.

Physical verification revealed that the contractor had done all the works as per the Bills of Quantity as at 30 December, 2023. The only remaining work are completion for ramp and stair cases which were partly done. However, the Bills of Quantity did not include equipping the laboratory. As a result, the project which is substantially completed cannot be put to use since it is yet to be equipped to make it operational. Further, it was also observed that no budgetary provision has been made in the current year to cater for equipping the laboratory.

Further, an amount of Kshs.2,000,000 was transferred to the MM Shah for construction of a laboratory. The contract was awarded on 5 July, 2023 at a contract sum of Kshs.4,671,256 for a period of 8 weeks.

However, physical verification on 15 March, 2024 revealed that the project is 100 percent complete. However, the roof covering was to be done using gauge 30 roofing sheets instead of gauge 28 as per the Bills of Quantities. Further, the laboratory is currently not in use as it is not equipped to make it operational.

In the circumstances, value for money amounting to Kshs.4,671,256 spent on the project was not achieved.

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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Fund or to cease its 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 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 appropriate basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists,

I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with 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

23 May, 2024


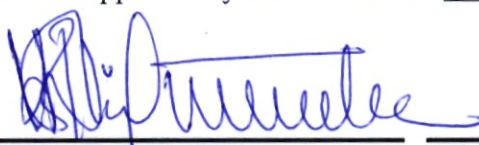

Kisumu Central Constituency
National Government Constituencies Development Fund (NGCDF)
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IX. Statement Of Receipts and Payments for the Year Ended 30th June 2023

	Note	2022-2023	2021-2022
			Kshs
RECEIPTS			
Transfers from NGCDF Board	1	89,236,206	171,277,758
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		89,236,206	171,277,758
PAYMENTS			
Compensation of employees	4	5,602,186	5,278,811
Committee expenses	5	2,284,011	
Use of goods and services	6	4,598,171	5,773,493
Transfers to Other Government Units	7	36,052,655	125,449,587
Other grants and transfers	8	41,538,429	56,254,175
Acquisition of Assets	9	410,000	-
Oversight Committee expenses	10	1,500,000	-
Other Payments	11	-	-
TOTAL PAYMENTS		92,985,452	192,756,066
SURPLUS/DEFICIT		(2,749,246)	(21,478,308)

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 _____ 2023 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee

Name: Naphtally Mulesi Ochuma

Name: Wyclife Khamati

Name: Millicent Atieno Omollo

ICPAK M/No: 24205






Kisumu Central Constituency
National Government Constituencies Development Fund (NGCDF)
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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	10,431,618	12,839,859
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		10,431,618	12,839,859
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		10,431,618	12,839,859
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
NET FINANCIAL SSETS		10,431,618	12,839,859
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	12,839,859	34,318,167
Prior year adjustments	16	341,005	
Surplus/Defict for the year		(2,749,246)	(21,478,308)
NET FINANCIAL POSITION		10,431,618	12,839,859

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 _____ 2023 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Name: Naphtally Mulesi Ochuma	Name: Wycliffe Khamati ICPAK M/No: <i>R4205</i>	Name: Millicent Atieno Omollo

FUND ACCOUNT MANAGER
KISUMU CENTRAL CDF
P.O. Box 1077 - 40100,
KISUMU


Kisumu Central 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

		2022-2023	2021-2022
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	89,236,206	171,277,758
Other Receipts	3	-	-
		89,236,206	171,277,758
Payments for operating activities			
Compensation of Employees	4	5,602,186	5,278,811
Committee expenses	5	2,284,011	
Use of goods and services	6	4,598,171	5,773,493
Transfers to Other Government Units	7	36,052,655	125,449,587
Other grants and transfers	8	41,538,429	56,254,175
Oversight Committee expenses	10	1,500,000	-
Other Payments	11	-	-
		91,575,452	192,756,066
Adjusted for:			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	341,005	-
Net Adjustments		341,005	-
Net cash flow from operating activities		(1,998,241)	(21,478,308)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(410,000)	-
Net cash flows from Investing Activities		(410,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENT			
		(2,408,241)	(21,478,308)
Cash and cash equivalent at BEGINNING of the year	12	12,839,859	34,318,167
Cash and cash equivalent at END of the year		10,431,618	12,839,859

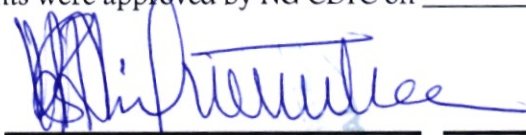
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on _____ 2023 and signed by:


Fund Account Manager


Name: Naphtally Mulesi
Ochuma




National Sub-County
Accountant

Name: Wyclife Khamati

ICPAK M/No: *R4205*


Chairman NG-CDF
Committee

Name: Millicent Atieno
Omollo

*Kisumu Central 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 AIA	Previous Years' Outstanding disbursements	2022/2023	2022/2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers From NGCDF Board	151,960,174	12,839,859	6,217,078	171,017,110	102,076,065	68,941,046	8%
Proceeds From Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-
Totals	151,960,174	12,839,859	6,217,078	171,017,110	102,076,065	68,941,046	60%
Payments							
Compensation Of Employees	6,265,602	2,192,641	-	8,458,243	5,602,186	2,856,057	66%
Committee Expenses	2,288,000	-	-	2,288,000	2,284,011	3,989	100%
Use Of Goods and Services	5,122,814	27,274	-	5,150,087	4,598,171	551,917	89%
Transfers To Other Government Units	72,937,568	6,547,196	-	79,484,764	36,052,655	43,432,109	45%
Other Grants and Transfers	61,436,190	4,072,748	6,217,078	71,726,016	41,538,429	30,187,586	58%
Acquisition Of Assets	410,000	-	-	410,000	410,000	-	100.0%
Oversight Committee expenses	1,500,000	-	-	1,500,000	1,500,000	-	100.0%
Other Payments	2,000,000	-	-	2,000,000	-	2,000,000	-
Funds Pending Approval**	-	-	-	-	-	-	-
Totals	151,960,174	12,839,859	6,217,078	171,017,110	91,985,452	79,031,658	54%

Explanatory Notes:

**Kisumu Central Constituency
National Government Constituencies Development Fund (NGCDF)
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- a). Underutilisation was as a result of delay in the disbursement of funds from the NG-CDF Board. The NG-CDFC is focused to expedite implementation of projects as soon as the funds are received.
- b). The changes between the original and final budget are as a result of fund balances brought forward and also of funds that were owing in the previous financial years which were received during the current financial year.

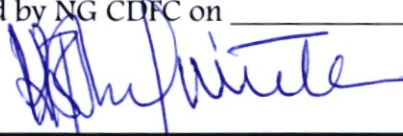
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	79,031,658
Less undisbursed funds receivable from the Board as at 30 th June 2023	(68,941,046)
	10,090,612
Increase/ (decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	341,005
Cash and Cash Equivalents at the end of the 30 th June 2023	10,431,618

The Constituency financial statements were approved by NG CDFC on _____ 2023 and signed by:



Name: Naphtally Mulesi Ochuma





Name: Wyclife Khamati
ICPAK M/No: 24205





Name: Millicent Atieno Omollo

*Kisumu Central 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(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2022-2023			2022-2023	30/06/2023	
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	6,265,602	2,192,641		8,458,243	5,602,186	2,856,057
1.2 Committee allowances	1,040,000			1,040,000	1,036,011	3,989
1.3 Use of goods and services	1,812,008	10,066		1,822,074	1,270,157	551,917
Total	9,117,610	2,202,707		11,320,317	7,908,354	3,411,963
2.0 Monitoring and evaluation						
2.1 Capacity building	1,625,000	8,360		1,633,360	1,633,360	-
2.2 Committee allowances	1,248,000			1,248,000	1,248,000	-
2.3 Use of goods and services	1,685,805	8,848		1,694,653	1,694,653	0
Total	4,558,805	17,208		4,576,013	4,576,013	0
3.0 Emergency						
3.1 Primary Schools	868,060			868,060	868,060	-
3.2 Secondary schools	434,030			434,030	434,030	-
3.3 Tertiary institutions				-		-
3.4 Security projects				-		-
3.5 Unutilized	6,334,100	1,951		6,336,051	1,951	6,334,100
Total	7,636,190	1,951	-	7,638,141	1,304,041	6,334,100

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2022-2023			2022-2023	30/06/2023	
4.0 Bursary and Social Security				-		
4.1 Secondary Schools	34,500,000	2,439,001	3,236,005	40,175,006	33,905,956	6,269,050
4.2 Tertiary Institutions	13,000,000	1,630,458	2,981,073	17,611,531	788,000	16,823,531
4.3 Social Security	-			-		-
4.4 Special Needs	500,000			500,000	-	500,000
Total	48,000,000	4,069,459	6,217,078	58,286,537	34,693,956	23,592,581
5.0 Sports						
5.1 Constituency Sports Tournament	2,450,000	1,338		2,451,338	2,451,333	5
5.2 Regional Sports Tournament	350,000			350,000	-	350,000
Total	2,800,000	1,338		2,801,338	2,451,333	350,005
6.0 Environment						
Environmental activities	274,500			274,500	274,500	-
Obinju-Kanyakwar Pri School	31,300			31,300	31,300	-
St. John Chrisostom Kudho Sec Sch	31,400			31,400	31,400	-
Central Primary School	31,400			31,400	31,400	-
Kondele Primary School	31,400			31,400	31,400	-
Migosi Primary School	260,000			260,000	260,000	-
Highway Primary School	260,000			260,000	260,000	-
Kondele Primary School	260,000			260,000	260,000	-
Joel Omino Primary School	260,000			260,000	260,000	-

Kisumu Central Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2022-2023			2022-2023	30/06/2023	
Shaurimoyo Primary School	260,000			260,000	260,000	-
Victoria Primary School	260,000			260,000	260,000	-
Joyland Special Sec School	260,000			260,000	260,000	-
St. Paul's Kanyakwar Pri Sch	260,000			260,000	260,000	-
Lake Primary School	260,000			260,000	260,000	-
Kudho Primary School	260,000			260,000	260,000	-
Total	3,000,000	-		3,000,000	3,000,000	-
7.0 Primary Schools Projects						
Arina Primary School	4,724,970			4,724,970	1,362,485	3,362,485
Joyland Special Primary School	1,597,181			1,597,181	-	1,597,181
Highway Primary School	1,915,897			1,915,897	-	1,915,897
Kibuye Mixed Primary School	3,472,680			3,472,680	3,472,680	-
Lutheran Special Primary School	1,307,940			1,307,940	-	1,307,940
Manyatta Primary School	6,218,185			6,218,185	-	6,218,185
M.M. Shah Primary School	4,724,970			4,724,970	2,000,000	2,724,970
Pand Pieri Primary school	1,463,320	2,800,000		4,263,320	4,263,320	-
Shaurimoyo Primary School	1,955,337			1,955,337	977,668	977,669
St. Paul's Kanyakwar Pri School	2,197,820			2,197,820	1,000,000	1,197,820
Total	29,578,300	2,800,000		32,378,300	13,076,153	19,302,147
8.0 Secondary Schools Projects						
Kisumu Day Secondary School	1,600,000.00			1,600,000	800,000	800,000

Kisumu Central Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2022-2023			2022-2023	30/06/2023	
Kosawo Secondary School	23,920,000.00			23,920,000	9,828,747	14,091,253
Lions High School	9,691,513.20			9,691,513	2,000,000	7,691,513
St. Theresa's Girls High School	8,147,755.20	2,200,000		10,347,755	10,347,755	-
Total	43,359,268	2,200,000		45,559,268	22,976,502	22,582,766
9.0 Tertiary institutions Projects				-		-
						-
Total	-			-	-	-
10.0 Security Projects				-		
Southern Sub loc Asst. Chief's office		89,109		89,109	89,109	-
Southern Sub loc Asst. Chief's office		684,489		684,489	-	684,489
Kanyakwar Ass Chiefs Camp		773,598		773,598		773,598
Total	-	1,547,196		1,547,196	89,109	1,458,087
11.0 Acquisition of assets				-		-
11.1 Office Furniture	300,000			300,000	300,000	-
11.2 Office laptop	110,000			110,000	110,000	-
	-			-		-
Total	410,000			410,000	410,000	-
12.0 Other payments: Constituency oversight committee				-		-
12.1 Committee Allowances	300,000			300,000	300,000	-
12.2 Use of goods & services	1,100,000			1,100,000	1,100,000	-

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Programme/Sub-programme	Original Budget(a) 2022-2023	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparable basis(d) 30/06/2023	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
12.3 Capacity building	100,000			100,000	100,000	-
Total	1,500,000	-	-	1,500,000	1,500,000	-
13.0 Other payments				-		-
Strategic Plan	2,000,000			2,000,000		2,000,000
Total	2,000,000	-	-	2,000,000	-	2,000,000
14.0 unallocated fund						
Unapproved projects						-
AIA						-
PMC savings						
Total			-	-	-	-
	151,960,174	12,839,859	6,217,078	171,017,110	91,985,452	79,031,658

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

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 Kisumu Central 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.

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2022 for the period 1st July 2022 to 30th June 2023S 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
NG-CDF Board	Kshs	Kshs
AIE NO. B140953		34,188,879
AIE NO. B105475		68,000,000
AIE NO. B105976		10,000,000
AIE NO. B128563		16,000,000
AIE NO. B128875		26,000,000
AIE NO. B154073		17,088,879
AIE NO. B205792	12,000,000	
AIE NO. B205662	1,236,206	
AIE NO. B185660	15,000,000	
AIE NO. B206420	12,000,000	
AIE NO. B185530	6,000,000	
AIE NO. B206154	5,000,000	
AIE NO. B185120	7,000,000	
AIE NO. B207814	15,000,000	
AIE NO. B207654	16,000,000	
TOTAL	89,236,206	171,277,758

2. Proceeds From Sale of Assets

	2022/2023	2022/2023
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

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	<i>2022/2023</i>	<i>2022/2023</i>
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	-

Kisumu Central Constituency
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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	3,446,750	3,310,440
Personal allowances paid as part of salary	-	-
House allowance	-	340,000
Transport allowance	-	120,000
Leave allowance	-	-
Gratuity-contractual employees	1,931,216	1,387,411
Employer Contributions Compulsory national social security schemes	224,220	120,960
TOTAL	5,602,186	5,278,811

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	1,893,365	289,250
Other committee expenses	756,000	-
Total	2,649,365	289,250

6. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	36,536	-
Communication, supplies and services	203,290	1,212,750
Domestic travel and subsistence	986,000	167,000
Printing, advertising and information supplies & services	-	-
Strategic Plan	-	1,000,000
Training expenses	1,018,368	110,500
Hospitality supplies and services	576,970	1,676,750
Insurance costs	134,141	-
Committee Allowance	-	289,250
Office and general supplies and services	677,254	908,559
Fuel , oil & lubricants	200,000	-
Other operating expenses	27,980	70,162
Security operations	-	135,000
Routine maintenance - vehicles and other transport equipment	399,272	203,522
Routine maintenance- other assets	-	-
TOTAL	4,259,811	5,773,493

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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)	13,076,153	51,079,840
Transfers To Secondary Schools (See Attached List)	22,976,502	74,369,747
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	36,052,655	125,449,587

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	33,905,956	22,564,837
Bursary – tertiary institutions (see attached list)	788,000	16,549,700
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	89,109	1,500,000
Sports projects (see attached list)	2,451,332	2,535,040
Environment projects (see attached list)	3,000,000	2,600,000
Emergency projects (see attached list)	1,304,032	7,190,595
National Treasury Kisumu Central Sub county offices	-	1,541,777
National Treasury Kisumu Central Sub county offices	-	1,772,226
Total	41,538,429	56,254,175

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Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	300,000	-
Purchase of ICT Equipment, Software and Other ICT Assets	110,000	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	410,000	-

10. Oversight committee expenses

	<i>2022-2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Committee allowance	290,000	-
Committee expenses	1,210,000	-
	1,500,000	-

11. Other Payments

	<i>2022-2023</i>	<i>2021/2022</i>
	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 of Kenya,, Account No. 01141495135700</i>	10,431,618	12,839,858
<i>Name of Bank, account No. (Deposits account)</i>	-	-
Total	10,431,618	12,839,858
12B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
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>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
				-
Total			-	-

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Notes to the Financial Statement Continued

14. A Retention

	<i>2022/2023</i>	<i>2021/2022</i>
	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	-	-

14B. Gratuity

	<i>2022/2023</i>	<i>2021/2022</i>
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

15. Fund Balance B/F

	<i>2022-2023 (1st July 2022)</i>	<i>2021-2022 (1st July 2021)</i>
	Kshs	Kshs
Bank accounts	12,839,859	34,318,166
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	12,839,859	34,318,166

Kisumu Central Constituency
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16. Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	12,839,859	368,000	13,207,859
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>Reversed Cheques and not replaced</i>)	-	-	-
Total	12,839,859	368,000	13,207,859

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)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Net changes in accounts Receivables D - A	-	-

18. Changes In Accounts Payable – 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)

	<i>2022/2023</i>	<i>2021/2022</i>
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

19.2: Pending Staff Payables (See Annex 2)

	<i>2022/2023</i>	<i>2021/2022</i>
	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	2,856,057	2,192,641
Committee Expenses	3,989	
Use of goods and services	551,917	42,272
Amounts due to other Government entities (see attached list)	43,432,109	5,000,000
Amounts due to other grants and other transfers (see attached list)	30,187,586	11,822,024
Acquisition of assets	-	
Oversight Committee expenses		-
Other payments-Strategic Plan	2,000,000	
Funds pending approval	-	
Total	79,031,658	19,056,937

***Kisumu Central Constituency
National Government Constituencies Development Fund (NGCDF)
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19.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	29,884,910	6,924,411
Total	29,884,910	6,924,411

Kisumu Central Constituency
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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.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
Sub-Total					
Grand Total					

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 20xx	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022-2023	2021-2022	
Compensation of employees		2,856,057	2,192,640	
Committee expense		3,989	0	
Use of goods & services		551,917	42,272	
SUB TOTAL		3,411,963	2,234,912	
Amounts due to other Government entities				
St. Theresa's girls High School	Construction of a one storey dormitory block at phase 1		2,200,000	
Pand Pieri Primary School	Construction of a one storey building made of 6no. Classrooms		2,800,000	
Arina Primary School	Construction of a 40 capacity laboratory to completion.	3,362,485		
Joyland Special Primary School	Renovation of 4 No. Assessment classroom	1,597,181		
Highway Primary School	Renovation to completion of 4 classrooms	1,915,897		
Lutheran Special Primary School for mentally handicapped	Renovation to completion of 20 door toilets	1,307,940		
Manyatta Primary School	Construction to completion 3 classrooms on a	6,218,185		

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	ground floor of 1 storey building			
M.M. Shah Primary School	Construction of a 40 capacity laboratory to completion	2,724,970		
Shaurimoyo Primary School	Renovation to completion of 4 classrooms	977,669		
St. Paul's Kanyakwar Primary School	Construction of 10 doors pit latrine	1,197,820		
Kisumu Day Secondary School	Renovation of Principal's house consisting of 3 bedrooms to completion	800,000		
Kosawo Secondary School	Completion of a second floor of a three-story building	14,091,253		
Lions High School	Construction to completion of 4 classrooms on the ground floor of storey building	7,691,513		
Sub-Total		41,884,913	5,000,000	
Amounts due to other grants and other transfers				
Southern Sub-Location	Construction of a perimeter wall		773,598	
Kanyakwar Assistant Chief's office	Construction of office to completion		773,598	

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Emergency	Balance b/f	6,334,100	1,951	
Bursary & Social Security	Bursaries for secondary and tertiary schools	23,592,581	10,271,539	
Sports	Balance b/f	350,005	1,338	
Southern Sublocation Assistant Chief's office-Perimeter Wall		684,489		
Kanyakwar Ass Chiefs Camp		773,598		
	Sub-Total	31,734,773	11,822,024	
Acquisition of assets				
	Sub-Total	0		
Others (<i>specify</i>)				
Strategic Plan		2,000,000.00		
	Sub-Total	2,000,000		
Funds pending approval				
	Grand Total	79,031,648	19,056,936	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021/22	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022/23
Land	-	-	-	-
Buildings and structures	2,099,168	-	-	2,099,168
Transport equipment	7,730,103	-	-	7,730,103
Office equipment, furniture and fittings	1,364,358	300,000	-	1,664,358
ICT Equipment, Software and Other ICT Assets	845,642	110,000	-	1,265,842
Other Machinery & Equipment				
Heritage and cultural assets		-	-	
Intangible assets		-	-	
Total	12,039,271	410,000	-	12,449,271

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

PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Arina Primary School	ABC BANK	4215001005591		1,426
Bishop Abiero Shaurimoyo Sec	Cooperative Bank	1139295151000		28,251
Dunga Primary School	KCB BANK	1138181811		2,780,133
Joel Omino Primary School	ABC BANK	4224001000868		504
Joel Omino Secondary School	KCB BANK	1282600664		794,574
Joyland Primary Special school	Equity Bank	290281309974		108,447
Ken Obura Secondary School	ABC BANK			3,104
Kisumu Union Primary School	Cooperative Bank	1141739180800		23,004
Kosawo Secondary School	Equity Bank	290280407832		280,728
Lions High School	ABC BANK	4224001000975		1,248,708
M.M Shah Primary School	ABC BANK	4215001005588		14,593
Manyatta Primary School	KCB BANK	1161424598		3,496
Mathew Ondiek Primary School	ABC BANK	4224001000914		157,822
National Treasury Kisumu Central sub county	Equity Bank	290282076384		3,515
National Treasury Kisumu Central sub county	ABC BANK	4215001006154		217,965
Obinju-Kanyakwar Primary School	ABC BANK	4215001005824		483,459
Pand Pieri Primary School	Equity Bank	290282232625		150,763
Southern sub location Assistant chief's office	ABC BANK	4215001005825		26,470
St. Ignatius Loyola Sec-Magadi	ABC BANK	4215001006142		2,379
St. John Chrisostom Kudho Sec	KCB BANK	1259628213		215,410
St. Theresa's Girls High School	Equity Bank	290279441335		231,132
St. Vitalis Nanga Primary School	ABC BANK	4215001005460		18,939
Xaverian Primary School	Cooperative Bank	1141870137300		3,104
Xaverian Secondary School	Equity Bank	290280711882		126,485
Dunga Primary School	KCB BANK	1138181811	297	
Kosawo Secondary School	Equity Bank	290280407832	10,109,475	

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Lions High School	ABC	4224001000975	2,212,441	
M.M Shah Primary School	ABC	4215001005588	2014593	
Pand Pieri Primary School	Equity Bank	290282232625	216,250	
PMC	Bank	Account number	Bank Balance	Bank Balance
Southern Sub-location Assistant chief's office	ABC	4215001005825	1,134	
St. John Chrisostom Kudho Sec	KCB	1259628213	31,540	
St. Theresa's Girls High School	Equity bank	290279441335	5,556,314	
Arina Primary School	ABC	4215001005591	1,363,456	
Migosi Primary School	KCB		260,000	
Highway Primary School	KCB	1316895149	260,000	
Kondele Primary School	KCB	1145795145	260,000	
Joel Omino Primary School	Family Bank		260,000	
Victoria Primary School	ABC	4224001000974	54	
Joyland Special Secondary School	KCB	1316896277	260,000	
Lake Primary School	Equity		261,821	
Kudho Primary School	ABC	4215001000996	1,653	
Obinju-Kanyakwar Primary School	ABC	4215001005824	10,312	
Central Primary School	ABC	4224001000976	35,222	
Kisumu Day High School	Cooperative Bank	1141662875200	800,000	
Kibuye Mixed Primary School	KCB	1316244954	3,472,680	
Shaurimoyo Primary School	KCB	1316123820	1,237,668	
St. Pauls Kanyakwar Primary School	KCB	131624424	1,260,000	
		Total	29,884,910	6,924,411

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Public Finance Management Regulations, Reg 143. (1) states that the accounting officer shall be responsible for Register of assets. maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. Included in annex 4 of the financial statements is summary of fixed asset register totalling to Kshs. 12,039,27 which in turn includes the cost of ICT equipment, software and other ICT assets of Kshs. 1,409,168. However, a review of the fixed asset register reflected cost of ICT equipment, software and other ICT assets of Kshs. 1,199,168 resulting to a possible overstatement of the reported balance by Kshs 210,000.	The reported total assets were Ksh. 12,039,271. On the other hand, the adjusted asset register total is Ksh. 12,039,271. This portrays that there is no overstatement as purported. Instead, there was misclassification which has since been corrected as per extract 1 and as per the attached asset register. All the assets have serial numbers,	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	Also included in the asset register is office equipment, furniture and fittings balance of Kshs. 2,000,000 which from a review of the asset register included an amount of Kshs. 635,642 that has incorrectly been classified under this category. In addition, it was noted that all the items in the asset register did not bear the serial numbers			
1.2	Section 6(2) of the National Government Constituencies Development Fund Act, 2015 states that once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board. Included in the statement of assets and liabilities is cash and cash equivalent balance of Kshs 12,839,859 as at 30 June 2022. This amount excludes	Kanyakwar chief's camp has not been implemented due to a lack of Government land. As of the time of public participation, the request for a chief's camp was presented and that land was available. The request was prioritized and allocated funds. However, at the implementation stage, NG-CDF Kisumu Central came to learn	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>unpresented cheques as at 30 June 2022 amounting to Kshs 3,377,051 which in turn includes an amount of Kshs 1,500,000 disbursed to Kanyakwar chiefs camp vide cheque number 13161 on 29 June 2022. However, a review of the subsequent bank reconciliation statements indicates that the payment had not disbursed to the project but was instead reversed back to the cash book in February 2023. Also, management did not provide bank certificates to support amounts held in the constituency bank balance in note 10A and PMCs bank balances in note 17.4 to the financial statements</p>	<p>that the availed land belonged to Uzima University. Even though the University had allotted the land in black and white for the chief's camp construction, the land had not been officially registered under the Ministry of Interior and Coordination by the DCC. As one of the mandatory requirements, NG-CDF projects should be constructed on Government land since they are not temporary structures thus Kanyakwar chief's camp will only be implemented upon official registration of the allocated land under the Ministry of Interior and Coordination. As a result, NGCDFC has currently proposed a</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		re-allocation of Ksh. 1,500,000 to other projects if the land is availed by the D.C.C in the next one month.		



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