

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	15 AUG 2024
TABLED BY:	Hon. Owen Bunge, MP
CLERK AT THE TABLE:	Deputy Leader of Majority Chebet Koskei

REPORT



OF

THE AUDITOR-GENERAL

ON

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

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



KISUMU EAST 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)

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I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund
NGCDFB- National Government Constituency Development Fund Board
NGCDFC- National Government Constituency Development Fund Committee
PFM-Public Finance Management
IPSAS-International Public Sector Accounting Standards.
PMC-Project Management Committee
FY-Financial Year
ARMC-Audit and Risk Management Committee
OSHA-Occupational Safety and Health Act

II. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Kisumu East 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	Rotich Kiptoon
2.	Sub-County Accountant	Cynthia Leting
3.	Chairman NGCDFC	Jackton Acholla
4.	Member NGCDFC	Donna Otieno

(c) Fiduciary Oversight Arrangements

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

P.O. Box 3618-40100
Kisumu East NGCDF Office
Kondele Kibos Road Next to Kunya Primary School
Kisumu, Kenya

(e) Kisumu East Constituency NGCDF Contacts

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

(f) Kisumu East Constituency NGCDF Bankers

Equity Bank Ltd
Kisumu
P.O BOX 3621
Kenya

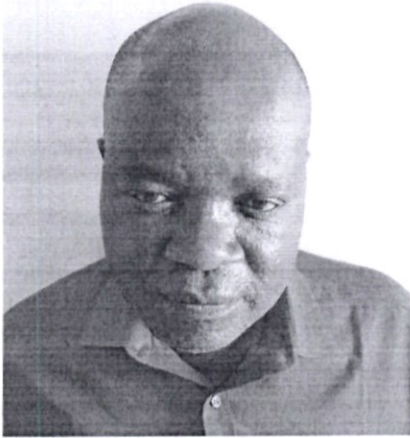
(g) Independent Auditors

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

(h) Principal Legal Adviser

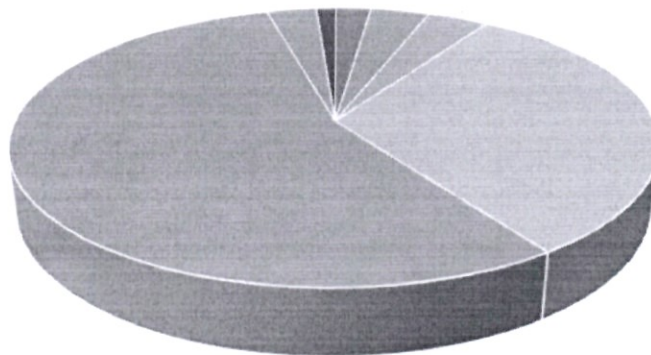
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

III. NG-CDFC Chairman's Report

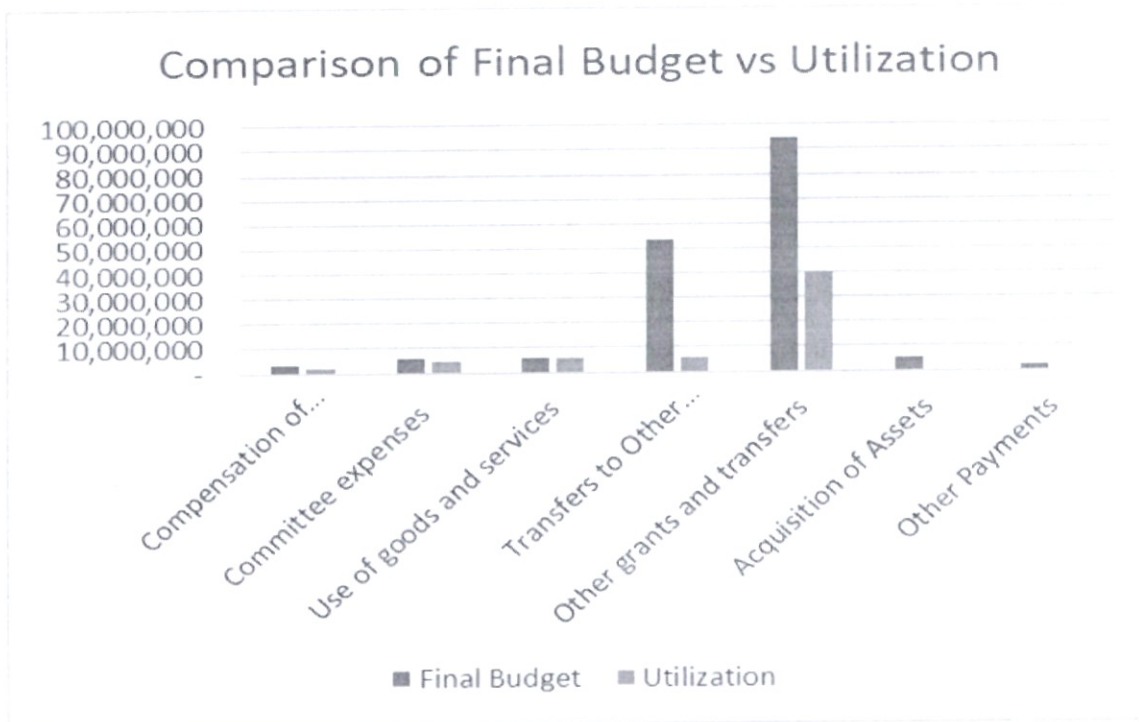


It is my pleasure to present to you the annual report and financial statement for the year ended June 30, 2023. During the year under review, the entity was allocated Kshs 145,087,603 which represents an increase from the previous year by kshs 7,998,724. Our performance is generally impressive and we have been able to offer more services to our constituents. Unlike the previous year, the NGCDF Board did not disburse all the funds relating to the financial year 2022/2023 but only representing 66%. An amount representing 34% wasn't disbursed as at June 30th 2023.

Final Budget



- Compensation of Employees
- Use of goods and services
- Other grants and transfers
- Other Payments
- Committee expenses
- Transfers to Other Government Units
- Acquisition of Assets



During the year we had primary school projects under which two were major that is Kibos secondary school and Nyamonge primary school, Renovations and new schools among them were fencing and construction of Latrines.

One of the best security project implemented and 90% complete is Ragumo police station which has an impact in solving the community's insecurity which is rampant in the ward.

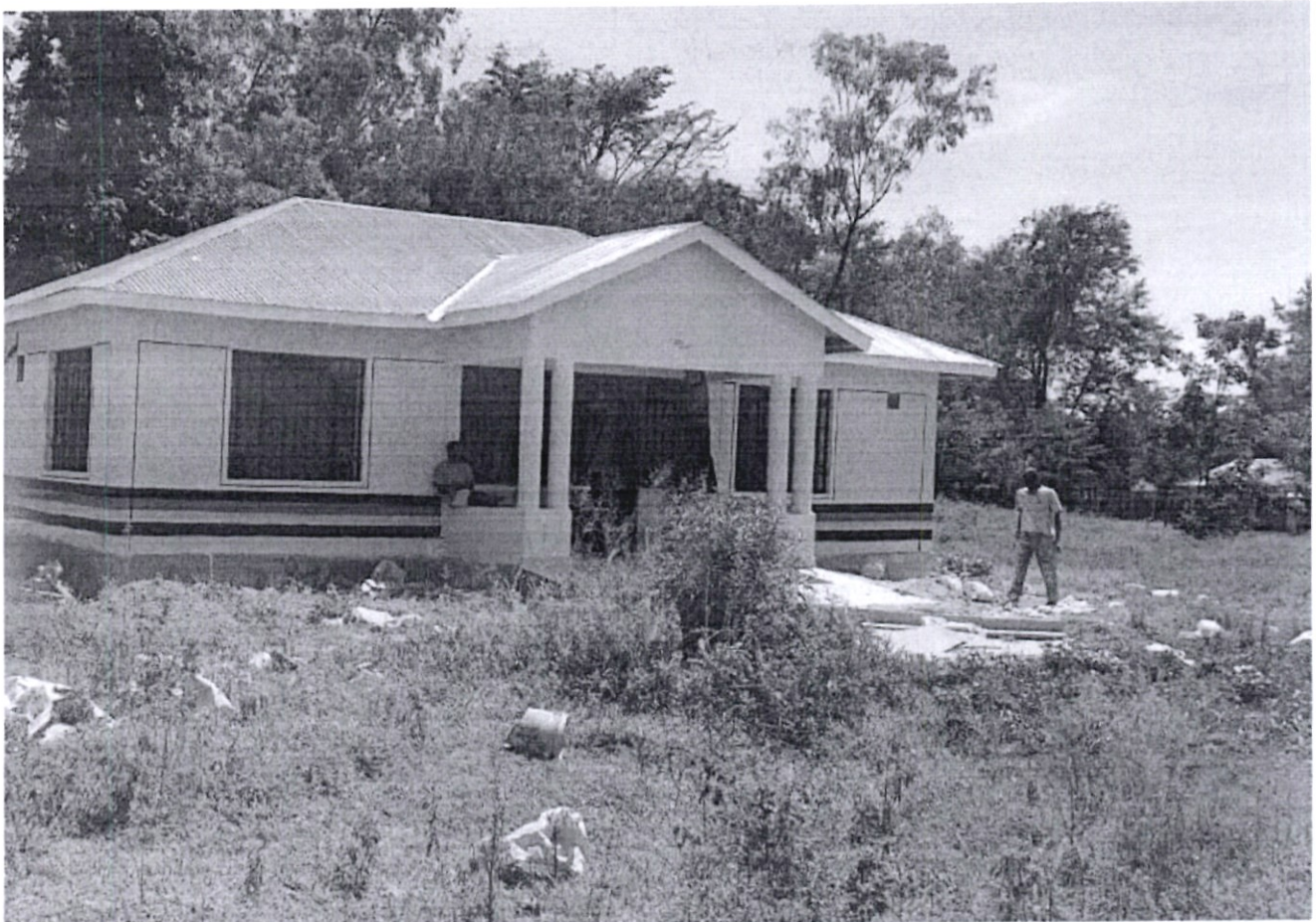
Under sports, we paid participation fees to Ragumo Taekwondo group.

The purchase of tanks for secondary and primary schools under Environment was not implemented.

NHIF social security programme was not paid because the funds for the vote head wasn't disbursed on time but the same was implemented after the financial year 2022/2023.

Bursary to secondary and tertiary schools were overwhelmingly disbursed during the year.

Some of the best implemented projects during the period 2022/2023 are as attached photos.



1. Construction of Gita police post



2. construction of a dormitory block at kibos secondary school



3.construction of a multipurpose hall at kibos secondary school



4.construction of ragumo police station



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

EMERGING ISSUES

Under primary and secondary schools is the introduction of CBCs which requires construction of junior secondary schools.

Ongoing litigation of the NGCDF Act, employee turnover expectations of new administration, employee job security due to political transition.

CHALLENGES

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

Utilization of funds stood at 66% as compared to 89% in the year 2021/22. This was a decrease compared to 2021/22 financial year which was due to lack of funds for the period under review.

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

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

.....
Name : Jackton Odhiambo Acholla
CHAIRMAN NGCDF COMMITTEE

IV. Statement Of Performance Against Predetermined Objectives for FY2022/23

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 East Constituency 2022-2023* plan are to:

- a) Improving access to quality education through rehabilitation/renovation/ construction of infrastructure in various primary and secondary school within the constituency.
- b) Harnessing youth talent by funding youth sporting initiatives, creating awareness of youth development and promotion of youth talent
- c) Enhancing security in the constituency by construction of infrastructure in security and administration establishments within the constituency.
- d) Improving the tracking of implementation of NGCDF programs through robust Monitoring and Evaluation of projects
- e) Promoting performance management and smooth running of NGCDF office
- f) Catering for any unforeseen occurrences in the constituency through emergency support.

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 Accessibility	To Improve access, affordability and availability of quality education to all school going children.	<ul style="list-style-type: none"> • Adequate and conducive environment in terms of classrooms, library, laboratories, dormitories, 	- number of usable physical infrastructure build in primary, secondary, and tertiary	<ul style="list-style-type: none"> - In FY 22/23 - Number of classrooms rehabilitated to standard 68 - Number of new classrooms constructed in

Constituency Program	Objective	Outcome	Indicator	Performance
		<p>halls to be used outcomes.</p> <ul style="list-style-type: none"> Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions 	<p>institutions - number of bursary beneficiaries at all levels</p>	<p>both primary and secondary schools 8</p> <ul style="list-style-type: none"> Number of schools with improved/rehabilitated fence 6 Purchased land for 1 primary school and 1 sec sch.
Security	To enhance security within the constituency	Improved security and provision of services to constituents within the constituency	<ul style="list-style-type: none"> - Number of chiefs, ACC, DCC, assistant chief offices constructed. - Number of police posts, stations constructed or rehabilitated 	1 police post constructed to completion.
Environment	To promote environment sustainability in the constituency		<p>Number of trees planted</p> <p>Number of Biogas (green environment) projects</p>	
Sports	To harness talent and empower youth	Active participation of youth in sports	Number of sporting field rehabilitated	Kisumu East NGCDF constituency tournament and

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Constituency Program	Objective	Outcome	Indicator	Performance
		and advocacy activities	Number of sporting tournaments held	payment of FKF affiliation fee for clubs.
Disaster Management	To cater for any unforeseen occurrences in the constituency			
Intuitionnal strengthening	To promote performance of management and smooth running of NGCDF operations	<ul style="list-style-type: none"> - Quality of work from motivated staff - Effective and active NGCDF Committee and harmonised governance body - Reflective and dynamic committee and staff able to adjust to changing operational circumstances 	<ul style="list-style-type: none"> - Work plans, reports, accountabilities, - Board minutes, resolutions, evaluation report 	<ul style="list-style-type: none"> - 5 staff employed. - File of all management resolutions well kept. - All reports due to the board submitted within the given timelines.
Tracking of results	To improve on tracking of implementation of NGCDF projects	<ul style="list-style-type: none"> • Strengths and Weaknesses in project implementation on identified and addressed • Audit report, enhance and 	<ul style="list-style-type: none"> • Reports, Success and case stories • Audit report, Financial report 	<ul style="list-style-type: none"> • Quarterly and annual reports submitted with the timelines • Audit reports responded to and advice on the same

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Constituency Program	Objective	Outcome	Indicator	Performance
		improved standards in financial management		adhered to.

V. Statement of Governance

Regulation 5(1) makes reference to procedure of member selection, the members of a Constituency Committee provided for under section 43(2) (b), (c) and (d) of the CDF Act shall be selected by a selection panel established under paragraph (4) upon an occurrence of a vacancy in the Constituency Committee.

Regulation 5(2) refers to occurrence of a vacancy, a vacancy shall occur in Constituency Committee upon—

- a) Commencement of a new parliamentary term;
- b) Dissolution of a Constituency Committee;
- c) Removal of a member of a Constituency committee; or
- d) The occurrence of a vacancy in a Constituency Committee.

Regulation 5 (3) refers to constitution of a selection panel, upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

Regulation 5(4) refers to members constituting selection panel, the selection panel referred to in paragraph (1) shall consist of—

- a) One person nominated by the national government official in charge of the sub-county or a Designated representative, who shall be the chairperson of the selection panel;
- b) The Officer of the Board seconded to the Constituency who shall be the secretary to the selection panel; and
- c) Two persons, one of either gender, nominated by the Constituency office.

Regulation 5(5) refers to invitation of applicants for appointment to be members of the committee, the officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

Regulation 5(6) the selection panel shall, within fourteen days of receiving the applications under paragraph (5), consider the applications and shall select five applicants taking into account age, gender, special interest groups and regional balance in accordance with section 43(2)(b)(c) and (d) of the Act

Regulation 5(7), the officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates.

Together with the report of the selection panel.

Regulation 5(8) the Board shall co-opt the person referred to in section 43(2)(g) of the Act to ensure equitable representation in the membership of a Constituency Committee.

Regulation 5(9) refers to notification on nomination, the Board shall, in writing, request the clerk of the National Assembly to notify the Constituency Office to nominate two persons of either gender, pursuant to section 43(2)(e) of the Act and to forward the names to the Office of the Board seconded to the Constituency.

Regulation 5(10) the Board shall submit the names of the seven persons selected from each Constituency in accordance with section 43(2), (b), (c), (d) and (e) of the Act to the National Assembly for approval.

Regulation 5(11) refers to appointment and resignation, the Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

The selection panel shall stand dissolved upon the appointment of the members of a Constituency

Committee. The Board shall, within fourteen days after gazettelement of the members of a Constituency Committee inform the members of their appointment in writing.

A member of a Constituency Committee who is appointed under section 43 (2) (b), (c), (d), (e) and (g) may at any time resign from office by giving notice, in writing, to the officer of the Board and

a copy thereof to the Board.

At least one of the Constituency Committee members appointed under section 43(2),(b),(c) or (d) shall be a mandatory signatory to the Constituency accounts.

Process of appointment and removal of NGCDFC members

1. Appointment of NG-CDF Committee Members:

a. Application: Interested individuals submit their applications to the respective Constituency Development Fund (CDF) Implementation Committees within their constituencies.

b. Shortlisting: The CDF Implementation Committees shortlist the applicants based on the prescribed qualifications and criteria set by the CDF Act.

c. Public Participation: The shortlisted candidates' names are advertised in local newspapers, and the public is allowed to raise any objections or provide feedback on the suitability of the candidates.

d. Selection: After the public participation process, the CDF Implementation Committees make their final selection of candidates.

e. Appointment: The selection is then forwarded to the National Government Constituencies Development Fund (NG-CDF) Board for approval and appointment by the Minister in charge of Finance.

f. induction of NGCDFC was organized by the NGCDFB and was conducted in Eldoret in the month of April 2023.

2. Removal of NG-CDF Committee Members:

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

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

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

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

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

ROLES AND FUNCTIONS OF NGCDFC

1. **Project Identification:** Committee members identify development projects that align with the needs and priorities of their constituencies.

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2. ***Project Planning:*** They participate in the planning of projects, ensuring they are feasible, cost-effective, and beneficial to the community.
3. ***Budget Allocation:*** Committee members allocate funds from the Constituencies Development Fund (CDF) to approved projects, considering their potential impact and importance.
4. ***Project Monitoring:*** They monitor the implementation of projects, ensuring they are carried out according to the agreed-upon plans and timelines.
5. ***Accountability:*** Committee members are responsible for ensuring transparency and accountability in the use of allocated funds, making sure they are properly utilized and not misappropriated.
6. ***Community Engagement:*** They engage with the local community to gather input and feedback on development priorities and projects, fostering community participation.
7. ***Evaluation:*** After completion, they evaluate the outcomes and impact of projects to assess their effectiveness in addressing the constituency's needs.
8. ***Reporting:*** Committee members report on the progress and outcomes of projects to relevant authorities, constituents, and other stakeholders.
9. ***Conflict Resolution:*** They may address conflicts and issues that arise during project implementation and ensure that disputes are resolved in a fair and timely manner.
10. ***Advocacy:*** Committee members may advocate for additional resources and support for their constituencies from the national government and other relevant institutions.
11. ***Capacity Building:*** They may facilitate training and capacity-building initiatives for local communities to empower them in participating effectively in development processes.
12. ***Policy Recommendations:*** Based on their experiences and observations, committee members can provide insights and recommendations to the government for improving development policies and strategies.

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

Members remuneration, ethics and conduct and risk management

1. ***Remuneration:*** The remuneration of NGCDFC members may be through; considerations for allowances, stipends, and other benefits.
2. ***Ethics and Conduct:*** Public officials, including NGCDFC members, are generally expected to adhere to high ethical standards and conduct themselves with integrity. This includes avoiding conflicts of interest, transparent decision-making, and responsible use of public funds. There might be a code of conduct or ethical guidelines that NGCDFC members are expected to follow. These guidelines often emphasize accountability, transparency, and service to the public.
3. ***Risk Management:*** Effective risk management is crucial for organizations that handle public funds. NGCDFC may have implemented risk management practices to identify, assess, and mitigate

potential risks associated with fund management and allocation. This could involve strategies to prevent mismanagement, fraud, or any other financial irregularities.

Conflict of interest is declared by the committee members in all meeting including the project proposal.

NGCDFC members held a total of fourteen meetings in a year and ten sub-committee meetings in a year which include sports, environment, complaints, m&e, bursary meetings.

VI. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

- a. **Education and Training:** KISUMU EAST 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

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

3. Employee welfare

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

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

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

4. Market place practices-

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



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

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 EAST Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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 EAST Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency*'s financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- KISUMU EAST Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Kisumu East Constituency

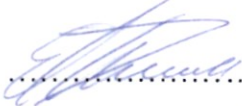
National Government Constituencies Development Fund (NGCDF)

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 EAST Constituency financial statements were approved and signed by the Accounting Officer on 30th 09 2023.



Name: Jackton Achola

Chairman – NGCDF Committee



Name: Rotich Kiptoon

Fund Account Manager



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 EAST CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kisumu East Constituency set out on pages 1 to 44, which comprise of the statement of assets and liabilities as at 30 June, 2023 and the

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

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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position as at 30 June, 2023 and 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 National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Variance in Total Receipts

The statement of receipts and payments reflects total receipts of Kshs.98,288,879 while the summary statement of appropriation reflects total receipts of Kshs.112,972,434 resulting to unexplained and unreconciled variance of Kshs.14,683,555.

In the circumstances, the accuracy and completeness of the receipts amounts could not be confirmed.

2. Unsupported Retention

Note 14A to the financial statements reflects a balance of Kshs.226,867 in respect of retention money. However, no records were provided to support this amount. In addition, Management has not indicated the bank account where these funds are held.

In the circumstances, the accuracy and existence of the retention balance of Kshs.226,867 could not be confirmed.

3. Unsupported Project Management Committee Balances

Note 19.4 and Annex 5 to the financial statements reflects Project Management Committee (PMC) bank accounts balance of Kshs.8,847,260.97. However, cash books, bank reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC accounts balance of Kshs.8,847,260.97 could not be confirmed.

4. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amount of Kshs.40,192,734 and as disclosed in Note 8 to the financial statements which includes bursary payments amounting to Kshs.14,008,000 and Kshs.7,270,000 disbursed to

secondary schools and tertiary institutions respectively. However, no acknowledgement letters from beneficiary institutions were provided for audit.

In the circumstances, the accuracy and completeness of bursary disbursements totalling Kshs.21,278,000 could not be confirmed.

5. Lack of Ownership Documents

The statement of receipts and payments reflects an amount of Kshs.40,192,734 relating to other grants and transfers which, as disclosed in Note 8 to the financial statements includes Kshs.11,499,000 incurred on security projects. This amount in turn includes Kshs.1,499,000 incurred on purchase of ten (10) motorcycles. However, their logbooks were not provided for audit. Further, the motorcycles were not physically verified.

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

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.181,078,037 and Kshs.112,972,434 respectively resulting to an under-funding of Kshs.68,105,603 or 38% of the budget. However, the Fund spent an amount of Kshs.59,081,522 against actual receipts of Kshs.112,972,434 resulting to an under-utilization of Kshs.53,890,912 or 48% of 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 judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

Unresolved Prior Year Matters

In the audit of the previous year, several issues were raised under Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources.

Although, Management had indicated that these matters had been resolved, no evidence on how the issues were resolved was provided.

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 Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Project Implementation Status

Review of the project implementation status report for 2022/2023 projects indicated that there were six (6) ongoing projects, forty-three (43) projects were yet to be started or were still at procurement stage.

In the circumstances, the public may not have benefited from the funds allocated for the various projects.

2. Late Disbursement of Funds

The statement of receipts and payments and as disclosed in Note 1 to the financial statements reflects transfers from NG-CDF Board amounting to Kshs.98,288,879. However, that the Fund did not receive funds in the first quarter of the financial year contrary to Section 39(2) of the National Government Constituencies Development Fund Act, 2015 which requires the disbursement of funds to the Constituency fund account to be effected at the beginning of the first quarter of each financial year with an initial amount equivalent to twenty-five per centum of the annual allocation for the Constituency. In addition, the first disbursement of Kshs.7,000,000 was received in the second quarter which was below the twenty-five percent of the annual allocation required in law to be disbursed at the beginning of the first quarter for the Constituency.

In the circumstances, the underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

3. Lack of Procurement Plan

During the year under review, NG-CDF Kisumu East Constituency operated without a procurement plan contrary to Section 53 of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall prepare an annual procurement plan which is realistic in a format set out in the Public Procurement and Asset Disposal Regulations, 2020 within the approved budget prior to commencement of each financial year as part of the annual budget preparation process.

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

4. Reallocation of Funds

The statement of receipts and payments reflects Kshs.40,192,734 in respect to other grants and transfers which, as disclosed in Note 8 to the financial statements includes Kshs.4,919,950 in respect to emergency projects. However, Management spent a total of Kshs.1,009,950 on repairs and maintenance of a motor vehicle and charged to this account instead of routine maintenance of motor vehicle and other transport equipment's under use of goods and services. In addition, the utilization of the emergency reserve was not reported to the Board within thirty (30) days contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which requires the utilization of the emergency reserve to be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

I communicate with 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

03 June, 2024

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

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

	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	98,288,879	170,088,879
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	18,000
Total Receipts		98,288,879	170,106,879
Payments			
Compensation Of Employees	4	2,030,891	2,020,304
Committee expenses	5	4,820,390	5,904,470
Use Of Goods and Services	6	6,137,507	7,707,625
Transfers To Other Government Units	7	5,900,000	126,470,000
Other Grants and Transfers	8	40,192,734	61,661,275
Acquisition Of Assets	9	-	1,300,000
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
Total Payments		59,081,522	205,063,674
Surplus/ (Deficit)		39,207,357	(34,956,795)

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

The Constituency financial statements were approved by the NGCDFC on 30.09. 2023 and signed by:



Fund Account Manager

Name: Rotich Kiptoon



National Sub-County
Accountant

Name: Cynthia Leting
ICPAK M/No:



Chairman NG-CDF Committee

Name: Jackton Achola



Kisumu East 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	53,890,912	14,683,555
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		53,890,912	14,683,555
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		53,890,912	14,683,555
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	226,867	226,867
Gratuity	14B	-	-
Total Financial Liabilities		226,867	226,867
Net Financial Assets		53,664,045	14,456,688
Represented By			
Fund Balance B/Fwd	15	14,456,688	49,413,483
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		39,207,357	(34,956,795)
Net Financial Position		53,890,912	14,456,688

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 30th 06 2023 and signed by:



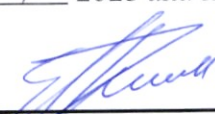
Fund Account Manager

Name: Rotich Kiptoon



National Sub-County Accountant

Name: Cynthia Leting
ICPAK M/No:



Chairman NG-CDF Committee

Name: Jackton Achola



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

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

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	98,288,879	170,088,879
Other Receipts	3	-	18,000
Total Receipts		98,288,879	170,106,879
Payments			
Compensation Of Employees	4	2,030,891	2,020,304
Committee Expenses	5	4,820,390	5,904,470
Use Of Goods and Services	6	6,137,507	7,707,625
Transfers To Other Government Units	7	7,900,000	126,470,000
Other Grants and Transfers	8	38,192,734	61,661,275
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
Total Payments		59,081,522	203,763,674
Total Receipts Less Total Payments			
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		39,207,357	(33,656,795)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	(1,300,000)
Net Cash Flows from Investing Activities		-	(1,300,000)
Net Increase In Cash And Cash Equivalent		39,207,357	(34,956,795)
Cash & Cash Equivalent At Start Of The Year	12	14,683,555	49,640,350
Cash & Cash Equivalent At End Of The Year		53,890,912	14,683,555

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

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 30th 09 2023 and signed by:



Fund Account Manager

Name: Rotich Kiptoon



National Sub-County
Accountant

Name: Cynthia Leting
ICPAK M/No:



Chairman NG-CDF Committee

Name: Jackton Achola



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		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	145,087,603	14,683,555	21,288,879	181,060,037	112,972,434	68,087,603	66.0%
Proceeds From Sale of Assets	0			0	0	-	0.0%
Other Receipts	0	18,000.00		18,000.00	0	18,000.00	0.0%
Totals	145,087,603	14,701,555	21,288,879	181,078,037	112,972,434	68,105,603	66.0%
Payments							
Compensation Of Employees	2,974,304	595,015	0	3,587,319.00	2,030,891	1,538,428	56.6%
Committee Expenses	4,743,000	75,379	21,007	4,839,386.41	4,820,390	18,996	99.6%
Use Of Goods and Services	6,081,109	121,491	0	6,202,600.37	6,137,507	65,093	99.0%
Transfers To Other Government Units	44,600,000	2,700,000	16,100,000	63,400,000.00	5,900,000	57,500,000	9.3%
Other Grants and Transfers	78,537,190	11,173,670	5,167,872	94,878,731.90	40,192,734	54,685,998	41.1%
Acquisition of Assets	5,000,000	0	0	5,000,000.0	0	5,000,000	0.0%

*Kisumu East Constituency
National Government Constituencies Development Fund (NGCDF)
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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		
Receipts				0			
Oversight Committee Expenses	1,152,000	-	-	1,152,000	-	1,152,000	0.0%
Other Payments	2,000,000	0	0	2,000,000	0	2,000,000	0.0%
Funds Pending Approval**		18,000		18,000		18,000	
Totals	145,087,603	14,701,555	21,288,879	181,078,037	59,081,522	121,978,516	32.6%

(a) [All revenues relate to allocation from the NGCDF Board. The utilization of receipts stands at 66.0% because the NGCDFB has not released kshs 145,087,603 which represents 100% of the allocation for the year 2022/2023.]

(b)

- i. Compensation of employees has a utilization rate of 56.6%. The difference 43.4% represents the two year's gratuity not paid.
- ii. Committee expenses has a utilization of 80.5% and the difference is the amount not yet disbursed by the Board.
- iii. Use of goods and services comprise a utilization rate of 99.0% which represents optimum utilization.
- iv. Transfers to other government units is at 14.3%. The difference of 85.6% represents the late disbursement of funds by the Board.
- v. Other grants of 41.1%. The difference of 58.9% represents the late disbursement of funds by the Board.
- vi. Acquisition of Assets is not utilized.
- vii. Other payments include implementation of Kisumu East NGCDF strategic plan 2023-2027 that has not been implemented due to late disbursement of funds. The funds had not been received by the closure of financial year 2022/2023 thus lack of implementation of the above.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	121,978,516

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

Less undisbursed funds receivable from the Board as at 30 th June 2023	68,087,603
	53,890,913
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 th June 2023	53,890,913

The Constituency financial statements were approved by NG CDFC on 30.09 2023 and signed by:



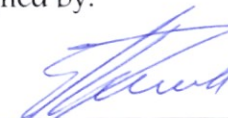
Fund Account Manager

Name: Rotich Kiptoon



National Sub-County Accountant

Name: Cynthia Leting
 ICPAK M/No:



Chairman NG-CDF Committee

Name: Jackton Achola



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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,878,304	595,015.00	-	3,473,319	2,030,891	1,442,428
1.2 Committee allowances	2,434,673	-	21,007	2,455,680	2,455,680	0
1.3 Use of goods and services	2,417,606	93,350.00	-	2,510,956	2,197,109	313,847
Sub-total	7,730,583	706,365	21,007	8,457,955	6,683,680	1,774,275
2.0 Monitoring and evaluation						
2.1 Capacity building	1,500,000	96,460.00	797,045	2,393,505	2,393,505	-
2.2 Committee allowances	1,549,767	-	1,039,603	2,589,370	2,589,370	-
2.3 Use of goods and services	1,322,233	-	-	1,322,233	1,322,233.00	-
Sub-total	4,372,000	96,460	1,836,648	6,305,108	6,305,108	-
3.0 Emergency						
3.1 Primary Schools	-	3,110,000.00	-	3,110,000	3,110,000	-
3.2 Secondary schools	-	800,000.00	-	800,000	800,000	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-

*Kisumu East Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		-				
3.5 Unutilised	7,636,190.00	209,891.83	2,176,274	10,022,356	-	10,022,356
3.6 Others	-	-	1,009,950	1,009,950	1,009,950.00	-
		-	-	-	-	-
Total	7,636,190	4,119,892	3,186,224	14,942,306	4,919,950	10,022,356
4.0 Bursary and Social Security						
4.1 Primary Schools	-					
4.2 Secondary Schools	14,000,000.00	541,500.00	-	14,541,500	14,008,000	533,500
4.3 Tertiary Institutions	11,400,000.00	1,311,250.00	-	12,711,250	7,270,000	5,441,250
4.4 Universities	-					
4.5 Social Security	6,000,000.00	1,116,000.00	-	7,116,000	-	7,116,000
Total	31,400,000	2,968,750	-	34,368,750	21,278,000	13,090,750
5.0 Sports						
KISUMU EAST CONSTITUENCY SPORTS TOURNAMENT	-	76,755.00	145,000	221,755	-	221,755
KISUMU EAST CONSTITUENCY SPORTS TOURNAMENT	1,150,000.00	12,500.00	-	1,162,500	497,800	664,700
REGIONAL SPORTS TOURNAMENT	350,000.00	-	-	350,000	-	350,000
Total	1,500,000	89,255	145,000	1,734,255	497,800	1,236,455

*Kisumu East Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
6.0 Environment						
KIBOS PRI SCHOOL(WATER TANK)	100,000.00	-	-	100,000	-	100,000
OFUNYU PRI SCHOOL(WATER TANK)	100,000.00	-	-	100,000	-	100,000
ST OHN ORIANG PRI SCH(WATER TANK)	100,000.00	-	-	100,000	-	100,000
MASAWA PRI SCH(WATER TANK)	100,000.00	-	-	100,000	-	100,000
GOT NYABONDO SEC SCH(WATER TANK)	100,000.00	-	-	100,000	-	100,000
TREE PLANTING	-	2,833.00	-	2,833	-	2,833
NYAMASARIA SEC SCH(GABIONS)	-	2,000,000.00	-	2,000,000	1,997,984.00	2,016
Total	500,000	2,002,833	-	2,502,833	1,997,984	504,849
KIBOS PRI SCHOOL(WATER TANK)	100,000.00	-	-	100,000	-	100,000
7.0 Primary Schools Projects (List all the Projects)						
OBWOLO PRI. SCHOOL- REN	700,000.00	-	-	700,000	700,000	-
NYAMONGE PRI. SCHOOL- DESKS	500,000.00	-	-	500,000	-	500,000
CHIGA PRI. SCHOOL-REN	750,000.00	-	-	750,000	750,000	-
KINDU R.C PRI. SCHOOL- REN	900,000.00	-	-	900,000	900,000	-
OKOK PRI. SCHOOL- ADM BLOCK	1,500,000.00	-	-	1,500,000	850,000	650,000

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
OKOK PRIMARY SCHOOL- DESKS	150,000.00	-	-	150,000	-	150,000
RARIEDA KALOO PRI. SCHOOL- REN	450,000.00	-	-	450,000	-	450,000
KUNYA PRIMARY SCHOOL- FENCING	400,000.00	-	-	400,000	-	400,000
RAE KAULU PRI. SCHOOL- REN	600,000.00	2,700,000.00	-	3,300,000	2,700,000.00	600,000
RAE KAJULU PRI. SCHOOL- DESKS	250,000.00	-	-	250,000	-	250,000
OYOLA PRI. SCHOOL- FENCING	800,000.00	-	-	800,000	-	800,000
OYOLA PRI. SCHOOL- DESKS	150,000.00	-	-	150,000	-	150,000
OGANGO PRI. SCHOOL- FENCING	398,500.00	-	-	398,500	-	398,500
ONGADI PRI. SCHOOL- REN	500,000.00	-	-	500,000	-	500,000
ONGADI PRI. SCHOOL- DESKS	200,000.00	-	-	200,000	-	200,000
BWANDA PRIMARY SCHOOL- REN	500,000.00	-	-	500,000	-	500,000
RENJA PRI. SCHOOL- REN	800,000.00	-	-	800,000	-	800,000
RENJA PRI. SCHOOL- DESKS	150,000.00	-	-	150,000	-	150,000
ST. JOHN'S MASAWA PRI. SCHOOL- CONST	3,000,000.00	-	-	3,000,000	-	3,000,000
ST. JOHN'S MASAWA PRI. SCHOOL- DESKS	150,000.00	-	-	150,000	-	150,000
KIBOS PRI. SCHOOL- CONSTR		-	0.00		0	4,500,000

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	4,500,000.00			4,500,000		
KIBOS PRI. SCHOOL- DESKS	200,000.00	-	0.00	200,000	0	200,000
ST. MARY'S MAYENYA PRI. SCHOOL- DESKS	200,000.00	-	0.00	200,000	0	200,000
OTERA BAHATI PRI. SCHOOL- DESKS	250,000.00	-	0.00	250,000	0	250,000
ALANGO PRI. SCHOOL- DESKS	200,000.00	-	0.00	200,000	0	200,000
ST. FRANCIS NYAMONGE PRI. SCHOOL- DESKS	200,000.00	-	0.00	200,000	0	200,000
OMUNG'I PRI. SCHOOL- DESKS	200,000.00	-	-	200,000	0	200,000
MBEME PRI. SCHOOL- DESKS	500,000.00	-	0.00	500,000	0	500,000
NYAMONGE PRI. SCHOOL(COMP)	11,200,000.00	-	0.00	11,200,000	0	11,200,000
MBEME PRI. SCHOOL(COMP)	11,250,330.00	-	0.00	11,250,330	-	11,250,330
WANDIEGE PRIMARY SCH	-	-	100,000.00	100,000	-	100,000
WANDIEGE PRIMARY SCHOOL- LAND	-	-	2,000,000.00	2,000,000	0	2,000,000
Sub-total	41,548,830	2,700,000	2,100,000	46,348,830	5,900,000	40,448,830
8.0 Secondary Schools Projects (List all the Projects)						
GOT NYABONDO SEC SCHOOL- FENCING	700,000.00	-	-	700,000	-	700,000
NYAMASARIA SEC SCH-ADMIN BLOCK	2,000,000.00	-	-	2,000,000	-	2,000,000
KIBOS SECONDARY SCHOOL	2,300,000.00	-	-	2,300,000	-	2,300,000

**National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
GOT NYABONDO SEC SCH	-	-	2,000,000	2,000,000	0	2,000,000
Total	5,000,000	-	2,000,000	7,000,000	-	7,000,000
9.0 Tertiary institutions Projects (List all the Projects)						
TTI			10,000,000	10,000,000		10,000,000
9.2						
Sub-total						
10.0 Security Projects			10,000,000	10,000,000		
GITA ACC'S OFFICE	4,000,000.00	2,000,000.00	-	6,000,000	-	6,000,000
GITA POLICE POST	700,000.00	-	-	700,000	-	700,000
BUOYE ASSISTANT CHIEFS OFFICE	1,000,000.00	-	-	1,000,000	-	1,000,000
KADERO ASSISTANT CHIEFS OFFICE	1,000,000.00	-	-	1,000,000	-	1,000,000
KASAGAM POLICE STATION(MOTORCYCLES)	1,700,000.00	-	0.00	1,700,000	1,499,000.00	201,000
RAGUMO POLICE STATION	10,000,000.00	-	-	10,000,000	10,000,000.00	-
KOYANGO CHIEFS OFFICE-LAND	-	-	2,000,000.00	2,000,000	-	2,000,000
KASAGAM POLICE STATION(ADMIN BLOCK)	20,000,000.00	-	-	20,000,000		20,000,000
Total	38,400,000	2,000,000	2,000,000	-	11,499,000	30,901,000

*Kisumu East Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
				42,400,000		
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
Sub-total						
12.0 Oversight Committee Expenses (itemize)						
	1,152,000	-	-	1,152,000	-	-
Sub-total	1,152,000	-	-	1,152,000	-	-
13.0 Others						
13.1 Strategic Plan	2,000,000	-	0.00	2,000,000.00	0	2,000,000.00
13.2 Innovation Hub						
Sub-total	2,000,000	-	-	2,000,000	-	2,000,000
Funds pending approval**	5,000,000	18,000	-	5,018,000	-	5,018,000
Total	145,087,603	14,701,555	21,288,879	181,078,038	59,081,522	121,978,516

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 EAST Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. 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 Eequivalent.

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

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30 June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

14. Errors

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

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

15. Related Party Transactions

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

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
B 005108		33,000,000.00
B 030184		44,000,000.00
B 030428		22,000,000.00
B 006370		5,000,000.00
B 042761		12,000,000.00
B 047007		12,000,000.00
B 041083		18,000,000.00
B 047450		24,088,879.00
B 185121	7,000,000.00	
B185662	21,000,000.00	
B206155	5,000,000.00	
B206421	12,000,000.00	
B205793	12,000,000.00	
B205663	100,000.00	
B205669	11,188,879.30	
B207655	15,000,000.00	
B207815	15,000,000.00	
TOTAL	98,288,879.30	170,088,879

2. Proceeds From Sale of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

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3. Other Receipts

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	18,000
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	18,000

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,652,091	1,641,504
Personal allowances paid as part of salary	-	-
House Allowance	174,000	174,000
Transport Allowance	90,000	90,000
Leave allowance	50,000	50,000
Gratuity to contractual employees	-	-
Employer Contributions Compulsory national social security schemes	64,800	64,800
Total	2,030,891	2,020,304

5. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	182,000	3,901,050
Other committee expenses	4,638,390	2,003,420
Total	4,820,390	5,904,470

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6. Use of Goods and services

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	424,415.00	252,608.00
Communication, supplies and services	57,990.00	56,998
Domestic travel and subsistence	-	492,000
Printing, advertising and information supplies & services	-	393,524
Rentals of produced assets	-	-
Training expenses	2,393,505.00	2,097,955
Hospitality supplies and services	-	0
Insurance costs	-	-
Specialised materials and services	252,000.00	50,000
Office and general supplies and services	501,434.00	1,040,664
Fuel , oil & lubricants	150,000.00	304,000
Other operating expenses	436,110	748,505
Bank Charges	-	185,480
Security operations	770,820.00	668,160
Routine maintenance - vehicles and other transport equipment	198,060.00	1,417,731
Routine maintenance- other assets	953,173.00	0
Total	6,137,507.00	7,707,625

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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	5,900,000.00	107,320,000.00
Transfers To Secondary Schools	-	19,150,000
Transfers To Tertiary Institutions	-	
Total	5,900,000.00	126,470,000

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools	14,008,000.00	23,862,000
Bursary – tertiary institutions	7,270,000.00	17,221,000
Bursary – special schools	-	-
Mock & CAT	-	-
Social Security programmes (NHIF)	-	4,884,000
Security projects	11,499,000.00	6,430,000
Sports projects	497,800.00	3,615,245
Environment projects	1,997,984.00	1,214,280
Emergency projects	4,919,950.00	4,434,750
Roads projects	-	-
Total	40,192,734.00	61,661,275

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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	-	1,300,000.00
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	-	1,300,000

10. Oversight Committee Expenses

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

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>Equity Bank Kisumu main branch(0290262014425)</i>	53,890,912	14,683,555
	-	-
Total	53,890,912	14,683,555
11 B: 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>
		Kshs	Kshs	Kshs
-	-	-	-	-
Total		-	-	-

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Notes to the Financial Statement Continued

14. Retention and Gratuity

14 A. Retention	2022-2023	2021-2022
	KShs	KShs
Retention as at 1 st July (A)	226,867	226,867
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	226,867	226,867

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

15. Fund Balance B/F

	(1 st July 2022)	(1 st July 2021)
	Kshs	Kshs
Bank accounts	14,683,555	49,640,350
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less		
Payables: - Retention	226,867	226,867
Payables – Gratuity	-	-
Fund Balance Brought Forward	14,456,688	49,413,483

16. Prior Year Adjustments

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

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	828,000	414,000
Others (<i>specify</i>)	-	-
Total	828,000	414,000

19.3: Unutilized Fund (See Annex 3)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Compensation of employees	1,538,428	732,496
Committee expense	18,996	150,000
Use of goods and services	65,093	150,096
Amounts due to other Government entities	57,500,000	4,800,000
Amounts due to other grants and other transfers	54,685,998	30,121,842
Acquisition of assets	-	-
Oversight Committee Expenses	1,152,000	-
Other Payments (<i>specify</i>)	2,000,000	-
Funds pending approval	5,000,000	18,000
Total	121,978,516	35,972,434

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19.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances	8,847,260.97	43,123,293
Total	8,847,260.97	43,123,293

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					

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2023	Comments
NG-CDFC Staff				
1. JUDITH SALOME OKWIRI	RECORDS MANAGEMENT OFFICER	01/07/2021	166,416	
2. CHRYSSENTUS OTIENO ABIERO	DRIVER	01/07/2021	166,416	
3. PATRICK YAGAN OWITI	ACCOUNTS ASSISTANT	01/07/2021	174,768	
4. JOHN OKEYO AMIMO	CLEANER	01/07/2021	136,920	
5. LINDA OGUNA	CLERK OF WORKS	01/07/2021	183,480	
Sub-Total			828,000	
Grand Total				

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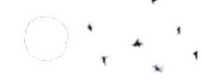
Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Compensation of employees	salaries to employees	1,538,428	636,103	
Committee expenses		18,996	329,489	
Use of goods & services	Office operation	65,093	965,592	
Sub Total		1,622,518	1,931,184	
Amounts due to other Government entities	Pri,sec & tertiary projects			
Primary Schools				
Obwolo Pri. School- Ren		-		
Nyamonge Pri. School- Desks	Purchase of 100 desks	500,000.0		
Okok Pri. School- Adm Block	Completion of admin block	650,000.0		
Okok Primary School- Desks	Purchase of 30 desks	150,000.0		
Rarieda Kaloo Pri. School- Ren	Renovation of one classroom	450,000.0		
Kunya Primary School- Fencing	Fencing of 100m	400,000.0		
Rae Kaulu Pri. School- Ren	Renovation of two classrooms	600,000.0		
Rae Kajulu Pri. School- Desks	Purchase of 30 desks	250,000.0		
Oyola Pri. School- Fencing	Fencing of 400m fence	800,000.0		
Oyola Pri. School- Desks	Purchase of desks	150,000.0		
Ogango Pri. School- Fencing	Fencing of school compound	398,500.0		
Ongadi Pri. School- Ren	Renovation of classrooms	500,000.0		
Ongadi Pri. School- Desks	Purchase of desks	200,000.0		
Bwanda Primary School- Ren	Renovation of classrooms	500,000.0		
Renja Pri. School- Ren	Renovation of classrooms	800,000.0		

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Renja Pri. School- Desks	Purchase of desks	150,000.0		
St. John'S Masawa Pri. School- Const	Construction of two classrooms	3,000,000.0		
St. John'S Masawa Pri. School- Desks	Purchase of desks	150,000.0		
Kibos Pri. School- Constr	Construction of 3 classrooms	4,500,000.0		
Kibos Pri. School- Desks	Purchase of desks	200,000.0		
St. Mary'S Mayenya Pri. School- Desks	Purchase of desks	200,000.0		
Otera Bahati Pri. School- Desks	Purchase of desks	250,000.0		
Alango Pri. School- Desks	Purchase of desks	200,000.0		
St. Francis Nyamonge Pri. School- Desks	Purchase of desks	200,000.0		
Omung'I Pri. School- Desks	Purchase of desks	200,000.0		
Mbeme Pri. School- Desks	Purchase of desks	500,000.0		
Nyamonge Pri. School(Comp)	Completion of 8 classrooms	11,200,000.0		
Mbeme Pri. School(Comp)	Completion of 8 classrooms	11,250,330.0		
Wandiege Primary Sch	Renovation of a classroom	100,000.0	100,000	
Wandiege Primary School-Land	Purchase of land	2,000,000.0	2,000,000	
Rae Kajulu Primary School(Renov)	Renovation of classrooms		2,700,000	
Sub Total		40,448,830.0	4,800,000.0	
Secondary Schools Projects		-		
Got Nyabondo Sec School-Fencing	Fencing of school compound	700,000.0		
Nyamasaria Sec Sch-Admin Block	Construction of admin block	2,000,000.0		
Kibos Secondary School	Bursary to needy students	2,300,000.0		

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Got Nyabondo Sec Sch	Purchase of land	2,000,000.0		
Sub Total		7,000,000.0	-	
Tertiary				
Kisumu East TTI	Construction of TTI	10,000,000.0		
Sub Total		10,000,000.0	-	
Amounts due to other grants and other transfers				
Emergency				
Unutilised Emergency	EMERGENCY	9,004,114	13,072,842	
sub-total		9,004,114	13,072,842	
Bursary and Social Security				
Bursary - Secondary Schools	Bursary for needy students	533,500		
Bursary -Tertiary Institutions	Bursary for needy students	5,441,250		
Bursary -Social Security	Bursary for NHIF	7,116,000	1,116,000	
Bursary -Special Needs	-			
sub-total		13,090,750	1,116,000	
Sports				
Kisumu East Constituency Sports Tournament	Sports tournament	221,755		
Kisumu East Constituency Sports Tournament	Sports tournament	664,700		
Regional Sports Tournament	Sports tournament	350,000		
sub-total		1,236,455	-	
Environment				



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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Kibos Pri School(Water Tank)	Purchase of water tanks	100,000		
Ofunyu Pri School(Water Tank)	Purchase of water tanks	100,000		
St Ohn Oriang Pri Sch(Water Tank)	Purchase of water tanks	100,000		
Masawa Pri Sch(Water Tank)	Purchase of water tanks	100,000		
Got Nyabondo Sec Sch(Water Tank)	Purchase of water tanks	100,000		
Tree Planting	Tree Planting	2,833		
Nyamasaria Sec Sch(Gabions)	Construction of gabions	2,016	2,000,000	
		-		
sub-total		504,849	2,000,000	
Security Projects		-		
Gita Acc'S Office	Construction of ACCs office	6,000,000	2,000,000	
Gita Police Post	Construction of police station	700,000		
Buoye Assistant Chiefs Office	Construction of chiefs office	1,000,000		
Kadero Assistant Chiefs Office	Construction of chiefs office	1,000,000		
Kasagam Police Station(Motorcycles)	Purchase of police motorcycles	201,000		
Ragumo Police Station	Construction of police station	-	3,000,000	
Koyango Chiefs Office-Land	Purchase of land	2,000,000	2,000,000	
Kasagam Police Station(Admin Block)	Construction of police station	20,000,000		
CHIGA POLICE STATION	Construction of police station		7,000,000	
Sub-Total		30,901,000	14,000,000	

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Acquisition of assets	office			
Sub Total			-	
Oversight Committee Expenses (itemize)			-	
Daily Subsistence Allowance	Payment of allowances	150,000		
Travel Costs	Payment of allowances	200,000		
Telephone, Mobile Phones	Goods and services	48,000		
Coc Members Allowance	Payment of allowances	250,000		
Accommodation	Payment of allowances	250,000		
Advertising	Goods and services	50,000		
Printing Services	Goods and services	58,000		
Fuels And Lubricants	Goods and services	146,000		
Sub Total		1,152,000		
Others (<i>specify</i>)	Strategic plan		-	
Other payments				
Strategic Plan		2,000,000		
Sub Total		2,000,000	-	
14.0 unallocated fund	14.0 unallocated fund			
Unapproved projects	Unapproved projects			
Kisumu East NGCDF Office		5,000,000		
sub-total		5,000,000		
AIA	AIA	18,000	18,000	
PMC savings	PMC savings	-		

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Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Sub Total		18,000	18,000	
Sub-Total			-	
Grand Total		121,978,516	35,972,434	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021-2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022-2023
Land	1,468,600	-	-	1,468,600
Buildings and structures	67,439,379	-	-	67,439,379
Transport equipment	3,857,017	-	-	3,857,017
Office equipment, furniture and fittings	1,267,575	-	-	1,267,575
ICT Equipment, Software and Other ICT Assets	1,122,299	-	-	1,122,299
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	75,154,870	-	-	75,154,870

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

PMC	Bank	Account number	Bank Balance 2022/23	Bank Balance 2021/22
Akado YOUTH polytechnic	Equity Kisumu	029026444800	4,811	
Alango Primary School	Equity Kisumu	0290266615670	7,706.87	233,032
Ayaro Primary School	Equity Ang'awa	1260298195339	303,543.15	303,543
Bukna Primary School	Equity-Kisumu	0290282083839	7,712	517,712
Bungu Primary School	Equity-Kisumu	0290263688607	15,508.50	124,119
Buoye Assistant Chief's Office	-	-	-	-
Buoye primary school	Equity kisumu	0290299884397	52,200	52,200
Bwanda Primary School	Equity kisumu	0290266854359	1,001,503	1,209,915
Chiga Primary School	Equity-Kisumu	0290266900550	53,423.10	2,255,338
Dago Primary School	Equity kisumu	0290266392714	100,432.62	150,932
G.P Owiti Secondary School	Equity-Kisumu	0290282266329	213,765	1,600,000
Gita Assistant County Commissioner Office	-	-	-	-
Gita Chiefs Camp	Equity-Ang'awa	1260266770898	99,045.55	99,046
Gita Police Post	-	-	-	-
Got Nyabondo Secondary School	Equity Kisumu	0290294027172	6,066.50	
Kadiju Primary School	Equity Kisumu	0290280898327	13	
Kadero Assistant Chief's Office	-	-	-	-
Kibos Primary School	Equity Angawa	1260299471720	808.20	

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Kibos Secondary School	Sidian-Kisumu	01009030000929		-
Kindu RC Primary School	Equity-Kisumu	1260298212482	74,609.50	4,058,525
Kisumu East NG-CDF Office PMC	Equity-Kisumu	0290267475582	17,721.80	17,722
Koyango Chief's Office	Equity	0290282534281	442,740	1,000,000
Kunya Primary School	Equity Kisumu	0290281133551	550	550
Mayenya Primary School	Equity-Kisumu	1260161963897	27,390.76	1,820,421
Mbeme Primary School	Equity-Ang'awa	1260266678026	9,266	4,876,104
Nyamasaria Secondary School	Equity-Kisumu	0290263882112	21,018.80	500,819
Nyamonge Primary School	Equity-Kisumu	0290299474900	3,554	6,228,554
Nyatege Primary School	Equity-Kisumu	0290299919471	7,718.90	117,295
Obino Primary School	Equity-Kisumu	0290296380336	8,174	666,153
Obwolo Primary School	Equity-Kisumu	0290296380336	16,591	-
Ofunyu Primary School	Equity Kisumu	0290282049535	10,089	
Ogango Primary School	Equity-Kisumu	0290299086592	6,000.05	1,729,864
Okago Primary School	Equity	0290297668544	1,603.75	1,604
Okok Primary School	Equity-Kisumu	0290266494888	361,809	2,277,298
Omung'i Primary School	Equity-Kisumu	0290299925389	4,291.85	308,290
Ongadi Primary School	Equity Kisumu	0290282053351	1,259,443	
Orongo Primary School	Equity-Ang'awa	1260298222885	695.80	
Otera Bahati Primary School	Equity	1260299885750	79,024.50	692,690
Otiak AP Camp	Equity Kisumu	0290296411381	59,365.50	59,367

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Oyola Primary School	Equity Kisumu	0290282098371	39,868	
Rarieda Kaloo Primary School	Equity-Kisumu	0290281978454	26,873	1,845,964
Rae Kajulu Primary School	Equity-Kisumu	0290283018641	18,901	2,700,000
Rae Kanyaika Primary School	Equity-Kisumu	0290282420632	161,910	388,863
Ragumo Administration Police Camp	Equity-Kisumu	0290270743881	3,602,617	3,009,343
Ragumo primary school	Equity Kisumu	0290299352422	80,563.45	1,094,850
Renja Secondary School	Equity Ang'awa	1260263464427	6,841.10	6,841
Renja Primary School	Equity Ang'awa	1260299357303	564,988	
Senior Chief Ounga	Equity kisumu	0290266679712	656	
St. Francis Nyamonge Primary School	Equity	1260298198853	11,086	2,805,948
St. Johns Masawa Primary School	Equity Ang'awa	1260270546526	40,286.72	33,537
St. John Oriang' Primary School	Equity Kisumu	0290299657058	10,324	
Tido Primary School	Equity Kisumu	0290264062442	1,794	336,854
Wandiege Primary School	Equity Ang'awa	1260261742733	2,357	
TOTAL			8,847,260.97	43,123,293

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)
4.1.1	Misstatement of use of goods	The excel work sheet shows the right amounts.	resolved	
4.1.2	Wrong comparative balances	Have been reconciled	resolved	
4.1.3	Omission of gratuity	Gratuity is paid at the end of contract period.	resolved	
4.1.4	Summary statement of appropriation	Have been reconciled	resolved	



Name: Rotich Kiptoon
Fund Account Manager.

KISUMU EAST NG-CDF
 FUND ACCOUNT MANAGER
 P.O. BOX 3618-40100, KISUMU