

REPUBLIC OF KENYA



*Enhancing Accountability*



# REPORT

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 07 AUG 2024

DAY: OF  
WED 7/8/2024

TABLED BY: Deputy Majority Whip  
CLERK AT THE TABLE: Anastacia Thumbi

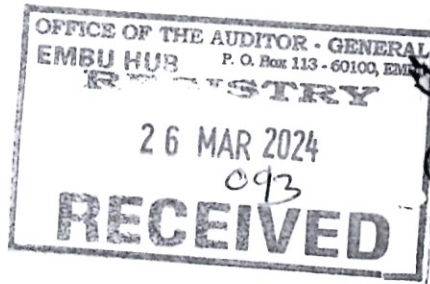


**THE AUDITOR-GENERAL**

**ON**

## **NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MBEERE SOUTH CONSTITUENCY**

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



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**MBEERE SOUTH CONSTITUENCY**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT  
FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>th</sup> JUNE 2023**

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

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## **1. Acronyms and Abbreviations**

*Provide a list of all applicable acronyms and abbreviation e.g.*

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC- Project Management Committee

FY-Financial Year

GDP - Gross Domestic Product

HIV - Human Immunodeficiency Virus

ICT - Information Communication Technology

M&E - Monitoring and Evaluation

MP- Member of Parliament

MoDP - Ministry of Devolution and Planning

MTP - Medium Term Plan

PESTEL - Political, Economic, Social, Technological, Environmental and Legal

PMC- Projects Management Committee

SWOT - Strengths, Weaknesses Opportunities and Threats

## **2. Key Constituency Information and Management**

### **(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 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 Mbeere South 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 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	John Mwangi Chege
2.	Sub-County Accountant	Nicholus Nyaga
3.	Chairman NGCDFC	John Muriuki Machuke
4.	Member NGCDFC	Bedan Kabuti

### **(c) Fiduciary Oversight Arrangements**

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

P.O. Box 17  
Kiritiri,  
Mbeere South Ngcdfc Office/House/Plaza  
Along Embu Kiritiri Road  
Embu, Kenya

### **(e) Mbeere South Constituency NGCDF Contacts**

Telephone: (254)722244776

E-mail: [mbeeresouthscdf@gmail.com](mailto:mbeeresouthscdf@gmail.com)

Website: [www.mbeeresouthcdf.go.ke](http://www.mbeeresouthcdf.go.ke)

**(f) Mbeere South Constituency NGCDF Bankers**

Sidian Bank

Branch: Embu branch

A/c Number 01007030000803

P.O BOX 17- 60113

Embu 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

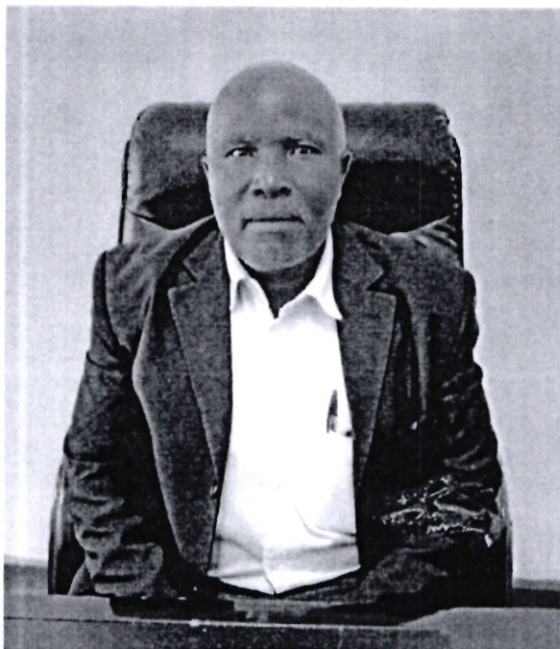
P.O. Box 40112

City Square 00200

Nairobi, Kenya



### 3. NG-CDFC Chairman's Report



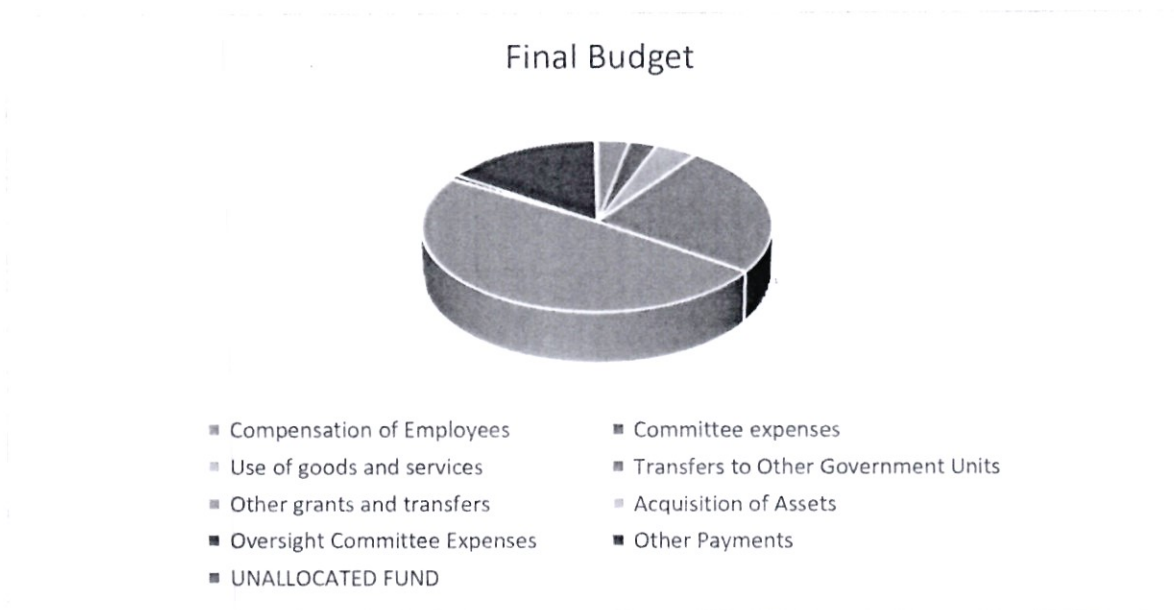
**John Muriuki Machuke – Chairperson  
Mbeere South Constituency NG-CDFC**

Mbeere South is a Constituency in Kenya Located within Embu County. It is one of the four Constituencies in the County. The Constituency has five wards namely: Mavuria, Mbeti South, Makima, Mwea and Kiambere, The people of Mbeere South are determined to participate effectively in domesticating objectives and vision of Mbeere south development. The Constituents now have power to implement the formulation and Implementation of development programmes in the Constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory. The utilization of the NG-CDF has always been carried out with fairness Transparency, Openness and Accountability.

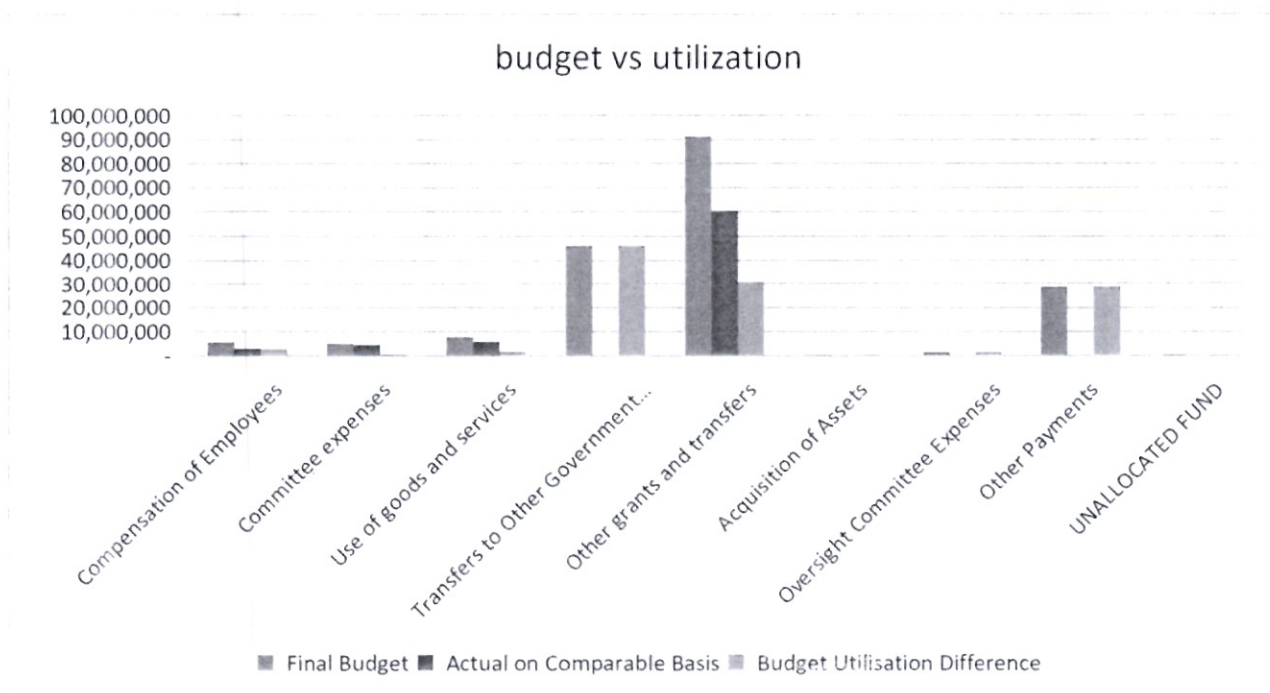
The Mbeere South National Government Constituency Development Fund has had a successful year other than for a few challenges here and there. The organization was able to receive Kshs 87,000,000 as funding from the board during the financial year. Together with the balance brought forward of kshs. 41,777,915 and kshs 2,220,999 being part of owing from the board for previous year. The organization had an actual funds available totalling to Kshs.130, 987,914 out of which we successfully utilized Kshs.74, 229,595 which is a 57% utilization rate. Specifically, compensation of employees amounted to Kshs.2, 987,601; use of goods and services amounted to Kshs.6, 062,735; while Ksh. 4,543,000 was committee expenses, other grants and transfers amounted to Kshs. 60,636,238. As compared to the final budget, however, the utilization rate was 40% which is due to

the funds that have not been received from the board and funds which were received late as the financial year came to an end.

Below is a pie chart detailing final budget per sector,



Below is a chart detailing the performance of financial year 2022/2023 per sector.



As per the above graph other grants and transfers which included; bursary to secondary schools, bursary to tertiary institutions, bursary to special schools, security projects and emergency projects had the highest final budget, followed by transfers to other government units. Other payments had

the lowest share in the final budget. During the financial year the constituency utilised more funds received on other grants and transfers especially bursary programmes to secondary, special and tertiary institutions as depicted in the graph above. Other expenditures during the financial year included; transfer to other government units, use of goods and services, compensation of employee. The utilization difference was very high for the transfer to other government units, followed by other grants and transfers due to the funds not disbursed to the constituency at the end of financial year. The utilization difference for the compensation of employees was lowest as depicted from the graph since the constituency had received most of the funds from the board.

### Key achievements

Mbeere South NG-CDF made a tremendous effort in ensuring needy students remain in schools by offering Bursaries totaling Ksh: 51,354,486. There were also a remarkable progress in alleviating the perennial water shortage providing tanks to schools.

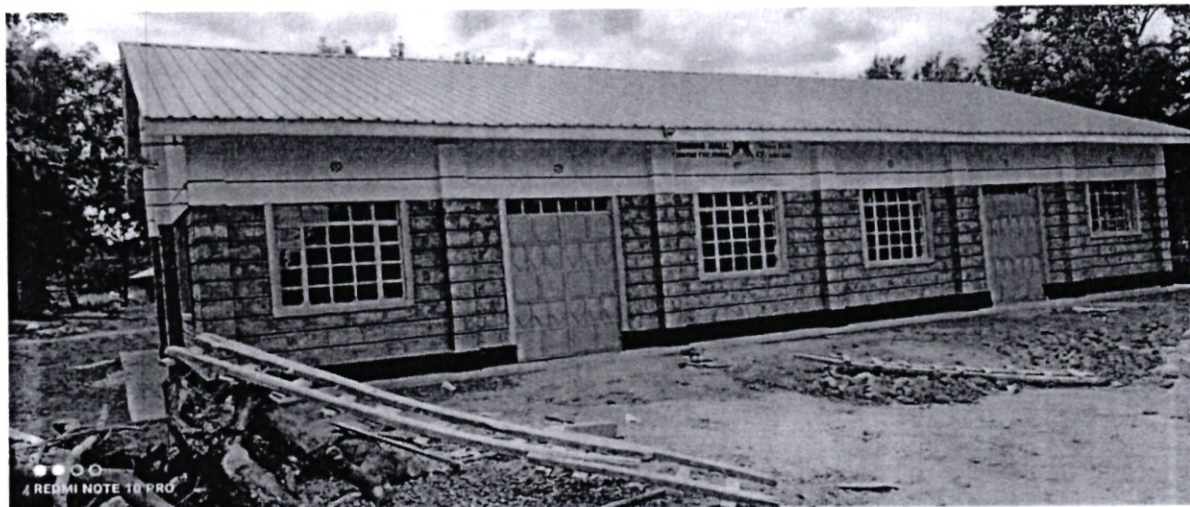
Also as a constituency we did very well on environmental area were we delivered 20 water tanks, to various school in the constituency with it we were able to improve the water harvesting in the schools.

Some of the best projects implemented during the year were



### **NYANGWA BOYS HIGH SCHOOL- CONSTRUCTION OF A DORMITORY IMPACT:**

It has reduced congestions since the school is highly populated school,



### **MUTUS SECONDARY SCHOOL CONSTRUCTION OF A DINNING HALL**

#### **IMPACT:**

The project has improved the overall wellbeing of students and academic performance.

#### **EMERGING ISSUES**

With the Introduction of Competence Based Curriculum there is increased Demand for more classes and laboratories in all the schools. With the limited funds we request that the national treasury should set aside some more funds to do the necessary infrastructure.

With the vote book management system, the office is able to control sending hence eliminating the issue of overspending of votes. Hence utilization is based on allocated amounts as per the code list issued by the NG- CDF Board.

The amount allocated to projects on construction of classrooms and toilets need to be looked into given that it was not enough to do the full job

With the new funding model by the higher Education there has been increased pressure in bursary Kitty

#### **CHALLENGES**

Some of the Challenges that Mbeere South NG-CDFC is facing are:

- Delay in Disbursement of funds - There has been a challenge when it comes to disbursement of funds hence resulting to delay on project implementation

- Poor Infrastructure – In Mbeere south constituency most of our roads are in poor state hence making it hard when it comes to implementation of projects

### **SOLUTIONS**

As soon as the code list is approved funds should be disbursed immediately so that the projects are implemented on time. With that the value for money shall be realized.

Due to a lot unforeseen events as a constituency our take is that you look into the Emergency kit such that you give priority to in a way that you increase amount set aside for Emergency.



.....

**John Muriuki Machuke**  
**CHAIRPERSON- NGCDF COMMITTEE**

#### 4. 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 Mbeere *South Constituency 2023-2027* plan are to:

The strategic objectives and the strategies to be pursued will be at the core of the constituency's functions over the next 5 years. The strategic matrix is presented in the table below.

<b>Key Result Area</b>	<b>Strategic Objective</b>	<b>Strategies</b>
Improved Access to education services	1.1 To improve education/school infrastructure and facilities	Put up school infrastructures; Equipping of schools; Rehabilitation of school infrastructure
	1.2 To Increase support of the needy students	Financial support to bright and the needy students; Support schools activities
Youth Skills development	2.1 To enhance youth skill development	Support youth empowerment centers; Fund youth initiatives;
	2.2 To equip youth with working skills	Train youth on life support skills;
Peaceful and secure constituency	3.1 To enhance area security	Put up new security infrastructure; refurbish and equip chiefs' administration offices
Improved environment	4.1 To enhance environmental protection	Collaboration with environmental conservation stakeholders; Increase number of trees in the constituency

Accessible roads	5.1 To improve the condition of roads in the constituency	Roads upgrading through KURRA and county government
Institutional strengthening	7.1 To improve human working capacity	Staff and CDFCs training; Project management
<b>Key Result Area</b>	<b>Strategic Objective</b>	<b>Strategies</b>
		Committees (PMCs) training; Provision of adequate office equipment and working tools
	To improve resource mobilization	Efficient and effective utilization of resources; Collaboration with other development partners; and creating other financial sources

**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:

<b>Sector</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number o bursary's	In FY 2022/23 - The Kamweli Secondary school had classroom Collapsing wall: We did the Renovation. In FY 2022/2023 through Bursary fund, we supported 4,478 students in secondary schools and 1,247 students in tertiary institutions.

		institutions	beneficiaries at all levels	
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Mbeere South NG-CDF was able to construct Mbita Assistant Chief office in the financial year 2022-2023
Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Sufficient water supply	Tanks supplied in different schools	19 Tanks of 10,000 Litres and 1 Tank 5000 Litres were supplied in different schools ie. Gatirari ,Gatuanyaga, Gikiiro,Kabururi,Kakindu, Kangungi,Karura,Kilia Consolata,Munyoru,Mutindwa, Mutus,Nganduri,Njeru,Ntharaw Nyangwa,Riacina, St, Joseph Gachuriri,St Kizito,Unywani,Kamurugu.
Sports	Empower and develop youth and special groups	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	There was no Youth and sports activity in Mbeere South In Financial Year 2022/2023
Emergency	Improve the mechanism used in handling disasters	Reduce loss of live and properties	There was emergency occurrence in the	There was some emergency occurrence in Mbeere South in the financial year 2022/2023



			constituency	
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## **5. Governance Statement**

### **Appointment of National Government Constituency Development Fund Committee**

- (1) There is established a National Government Constituency Development Fund Committee for every constituency.
- (2) Each Constituency Committee shall comprise of—
  - (a) The national government official responsible for co-ordination of national government functions;
  - (b) Two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
  - (c) Two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment;
  - (d) one persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
  - (e) Two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
  - (f) The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
  - (g) One member co-opted by the Board in accordance with Regulations made by the Board.
- (3) The seven persons referred to in subsection (2)(b), (c), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe.
- (4) The names of the persons selected under subsection (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettment by the Board.
- (5) The Regulations made under subsection (3) shall be submitted to the National Assembly for approval before publication by the Board.
- (6) The first meeting of the Constituency Committee shall be convened within one hundred and twenty days of the commencement of a new term of Parliament or the date of the holding of a by-election, by the national government official at the constituency or in his or her absence, by an officer of the Board seconded to the constituency.

(7) The quorum of the Constituency Committee shall be one half of the total membership.

(8) The term of office of the members of the Constituency Committee shall be two years and shall be renewable but shall expire upon the appointment of a new Constituency Committee in the manner provided for in the Act, or as may be approved by the Board.

(9) The Fund account manager seconded by the Board to the constituency shall be the custodian of all records and equipment of the constituency during the term of Parliament and during transitions occasioned by general elections or a by-election.

(10) Whenever a vacancy occurs in the Constituency Committee by reason of resignation, incapacitation or demise of a member the vacancy shall be filled from the same category of persons where the vacancy has occurred within a period of one hundred and twenty days.

(11) The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

### **Appointment of NG-CDFC**

In accordance with section 43 sub sections (1),(2) of the National Government Constituencies Development Fund act, Mbeere South NG-CDF advertised for the post of NGCDFC detailing the necessary requirements where several applicants showed interest for the same by forwarding their applications.

Vetting of the submitted application letters was done critically by a select committee which was created for the purpose. Successful applicants were thereafter contacted for an interview session which was scheduled at a later date.

The interviews were conducted and in accordance with section 43(3) of the NGCDF Act, the names of the successfully selected individuals were forwarded to the board together with the names forwarded by the DCC and the constituency manager.

S/N	Name	Category representation
1.	John Machuke	Male (Adult)
2.	Martin Njoroge	Male (Youth)
3.	Caroline Wanjiru	Female (Adult)
4.	Bethmelody Mwende	Female (Youth)

Nominee of the body representing persons with disability

S/N	Name	Nature of physical Impairment
1.	Elisheba Mbandi	Physical – Hand and feet impairment

Nominee of the constituency Office

S/N	Name	Category
1	Bedan Kabuti	Male representative
2	Agnes Musiawa	Female Representative

Upon further consultation with the panel and the constituency office, members agreed to recommend for co-option by the NG-CDF Board as per section 43 subsection 2(g) as

S/N	Name	Gender
1.	Jeremiah Nyaga Munyi	Male

The selected members were gazetted on 16<sup>th</sup> December 2022 in gazette notice number **Vol. CXXIV—No. 276**. Handing over from the previous committee was then smoothly done between the outgoing committee and the newly gazetted committee overseen by the Fund Account Manager and the Deputy County Commissioner. A comprehensive hand over report was then prepared by the Fund Account Manager on behalf of the outgoing committee.

The first meeting was held on 6<sup>th</sup> July 2022 which was chaired by the DCC and the members were able to choose their office bearers.

**Removal of a committee member.**

(1) A member of the Constituency Committee may be removed from office on any one or more of the following grounds—

- (a) Lack of integrity;
- (b) Gross misconduct;
- (c) Embezzlement of public funds;
- (d) Bringing the committee into disrepute through unbecoming personal public conduct;
- (e) Promoting unethical practices;

(f) Causing disharmony within the committee.

(g) Physical or mental infirmity.

(2) A decision to remove a member under subsection (13) shall be made through a resolution of at least five members of the Committee and the member sought to be removed shall be given a fair hearing before the resolution is made.

(3) A vacancy arising as a result of the removal of a member under subsection (13) shall be filled in the manner set out in subsection (10) and minutes of the meeting shall indicate the fact of the removal or appointment of a member. In Mbeere South NG-CDF, There was no committee who was removed under the above reasons.

#### **The NG-CDF Committee roles are as follows**

1. Participate in ward meetings, collect data on projects and Consider projects submitted from various wards in accordance with the Act, approve for funding those projects, make the project proposal to be submitted to the NG-CDF Board
2. Ensure timely and efficient disbursement of funds to projects.
3. Ensure efficient management of the Fund.
4. Co-ordinate the implementation of projects
5. Receive and address complaints that may arise within the constituency
6. Encourage best practices in the implementation of projects.
7. Employ NG-CDF Staff
8. Perform such other duties as the Board may deem necessary from time to time for the proper management of the Fund.

#### **Induction, and training of NG-CDFC Members**

The training of the New NG-CDFC members is coordinated by the region office through the regional coordinator and the fund's manager. The facilitators are from different departments of the NG-CDF Board and other experts from other ministries

#### **The objectives of training NG-CDF Committee are a**

1. To carry out training of all the NG-CDF committee members
2. To impart knowledge to the participants who in turn will execute the NG-CDF mandate on behalf of the board.

3. To ensure smooth running of the NG-CDF offices across the Nairobi Region.

**Expectations from NG-CDF Committee**

- To see changes in the constituencies i.e. transformation of operations at the constituencies.
- To exchange of ideas with members from other constituencies.
- To understand the roles of the NG-CDF Committee.
- To learn and understand the procurement process.
- To get a clarification on the legal status of NG-CDF.
- To find out how people living with Disability helped.
- Share best practices for bench-marking purposes.

**NO OF MEETINGS HELD**

The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

In the financial year, Mbeere South NGCDFC minutes held were 24 in number as per the regulations on the National Government Constituencies Development Fund Act

**Committee meetings attendance register 2022/2023**

No	Committee Member	6 <sup>th</sup> & 28 <sup>th</sup> July 2022	4 <sup>th</sup> & 29 <sup>th</sup> Aug 2022	7 <sup>th</sup> & 27 <sup>th</sup> Sept 2022	7 <sup>th</sup> & 28 <sup>th</sup> Oct 2022	4 <sup>th</sup> & 25 <sup>th</sup> Nov 2022	1 <sup>st</sup> & 28 <sup>th</sup> Dec 2022	3 <sup>rd</sup> & 27 <sup>th</sup> Jan 2023	1 <sup>st</sup> & 18 <sup>th</sup> Feb 2023	15 <sup>th</sup> & 29 <sup>th</sup> Mar 2023	5 <sup>th</sup> & 28 <sup>th</sup> Apr 2023	10 <sup>th</sup> & 30 <sup>th</sup> May 2023	1 <sup>st</sup> & 31 <sup>st</sup> June 2023
1.	John Machuke	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
2.	Bedan Muriuki	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
3.	Jeremiah Nyaga	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓
4.	Martin Ngugi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.	Caroline Wanjiru	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6.	Agnes Musiawa	✓	✓	✓	✓	✓	○	✓	✓	✓	✓	✓	✓
		✓	✓	✓	✓	✓	○	✓	✓	✓	✓	✓	✓
7.	Elisheba Mbandi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8.	George Omolo	✓	✓	○	✓	✓	✓	✓	✓	✓	✓	✓	✓
		✓	✓	○	✓	✓	✓	✓	✓	✓	✓	✓	✓
9.	Bethmelody Mwende	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

**Note**

- ✓ Means one meeting in a month.
- Means no meeting attended

**Ethics & Conduct**

Members of NGCDFC are required to observe the following ethical issues

- i. Confidentiality - the NGCDFC members have a responsibility to ensure confidentiality unless in situations required by law.
- ii. Honesty and integrity - NGCDFC members have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflict arising in a way that protects the public interest.
- iii. Leadership - NGCDFC members should promote leadership in the constituency.

During the financial year 2022/2023 members of NGCDFC Mbeere South adhered to the stipulated ethical issues

**Members' remuneration**

NG-CDFC members are not entitled to payment of salary. However, the chairperson of NGCDFC is entitled to an allowance seven thousand per meeting and all other members an allowance of five thousand per sitting. All NGCDFC members should adhere to general ethics and code of conduct as stipulated in the NGCDF Act.

In this financial year the NGCDFC members adhered to the cabinet secretary's circular on members sitting and field allowances.

#### **Disclose policy on conflict of interest**

A member who has an interest in any contract, or other matter present at a meeting shall at the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter. A disclosure of interest made shall be recorded in the minutes of the meeting at which it is made. In the financial year 2022/2023 no member of NGCDFC Mbeere South contravened conflict of interest policy.

#### **Risk Management**

Risk management has been integrated in the constituency operations through the following; training of the NGCDF staff in their respective technical areas of service to ensure they carry out their roles efficiently, training of the NGCDFCs and the PMCs to equip them with additional knowledge to carry out their duties efficiently within their mandates and regulations, the Fund account manager avails himself with all the support and required resources to ensure that the identified risk does not hamper with the delivery of service.

Some of the risk mitigation strategies that NGCDFC Mbeere south has implemented include the following: Implementing audit findings and recommendations, adherence and compliance with NGCDF act 2015 and other laws and regulations to ensure an effective and efficient control system, ensuring that NGCDFC members are actively engaged in the projects implementations and overall fund utilization in the constituency, ensuring that the staff responsible for statutory deductions are well aware of the due dates of remittance, allocating insurance fund in the constituency budget, preparation of procurement plan, budget and Monitoring & evaluation plan for the financial year. Conducting public participation within the prescribed time lines to ensure the constituents are involved in project identification.

## **6.Environmental and Sustainability Reporting**

Mbeere South 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.

### **1. Sustainability strategy and profile -**

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

- a. **Education and Training:** Mbeere South 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.

## **2. Environmental performance**

Mbeere South Environment Sustainability guidelines have been developed to;

Ensure that the Mbeere South NGCDF establishes systems of environmental impact assessment, environmental audit, monitoring and reporting of the environmental activities undertaken at the Constituency levels.

Ensure that the Constituencies continue to priorities and improve environmental sustainability projects.

Encourage Community participation in identification, protection and conservation of environment.

Improve on planning and utilisation of allocation for environmental sustainability funds in all constituencies

Ensure proper mechanisms of monitoring and reporting of the environmental activities

In this, Mbeere South NG-CDF has prioritized in supplying of water tanks and water harvesting in the constituency different Schools of which there is conservation of clean water to be used in schools

In Mbeere South, we have undertaken in construction of Assistant chiefs' offices, e.g. Mbita Assistant Chief's Office with these security project there is enough security in the constituency which helps in the control of drug use and abuse.

## **3. Employee welfare**

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

#### **4. Market place practices-**

Mbeere South NGCDF Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

#### **5. Community Engagements-**

Mbeere South 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 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.

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



.....  
**John Mwangi Chege**

**Fund Account Manager.**

## **7. Statement of Management Responsibilities**

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

The Accounting Officer in charge of the NGCDF- Mbeere South 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- Mbeere South 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- Mbeere South 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 Mbeere South Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external

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

### **Approval of the financial statements**

The NGCDF- Mbeere South Constituency financial statements were approved and signed by the Accounting Officer on 21/9/2023.



.....

Name: John Muriuki Machuke  
Chairman – NGCDF Committee



.....

Name: John Mwangi Chege  
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 - MBEERE SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

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### 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 - Mbeere South Constituency set out on pages 1 to

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

62, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows, and summary statement of appropriation for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 of the National Government Constituencies Development Fund – Mbeere South Constituency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

### **Basis for Qualified Opinion**

#### **1. Unsupported Use of Goods and Services Expenditure**

The statement of receipts and payments reflects an amount of Kshs.6,062,735 in respect of use of goods and services, which as disclosed in Note 6 to the financial statements, includes Kshs.400,000 in respect of fuel, oil and lubricants. However, the supplier's fuel reconciliation statement for the expenditure totalling Kshs.156,062, was not provided for audit. Further, the balance includes an amount of Kshs.3,171,650 in respect of office and general supplies and services. However, the expenditure was not supported by stores ledger cards documenting the receipt and issuance of goods purchased by the Fund.

In the circumstances, the accuracy and completeness of the use of goods and services expenditure amounting to Kshs.6,062,735 could not be confirmed.

#### **2. Lack of Ownership Records**

Annex 4 to the financial statements reflects summary of fixed assets balance of Kshs.44,733,673 which includes an amount of Kshs.2,000,000 in respect of land. However, the land title deed was registered on 15 July, 2010 but the ownership had not been transferred to the Board.

In the circumstances, the ownership of land amounting to Kshs.2,000,000 could not be confirmed.

#### **3. Non-Disclosure of Kenya Revenue Authority Debt**

Review of the Kenya Revenue Authority records provided for audit revealed that the Constituency owes KRA an amount of Kshs.633,046. However, the debt was not disclosed in the financial statements as a pending bill resulting to an unreconciled variance of Kshs.633,046.

In the circumstances, the accuracy and completeness of the Nil balance of pending bills could not be confirmed.

#### **4. Unsupported Expenditure on Emergency Projects**

The statement of receipts and payments reflects an amount of Kshs.60,636,238 in respect of other grants and other transfers which as disclosed in Note 8 to the financial statements, includes an amount of Kshs.6,380,000 in respect of emergency projects. During the year under review, twenty-three (23) projects were funded under the Emergency Reserve Fund. However, the expenditure was not supported by a list of projects undertaken during the year, evidence of site visits, and project monitoring and evaluation report. Further, no evidence was provided for audit to confirm that the use of emergency reserves was reported to the National Government Constituencies Development Fund Board by the Committee within thirty (30) days. In addition, complete contract records documenting scope of works, special specification if any and general conditions of the contracts and program of works were not provided for audit.

In the circumstances, the accuracy and completeness of the emergency expenditure totalling Kshs.6,380,000 could not be confirmed.

#### **5. Unsupported Bursary Disbursements**

The statement of receipts and payments reflects other grants and transfers amount of Kshs.60,636,238 as disclosed in Note 8 to the financial statements includes bursary payments amounting to Kshs.33,502,086 and Kshs.17,852,400 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.51,354,486 could not be confirmed.

#### **6. Unsupported Project Management Committee Balances**

Note 19.4 and Annex 5 to the financial statements reflects Project Management Committee bank balance totalling Kshs.7,622,144. The balance includes seventy-nine (79) accounts totalling Kshs.6,739,186 with no activity undertaken during the year. 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 bank balance of Kshs.7,622,144 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 - Mbeere South 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.186,865,518 and Kshs.130,987,914 respectively resulting to an under-funding of Kshs.55,877,604 or 30% of the budget. However, the Fund spent a balance of Kshs.74,229,575 against actual receipts of Kshs.130,987,914 resulting to an under-utilization of Kshs.56,758,339 or 43% of the actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Management has, however, not resolved the issues or provided explanation for failure to implement the recommendations.

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. Lack of a Bursary Sub-Committee**

The statement of receipts and payments reflects Kshs.60,636,238 in respect of other grants and other transfers which as disclosed in Note 8 to the financial statements, includes balances of Kshs.33,502,086 and Kshs.17,852,400 in respect of bursary disbursed to secondary schools and tertiary institutions, respectively. However, the Constituency Development Fund Committee (CDFC) did not appoint a sub-committee to

manage the bursary scheme. This was contrary to the National Government Constituencies Development Fund Board Circular referenced Circulars/Vol.1/111 dated 13 September, 2010 which states that a sub-committee of CDFC be formed to manage the bursary scheme including bursary with two (2) co-opted members, one who must be the area Education Officer or an Officer seconded from the ministry.

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

## **2. Delay in Implementation of Projects**

Review of the project implementation status report provided for audit revealed that fifty-seven (57) projects worth Kshs.145,087,603 were budgeted to be implemented during the year under review. However, one (1) project worth Kshs.7,636,190 was not completed while thirty-six (36) projects worth Kshs.88,739,694 had not started.

In the circumstances, the Public did not obtain the expected services from the planned projects which had not started.

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE.**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 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 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 continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathunga, CBS  
AUDITOR-GENERAL

Nairobi

14 June, 2024

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

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

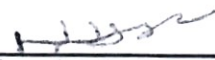
	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	89,209,999	194,677,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>89,209,999</b>	<b>194,677,758</b>
<b>Payments</b>			
Compensation Of Employees	4	2,987,601	4,657,315
Committee expenses	5	4,543,000	3,887,600
Use Of Goods and Services	6	6,062,735	7,670,803
Transfers To Other Government Units	7	-	108,070,118
Other Grants and Transfers	8	60,636,238	38,832,511
Acquisition Of Assets	9	-	840,000
Other Payments	10	-	-
<b>Total Payments</b>		<b>74,229,575</b>	<b>163,958,347</b>
<b>Surplus/(Deficit)</b>		<b>14,980,424</b>	<b>30,719,411</b>

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 22<sup>nd</sup> September 2023 and signed by:

  
Fund Account Manager

John Mwangi Chege

  
National Sub-County  
Accountant  
Nicholus Nyaga

ICPAK M/No:15407

  
Chairman NG-CDF Committee

John Muriuki Machuke

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

**10. Statement of Assets and Liabilities as At 30th June, 2023**

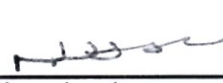
	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	11A	56,758,340	41,777,915
Cash Balances (cash at hand)	11B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>56,758,340</b>	<b>41,777,915</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	12	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>56,758,340</b>	<b>41,777,915</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	13	-	-
Gratuity	14	-	-
<b>NET FINANCIAL SSETS</b>		<b>56,758,340</b>	<b>41,777,915</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	15	41,777,915	11,058,504
Prior year adjustments	16	-	-
Surplus/Defict for the year		14,980,424	30,719,411
<b>NET FINANCIAL POSITION</b>		<b>56,758,340</b>	<b>41,777,915</b>

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 22<sup>nd</sup> September 2023 and signed by:

  
Fund Account Manager

John Mwangi Chege

  
National Sub-County  
Accountant  
Nicholus Nyaga  
ICPAK M/No: 15407

  
Chairman NG-CDF Committee

John Machuke

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

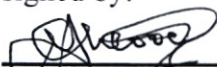
**11. Statement of Cash Flows for the Year Ended 30th June 2023**

	Notes	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	89,209,999	194,677,758
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>89,209,999</b>	<b>194,677,758</b>
<b>Payments</b>			
Compensation Of Employees	4	2,987,601	4,657,315
Committee Expenses	5	4,543,000	3,887,600
Use Of Goods and Services	6	6,062,735	7,670,803
Transfers To Other Government Units	7	-	108,070,118
Other Grants and Transfers	8	60,636,238	38,832,511
Other Payments	10	-	-
<b>Total Payments</b>		<b>74,229,575</b>	<b>163,118,347</b>
<b>Total Receipts Less Total Payments</b>			
Adjusted For:		-	-
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
<b>Net Cash Flow from Operating Activities</b>		<b>14,980,424</b>	<b>31,559,411</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	(840,000)
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>(840,000)</b>
Net Increase In Cash And Cash Equivalent		<b>14,980,424</b>	<b>30,719,411</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	<b>11</b>	<b>41,777,915</b>	<b>11,058,504</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	<b>11</b>	<b>56,758,339</b>	<b>41,777,915</b>

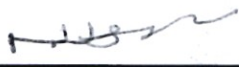
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 22<sup>nd</sup> September 2023 and

signed by:

  
Fund Account Manager

John Mwangi Chege

  
National Sub-County  
Accountant  
Nicholus Nyaga  
ICPAK M/No: 15407

  
Chairman NG-CDF Committee

John Muriuki Machuke



12. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> 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 %
<b>Receipts</b>	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-203	2022-2023		
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Transfers From NGCDF Board	145,087,603	41,777,915	-	186,865,518	130,987,914	55,877,604	70%
Proceeds From Sale of Assets		-		-	-	-	0%
Other Receipts				-	-	-	0%
<b>Totals</b>	<b>145,087,603</b>	<b>41,777,915</b>	<b>-</b>	<b>186,865,518</b>	<b>130,987,914</b>	<b>55,877,604</b>	<b>70%</b>
<b>Payments</b>							
Compensation Of Employees	4,449,532	1,365,468	-	5,815,000	2,987,601	2,827,399	51%
Committee Expenses	3,148,000	1,984,183	-	5,132,183	4,543,000	589,183	89%
Use Of Goods and Services	5,460,352	2,390,361	-	7,850,713	6,062,735	1,787,978	77%
Transfers To Other Government Units	43,800,000	2,307,417	-	46,107,417	-	46,107,417	0%
Other Grants and Transfers	58,279,719	33,189,984	-	91,469,703	60,636,238	30,833,465	66%
Acquisition of Assets	0	169,102	-	169,102	-	169,102	0%
Oversight Committee Expenses	1,450,000			1,450,000		1,450,000	0%
Other Payments	28,500,000	56,400	-	28,556,400	-	28,556,400	0%
Funds Pending Approval		315,000	-	315,000	-	315,000	0%
<b>Totals</b>	<b>145,087,603</b>	<b>41,777,915</b>	<b>-</b>	<b>186,865,518</b>	<b>74,229,575</b>	<b>112,635,943</b>	<b>40%</b>

**Mbeere South Constituency**  
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*\*\*Funds pending approval are sums not yet approved by the board for utilization and include approved allocations and/or AIA not yet allocated for specific projects.*

**Explanatory Notes.**

- (a) Compensation of employees was utilized at 51% being below the budget margin, this was as a result of late engagement of the staff as those from the previous government, their contract came to an end and the procedure of engaging new staff had a procedure that needed to be followed, and given that there was a delay on fund disbursement it was hard to engage them early. Resulting to underutilization of the fund.
- (b) Use of goods and services was utilized at 89% showing somehow good utilization even though it falls below the margin of 90% that was largely as a result of late disbursement of funds by the national government.
- (c) Transfers to Other Government Units had a utilization of 66%. This was largely as a result of late disbursement of funds by the national government, as this kit largely comprises of projects to both secondary and primary school. Hence a utilization of below the budget margin.
- (d) Oversight Committee Expenses, kit had a utilization of 0%, this was as a result of late disbursement of funds, resulting to late implementation of projects

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	112,635,943
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	55,877,604
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	56,758,340

The Constituency financial statements were approved by NG CDFC on 22<sup>nd</sup> September 2023 and signed by:

  
 Fund Account Manager

John Mwangi Chege

  
 National Sub-County Accountant

Nicholas Nyaga  
 ICPAK M/No: 15407

  
 Chairman NG-CDF Committee

John Muriuki Machuke

13. Budget Execution by Sectors and Projects for the Year Ended 30<sup>th</sup> 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
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	4,449,532	1,365,468		5,815,000	2,987,601	2,827,399
1.2 Committee allowances	2,248,000	1,596,555		3,844,555	3,505,000	339,555
1.3 Use of goods and services	3,007,724	1,352,763		4,360,487	4,360,000	487
<b>Sub-total</b>	<b>9,705,256</b>	<b>4,314,786</b>	<b>-</b>	<b>14,020,042</b>	<b>10,852,601</b>	<b>3,167,441</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,802,628	889,243		2,691,871	904,736	1,787,135
2.2 Committee allowances	900,000	387,628		1,287,628	1,038,000	249,628
2.3 Use of goods and services	650,000	148,355		798,355	798,000	355
<b>Sub-total</b>	<b>3,352,628</b>	<b>1,425,226</b>	<b>-</b>	<b>4,777,854</b>	<b>2,740,736</b>	<b>2,037,118</b>
<b>3.0 Emergency</b>						
<b>3.1 Primary Schools</b>						
Kabuguri Primary School	-	400,000	-	400,000	400,000	-
Kamwimbi Primary School	-	260,000	-	260,000	260,000	-
Mathigameru Primary School	-	260,000	-	260,000	260,000	-

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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			
Gatumbiri Primary School	-	260,000	-	260,000	260,000	-
Ngomola Primary School	-	260,000	-	260,000	260,000	-
Gitungati Primary School	-	260,000	-	260,000	260,000	-
Karuri Primary School	-	260,000	-	260,000	260,000	-
Gataka Primary School	-	260,000	-	260,000	260,000	-
Rugogwe Primary School	-	260,000	-	260,000	260,000	-
Gikondi Primary School	-	260,000	-	260,000	260,000	-
Kirima Primary School	-	260,000	-	260,000	260,000	-
Kanothi Primary School	-	260,000	-	260,000	260,000	-
Ngenge Primary School	-	260,000	-	260,000	260,000	-
Makima Primary School	-	400,000	-	400,000	400,000	-
Kamurugu Primary School	-	260,000	-	260,000	260,000	-
Kerwa Primary School	-	300,000	-	300,000	300,000	-
3.2 Secondary Schools						

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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			
Kakindu Sec School	-	260,000	-	260,000	260,000	-
Mbita Secondary School	-	260,000	-	260,000	260,000	-
Kamweli Sec School	-	300,000	-	300,000	300,000	-
Mariari Girls Sec School	-	260,000	-	260,000	260,000	-
Wango Aic Sec School	-	260,000	-	260,000	260,000	-
<b>3.3 Tertiary Institutions</b>						
<b>3.4 Security Projects</b>	-		-	-		-
Mbita Ass Chiefs Office	400,000.00		-	400,000	400,000	-
Kiambere Chiefs Office	-	160,000.00	-	160,000	160,000	-
3.5 Unutilised	7,236,190	22,163	-	7,258,353		7,258,353
<b>Total</b>	<b>7,636,190</b>	<b>6,002,163</b>	<b>-</b>	<b>13,638,353</b>	<b>6,380,000</b>	<b>7,258,353</b>
<b>4.0 Bursary And Social Security</b>						
4.1 Secondary Schools	16,239,525	17,609,015		33,848,540	33,502,086	346,454
4.2 Tertiary Institutions	22,640,500	9,463,505		32,104,005	17,852,400	14,251,605
4.3 Bursary-Vocational	2,000,000			2,000,000	-	2,000,000

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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			
4.4 Ng-Cdfe Social Security Programmes	960,000			960,000	-	960,000
<b>Total</b>	<b>41,840,025</b>	<b>27,072,520</b>	<b>-</b>	<b>68,912,545</b>	<b>51,354,486</b>	<b>17,558,059</b>
<b>Sub-Total</b>	<b>60,936,793</b>	<b>-</b>	<b>-</b>	<b>60,936,793</b>	<b>49,522,000</b>	<b>11,414,793</b>
<b>5.0 Sports</b>						
5.1	2,901,752			2,901,753		2,901,753
<b>Sub-Total</b>	<b>2,901,752</b>			<b>2,901,753</b>		<b>2,901,753</b>
<b>6.0 Environment</b>	<b>2,901,752</b>			<b>2,901,752</b>	<b>2,901,752</b>	<b>-</b>
<b>Sub-Total</b>	<b>2,901,752</b>	<b>-</b>	<b>-</b>	<b>2,901,752</b>	<b>2,901,752</b>	<b>-</b>
<b>7.0 Primary Schools Projects (List All The Projects)</b>						
Gatete Primary School	1,300,000	-	-	1,300,000	-	1,300,000
Gatumbiri Primary School	2,900,000	-	-	2,900,000	-	2,900,000
Ikomenie Primary School	2,600,000	-	-	2,600,000	-	2,600,000
Irabari Primary School	5,000,000	-	-	5,000,000	-	5,000,000
Irari Primary School	5,000,000	-	-	5,000,000	-	5,000,000

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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			
Iriaitune Primary School	1,300,000	-	-	1,300,000	-	1,300,000
Jjm Nyaga Primary School	1,300,000	-	-	1,300,000	-	1,300,000
Kamaunju Primary School	1,300,000	-	-	1,300,000	-	1,300,000
Kanothi Primary School	5,000,000	-	-	5,000,000	-	5,000,000
Kikumini Primary School	1,300,000	-	-	1,300,000	-	1,300,000
Makawani Primary School	1,300,000	-	-	1,300,000	-	1,300,000
Kathuri Pri School	-	300,000	-	300,000	-	300,000
Ngiiori Pri School	-	300,000	-	300,000	-	300,000
Mutus Primary School	-	150,000	-	150,000	-	150,000
Nyangwa Primary School	-	1,579	-	1,579	-	1,579
Rugakori Primary School	-	-	-	-	-	-
Wango Primary School	-	750,000	-	750,000	-	750,000
Gwakarigu Primary	-	750,000	-	750,000	-	750,000

*Mbeere South 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			
<b>Total</b>	<b>28,300,000</b>	<b>2,251,579</b>	<b>-</b>	<b>30,551,579</b>	<b>-</b>	<b>30,551,579</b>
<b>Sub-Total</b>	<b>16,075,000</b>	<b>24,990,803</b>	<b>30,374,861</b>	<b>71,440,664</b>	<b>4,925,000</b>	<b>66,515,664</b>
<b>8.0 Secondary Schools Projects (List All The Projects)</b>						
Gwakarigu Secondary School	1,300,000	-	-	1,300,000	-	1,300,000
Kiamuringa Secondary School	7,000,000	-	-	7,000,000	-	7,000,000
Mashamba Secondary School	1,200,000	-	-	1,200,000	-	1,200,000
Mutus Secondary School	6,000,000	-	-	6,000,000	-	6,000,000
<b>Total</b>	<b>15,500,000</b>	<b>-</b>	<b>-</b>	<b>15,500,000</b>	<b>-</b>	<b>15,500,000</b>
<b>9.0 Tertiary Institutions Projects (List All The Projects)</b>						
Youth Empowerment Centre		55,838		55,838		55,838
<b>Total</b>	<b>-</b>	<b>55,838</b>	<b>-</b>	<b>55,838</b>	<b>-</b>	<b>55,838</b>
<b>10.0 Security Projects</b>						
Mariari Assistant Chief Office	1,500,000			1,500,000	-	1,500,000
Gikiiro Assistant Chief Office	1,500,000					



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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			
				1,500,000	-	1,500,000
Kirima Assistant Chief		1,000.00		1,000	-	1,000
Makima Chiefs Office		-		-	-	-
Dcc Mbeere South		3,300		3,300	-	3,300
Makima Acc Office		100,000		100,000	-	100,000
Gachoka Acc Office		11,000		11,000	-	11,000
<b>Total</b>	<b>3,000,000</b>	<b>115,300</b>	<b>-</b>	<b>3,115,300</b>	<b>-</b>	<b>3,115,300</b>
<b>11.0 Acquisition Of Assets</b>						
Motor Vehicles (Including Motorbikes)	-	60,517		60,517		60,517
Motor Vehicles (Including Motorbikes)	-	38,585	-	38,585	-	38,585
Purchase Of Furniture And Equipment	-	70,000	-	70,000	-	70,000
	-		-	-		
<b>Total</b>	<b>-</b>	<b>169,102</b>	<b>-</b>	<b>169,102</b>		<b>169,102</b>
<b>12.0 Oversight Committee</b>						

*Mbeere South 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			
<b>Expenses</b>						
Accommodation Expenses	500,000	-	-	500,000	-	500,000
Domestic Travel	100,000	-	-	100,000	-	100,000
Training	50,000	-	-	50,000	-	50,000
Ng-Cdfc Allowances	300,000	-	-	300,000	-	300,000
Other Committee Expenses	400,000	-	-	400,000	-	400,000
Catering Services	100,000	-	-	100,000	-	100,000
<b>Total</b>	<b>1,450,000</b>	<b>-</b>	<b>-</b>	<b>1,450,000</b>	<b>-</b>	<b>1,450,000</b>
<b>13.0 Other Payments</b>				-		-
Ntharawe Primary School -Borehole	4,500,000	-	-	4,500,000		4,500,000
Gikiiro Primary School-Borehole	4,500,000	-	-	4,500,000		4,500,000
Muthiru Primary School-Borehole	4,500,000	-	-	4,500,000		4,500,000
Gatharane Village	1,000,000	-	-	1,000,000		1,000,000

*Mbeere South 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			
Gikiiro Village	1,000,000	-	-	1,000,000		1,000,000
Irabari Village	1,000,000	-	-	1,000,000		1,000,000
Kakindu Village	1,000,000	-	-	1,000,000		1,000,000
Karuku Village	1,000,000	-	-	1,000,000		1,000,000
Kiametho-Kamukenda-Kanjugu Village	1,000,000	-	-	1,000,000		1,000,000
Kithunthiri Village	1,000,000	-	-	1,000,000		1,000,000
Muanjo Village	1,000,000	-	-	1,000,000		1,000,000
Murambari Village	1,000,000	-	-	1,000,000		1,000,000
Mutuobare-Mutugu Village	1,000,000	-	-	1,000,000		1,000,000
Mutus Secondary School	1,000,000	-	-	1,000,000		1,000,000
Ndavari Village	1,000,000	-	-	1,000,000		1,000,000
Riacina-Kangonde Village	1,000,000	-	-	1,000,000		1,000,000

*Mbeere South 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			
		-	-			
Strategic Plan	2,000,000	56,400		2,056,400		2,056,400
<b>Total</b>	<b>28,500,000</b>	<b>56,400</b>	<b>-</b>	<b>28,556,400</b>	<b>-</b>	<b>28,556,400</b>
<b>14.0 Unallocated Fund</b>						
Unapproved Projects		315,000		315,000		315,000
Aia						-
Pmc Savings						
<b>Total</b>		<b>315,000</b>	<b>-</b>	<b>315,000</b>	<b>-</b>	<b>315,000</b>
<b>Total</b>	<b>145,087,603</b>	<b>41,777,915</b>	<b>-</b>	<b>186,865,518</b>	<b>74,229,575</b>	<b>112,635,943</b>

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

## **14. Significant Accounting Policies**

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

### **1. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; 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-Mbeere South Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

#### **a) Recognition of Receipts**

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

*Significant Accounting Policies continued*

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

***Unutilized Funds from PMCs.***

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

**External Assistance**

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

**b) Recognition of payments**

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

***Significant Accounting Policies continued***

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

*Significant Accounting Policies continued*

**6. Cash and Cash Equivalent.**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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



*Significant Accounting Policies continued*

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

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

**14. Prior Period Errors**

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

**15. Notes to the Financial Statements**

**1. Transfers from NGCDF Board**

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO. B105214	-	33,000,000
AIE NO. B105632	-	34,000,000
AIE NO. B105714	-	16,000,000
AIE NO. B128625	-	17,000,000
AIE NO. B154135	-	15,000,000
AIE NO. B128939	-	14,000,000
AIE NO. B164366	-	18,000,000
AIE NO. B155917	-	23,088,879
AIE NO. A888982	-	11,900,000
AIE NO. B156000	-	12,688,879
AIE NO. A888961	2,209,999	
AIE NO. B185181	7,000,000	
AIE NO. B185718	15,000,000	
AIE NO. B185460	6,000,000	
AIE NO. B206033	5,000,000	
AIE NO. B206481	12,000,000	
AIE NO. B205826	12,000,000	
AIE NO. B207588	15,000,000	
AIE NO. B207954	15,000,000	
<b>TOTAL</b>	<b>89,209,999</b>	<b>194,677,758</b>

**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)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*Notes to the Financial Statements (Continued)*

**3. Other Receipts**

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

**4. Compensation of Employees**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	2,522,211	2,509,700
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	266,910	2,065,535
Employer Contributions Compulsory national social security schemes	198,480	82,080
<b>Total</b>	<b>2,987,601</b>	<b>4,657,315</b>

**5. Committee Expenses**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Sitting allowance	1,038,000	1,263,000
Other committee expenses	3,505,000	2,624,600
<b>Total</b>	<b>4,543,000</b>	<b>3,887,600</b>

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*Notes to the Financial Statements (Continued)*

**6. Use of Goods and services**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	346,129	351,801
Communication, supplies and services	716,150	492,550
Domestic travel and subsistence	160,000	30,000
Printing, advertising and information supplies & services	-	40,000
Office rent		
Rentals of produced assets		
Training expenses	800,000	2,024,000
Hospitality supplies and services	-	-
Insurance costs	279,090	316,799
Specialised materials and services	-	-
Office and general supplies and services	3,171,650	1,948,282
Fuel , oil & lubricants	400,000	-
Other operating expenses		1,581,052
Bank Charges	53,452	30,000
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	136,264	856,319
Routine maintenance- other assets	-	-
<b>Total</b>	<b>6,062,735</b>	<b>7,670,803</b>

**7. Transfer to Other Government Units**

<b>Description</b>	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Transfers To Primary Schools (See Attached List)	-	47,460,000
Transfers To Secondary Schools (See Attached List)	-	57,510,118
Transfers To Tertiary Institutions (See Attached List)	-	3,100,000
<b>Total</b>	<b>-</b>	<b>108,070,118</b>

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**8. Other Grants and Other transfers**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – secondary schools (see attached list)	33,502,086	12,977,000
Bursary – tertiary institutions (see attached list)	17,852,400	4,960,400
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	3,050,000
Sports projects (see attached list)	-	5,483,555
Environment projects (see attached list)	2,901,752	5,481,556
Emergency projects (see attached list)	6,380,000	6,880,000
Roads projects (see attached list)	-	-
<b>Total</b>	<b>60,636,238</b>	<b>38,832,511</b>

**9. Acquisition of Assets**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	840,000
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	-	-
<b>Total</b>	<b>-</b>	<b>840,000</b>

*Notes to the Financial Statements (Continued)*

**10. Other Payments**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
Strategic plan	-	-
ICT Hub		-
	-	-

**11. Cash Book Bank Balance**

<b>Name Of Bank, Account No. &amp; Currency</b>	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
<b>11A: Bank Accounts (Cash Book Bank Balance)</b>		
Sidian Bank (Embu) 01007030000803	56,758,340	41,777,915
	-	-
<b>Total</b>	<b>56,758,340</b>	<b>41,777,915</b>
<b>11 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Notes to the Financial Statements (Continued)

12. Outstanding Imprests

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

13. Deposits and Retention

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

Deposits and Retentions aging analysis.

	Insert Current FY	% of the total	Insert Comparative FY	% of the total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	-	-	-	-



**14. Gratuity**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>KShs</b>	<b>KShs</b>
Gratuity as at 1 <sup>st</sup> July (A)	-	1,435,622
Gratuity held during the year (B)	-	762,445
Gratuity paid during the Year (C)	-	2,198,067
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	-	-

*Notes to the Financial Statements (Continued)*

**15. Fund Balance B/F**

	(1 <sup>st</sup> July 2023-1)	(1 <sup>st</sup> July 2022-2)
	Kshs	Kshs
Bank accounts	41,777,915	11,058,504
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>41,777,915</b>	<b>11,058,504</b>
Less		
Payables: - Retention	-	-
Payables – Gratuity	-	-
<b>Fund Balance Brought Forward</b>	<b>41,777,915</b>	<b>11,058,504</b>

**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> )	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

*\*\* The adjusted balances are not carried down on the face of the financial statement.  
(Entity to provide disclosure on the adjusted amounts)*

**17. Changes In Accounts Receivable – Outstanding Imprests**

	2022-2023	2021-2022
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
<b>Net changes in accounts Receivables D - A</b>	<b>-</b>	<b>-</b>

*Notes to the Financial Statements (Continued)*

**18.Changes In Accounts Payable – Deposits and Retentions**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>KShs</b>	<b>KShs</b>
Deposit and Retentions as at 1 <sup>st</sup> 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 $D-A$	-	-

*Notes to the Financial Statements (Continued)*

**15. Other Important Disclosures**

**19.1: Pending Accounts Payable (See Annex 1)**

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

**Aging Analysis for Pending Accounts Payables**

	<b>Insert Current FY</b>	<b>% of the total</b>	<b>Insert Comparative FY</b>	<b>% of the total</b>
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	-	-	-	-

**19.2: Pending Staff Payables (See Annex 2)**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
NGCDFC Staff	-	635,352
Others ( <i>specify</i> )	-	-
<b>Total</b>	-	-

**Aging Analysis for staff Payables**

	<b>Insert Current FY</b>	<b>% of the total</b>	<b>Insert Comparative FY</b>	<b>% of the total</b>
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	-	-	-	-

**19.3: Unutilized Fund (See Annex 3)**

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Compensation of employees	2,827,399	1,365,468
Committee expense	589,183	-
Use of goods and services	1,787,978	4,374,544
Amounts due to other Government entities (see attached list)	46,107,417	2,307,417
Amounts due to other grants and other transfers (see attached list)	30,833,464	33,189,984
Acquisition of assets	169,102	169,102
Oversight Committee Expenses	1,450,000	-
Other Payments (specify)	28,556,400	56,400
Funds pending approval	315,000	315,000
<b>Total</b>	<b>112,635,942</b>	<b>41,777,915</b>

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**19.4: PMC account balances (See Annex 5)**

	<i>2022-2023</i>	<i>2021-2022</i>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	7,622,144	61,951,970
<b>Total</b>	<b>7,622,144</b>	<b>61,951,970</b>

**19.5 Related Party Transactions**

	<i>Insert current FY</i>	<i>Insert Comparative FY</i>
	<b>Kshs</b>	<b>Kshs</b>
<b>Committee Members Remuneration</b>		
Sitting allowance of committee Members during the year	-	-
<b>Transaction with the NGCDF Board</b>		
Receipts from the NGCDF Board during the year	89,209,999	194,677,758
<b>Total</b>	<b>89,209,999</b>	<b>194,677,758</b>

16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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**Annex 2 - Analysis of Pending Staff Payables**

<b>Name of Staff</b>	<b>Designation</b>	<b>Date employed</b>	<b>Outstanding Balance 30<sup>th</sup> June 2023</b>	<b>Comments</b>
<b>NG-CDFC Staff</b>				
1.				
2.				
3.				
<b>Sub-Total</b>				
<b>Grand Total</b>				



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**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Compensation of employees	Payment of staff salaries	2,827,399	1,365,468	Fully funded
Committee expenses	Payment of committee expense/allowances	589,183.00	-	Fully funded
Use of goods & services	Purchase of office supplies	1,787,977	4,374,544	Awaiting fund disbursement from the
Amounts due to other Government entities			2,307,417	
Gatete Primary School	Construction of One Classroom and Desks	1,300,000		Awaiting fund disbursement
Gatumbiri Primary School	Construction of One Classroom and Desks	2,900,000		Awaiting fund disbursement from the board
Ikomenie Primary School	Construction of Two Classroom and Desks	2,600,000		Awaiting fund disbursement from the board
Irabari Primary School	Construction of a Laboratory	5,000,000		Awaiting fund disbursement from the board
Irari Primary School	Construction of a Laboratory	5,000,000		Awaiting fund disbursement from the board
Iriaitune Primary School	Construction of One Classroom and Desks	1,300,000		Awaiting fund disbursement from the board
JJM Nyaga Primary School	Construction of One Classroom and Desks	1,300,000		Awaiting fund disbursement from the board
Kamaunju Primary School				Awaiting fund

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	Construction of One Classroom and Desks	1,300,000		disbursement from the board
Kanothi Primary School	Construction of a Laboratory	5,000,000		Awaiting fund disbursement from the board
Kikumini Primary School	Construction of One Classroom and Desks	1,300,000		Awaiting fund disbursement from the board
Makawani Primary School	Construction of One Classroom and Desks	1,300,000		Awaiting fund disbursement from the board
Kathuri pri school	Purchase of two water tanks	300,000		Awaiting fund disbursement from the board
Ngiiori pri school	Purchase of two water tanks	300,000		Awaiting fund disbursement from the board
Mutus Primary School	Purchase of One water tank	150,000		Awaiting fund disbursement from the board
Nyangwa Primary School	Purchase of Office Furniture	1,579		Fully funded
Wango Primary School		750,000		Fully Funded
Gwakarigu primary		750,000		Fully funded
Gwakarigu Secondary School	Construction of One Classroom and Desks	1,300,000		Awaiting fund disbursement from the board
Kiamuringa Secondary School	Construction of a Dormitory	7,000,000		Awaiting fund disbursement from the board
Mashamba Secondary School	Construction of One roomed Kitchen	1,200,000		Awaiting fund disbursement from the

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
				board
Mutus Secondary School	Construction of a Dining Hall	6,000,000		Awaiting fund disbursement from the board
Youth Empowerment Centre	Construction of Youth Empowerment	55,838		Fully Funded
<b>Sub-Total</b>		<b>51,311,976</b>	<b>8,047,429</b>	
<b>Amounts due to other grants and other transfers</b>			<b>33,189,984</b>	
EMERGENCY	Emergency Occurrences	7,258,353	-	Awaiting fund disbursement from the board
BURSARY SEC	Bursary To Needy Students	346,454	-	Awaiting fund disbursement from the board
BURSARY TERTIARY	Bursary To Needy Students	14,251,605	-	Awaiting fund disbursement from the board
BURSARY VOCATIONAL	Bursary To Needy Students	2,000,000		Awaiting fund disbursement from the board
SOCIAL SECURITY	NHIF to elderly	960,000	-	Awaiting fund disbursement from the board
SPORTS	sports tournament	2,901,753	-	Awaiting fund disbursement from the board
Mariari Assistant Chief Office	Security Projects	1,500,000		Awaiting fund disbursement from the board
Gikiiro Assistant Chief Office	Security Projects	1,500,000		Awaiting fund disbursement from the

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
				board
Kirima assistant chief	Security Projects	1,000		
DCC Mbeere South	Security Projects	3,300		
Makima ACC office	Security Projects	100,000		
Gachoka Acc Office	Security Projects	11,000		
<b>Sub-Total</b>		<b>82,145,441</b>	<b>41,237,413</b>	
<b>Acquisition of assets</b>				
Motor Vehicles (including motorbikes)	purchase of motor vehicles	60,517		Fully funded
Motor Vehicles (including motorbikes)	Purchase bike motor	38,585		Fully funded
furniture and equipment	Purchase of office furniture's	70,000	169,102	Fully funded
<b>Oversight Committee Expenses(itemize)</b>				
	Accommodation Expenses	500,000	-	Awaiting fund disbursement from the board
	Domestic Travel	100,000	-	Awaiting fund disbursement from the board
	Training	50,000	-	Awaiting fund disbursement from the board
	NG-CDFC Allowances	300,000	-	Awaiting fund disbursement from the board
	Other Committee			Awaiting fund

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
	Expenses	400,000	-	disbursement from the board
	Catering Services	100,000	-	Awaiting fund disbursement from the board
<b>Others</b>		-	-	
Strategic plan	strategic plan 2022-2027	2,056,400	56,400	Fully funded
Ntharawe Primary School -Borehole	Borehole	4,500,000		Awaiting fund disbursement from the board
Gikiiro Primary School-borehole	Borehole	4,500,000		Awaiting fund disbursement from the board
Muthiru Primary School-borehole	Borehole	4,500,000		Awaiting fund disbursement from the board
Gatharane Village	Rerec Transformers	1,000,000		Awaiting fund disbursement from the board
Gikiiro Village	Rerec Transformers	1,000,000		Awaiting fund disbursement from the board
Irabari Village	Rerec Transformers	1,000,000		Awaiting fund disbursement from the board
Kakindu Village	Rerec Transformers	1,000,000		Awaiting fund disbursement from the board
Karuku Village	Rerec Transformers	1,000,000		Awaiting fund disbursement from the board
Kiametho-Kamukenda-Kanjugu Village	Rerec Transformers	1,000,000		Awaiting fund disbursement from the

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
				board
Kithunthiri Village	Rerec Transformers	1,000,000		Awaiting fund disbursement from the board
Muanjo Village	Rerec Transformers	1,000,000		Awaiting fund disbursement from the board
Murambari Village	Rerec Transformers	1,000,000		Awaiting fund disbursement from the board
Mutuobare-Mutugu Village	Rerec Transformers	1,000,000		Awaiting fund disbursement from the board
Mutus Secondary School	Rerec Transformers	1,000,000		Awaiting fund disbursement from the board
Ndavari Village	Rerec Transformers	1,000,000		Awaiting fund disbursement from the board
Riacina-Kangonde Village	Rerec Transformers	1,000,000		Awaiting fund disbursement from the board
<b>Sub-Total</b>		<b>112,320,943</b>	-	
Funds pending approval		315,000	315,000	waiting approval
<b>Grand Total</b>		<b>112,635,943</b>	<b>41,777,915</b>	

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**Annex 4 – Summary of Fixed Asset Register**

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	2,000,000	-	-	2,000,000
Buildings and structures	29,203,131	-	-	29,203,131
Transport equipment	11,350,907	-	-	11,350,907
Office equipment, furniture and fittings	899,335	-	-	899,335
ICT Equipment, Software and Other ICT Assets	1,103,000	-	-	1,103,000
Other Machinery and Equipment	177,300	-	-	177,300
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>44,733,673</b>	<b>-</b>	<b>-</b>	<b>44,733,673</b>

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**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023**

PMC	Bank	Account number	Bank Balance FY 2022/23	Bank Balance FY 2021/22
ACK Kilia Primary School Pmc	Sidian Bank	1034150026067	3,589	1,611,685
Aic Beram Gachuriri primary school pmc	Sidian Bank	1007030003258	975	14,095
CCM ndune Primary School Pmc	Sidian Bank	1007030003968	195	195
Gatumbiri Primary School Pmc	Sidian Bank	1007150014206	1,708	887
Gikiiro Primary School	Sidian Bank	1007030003398	195	195
Gikondi Primary School	Sidian Bank	1007030002731	1,294	854
Gikuru Primary School Pmc	Sidian Bank	1007030002671	246	1,050,940
Irabari Primary school	Sidian Bank	O1007030003048	6,005	1,200,695
Iriaitune Primary School Pmc	Sidian Bank	1034030001269	30	107,445
Iriaitune Primary School Pmc	Sidian Bank	1034030001269	30	30
Iriamurai primary School Pmc	Sidian Bank	1007030002831	7,932	294,552
Kakawa Primary School Pmc	Sidian Bank	1007030003308	535	535
Kakindu Primary school Pmc	Sidian Bank	1007030004016	1,115	295
Kamaunju Primary School Pmc	Sidian Bank	1007150013848	2,211	2,211
Kamunyagia primary school Pmc	Sidian Bank	1007030003908	16,974	1,514,375



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PMC	Bank	Account number	Bank Balance FY 2022/23	Bank Balance FY 2021/22
Kamunyange Primary School Pmc	Sidian Bank	1007150013678	5	5
Kamutuanjiru primary school Pmc	Sidian Bank	1007030002621	410	410
Kamweli Primary School Pmc	Sidian Bank	1034150024740	2,141	2,142
Kangungi Primary School Pmc	Sidian Bank	1007030002641	250	250
Kaninwanthiga primary school	Sidian Bank	1007150014796	358	358
Kanthenge Primary School Pmc	Sidian Bank	1007150015074	26,269	26,269
Kanyariri Primary School Pmc	Sidian Bank	1007150014976	1,082	1,082
Karaba Consolata Primary School Pmc	Sidian Bank	1007030003368	22,530	22,530
Kariguri Primary School	Sidian Bank	1007030002721	917	917
Karuku primary School Pmc	Sidian Bank	1007030003448	115	115
Karwiro Primary School Pmc	Sidian Bank	1007030003408	415	415
Kiambere Primary School Pmc	Sidian Bank	1007030003948	45	45
Kiametho Primary School Pmc	Sidian Bank	1007030004036	1,000,535	1,000,535
Kiamukuyu Primary School	Sidian Bank	1007030002741	255	255
Kiamuringa Primary School	Sidian Bank	1007030002781	1,722	2,685,332
Kikulani primary school	Sidian Bank	1007030002911	205	205

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance FY 2022/23</b>	<b>Bank Balance FY 2021/22</b>
Kinyala Primary School Pmc	Sidian Bank	1007030003388	650	73,650
Kiria St. mark primary school Pmc	Sidian Bank	1007030002761	410	43,030
Makawani primary school Pmc	Sidian Bank	1034150026117	2,352	2,352
Marimari primary school Pmc	Sidian Bank	1007030002751	7,786	2,199,880
Mathigameru Primary school	Sidian Bank	1007030002631	1,140	280,440
Maviani primary school pmc	Sidian Bank	1034030001259	229	229
Mayori Primary School Pmc	Sidian Bank	1007150015004	8	8
Mbita Primary School Pmc	Sidian Bank	1007030003958	325	325
Mburutani Primary School Pmc	Sidian Bank	1007030004066	1,560	1,560
Minuri primary school Pmc	Sidian Bank	1007030003028	1,401	1,401
Muraru Primary school Pmc	Sidian Bank	1007150014876	814	205,934
Murindi Primary School	Sidian Bank	O1007030002871	854	854
Musingini Primary School Pmc	Sidian Bank	1007030004026	1,277	1,277
Mutugu Primary School Pmc	Sidian Bank	1007150013208	7,212	3,856,037
Mutuobare Primary School Pmc	Sidian Bank	1007030004006	185	1,487,795
Mutus primary school pmc	Sidian Bank	1007030002821	26	26

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PMC	Bank	Account number	Bank Balance FY 2022/23	Bank Balance FY 2021/22
Mwanyani Primary School	Sidian Bank	1007030002801	1,500	297,120
Namuri primary school Pmc	Sidian Bank	1007030002701	250	250
Ndunguni Primary School Pmc	Sidian Bank	1007030004096	1,560	1,560
Ngangari primary school Pmc	Sidian Bank	1007030002691	410	410
Ngeca primary school Pmc	Sidian Bank	1007030003208	320	70,440
Ngiori Primary School Pmc	Sidian Bank	1007030004086	845	845
Ikomenie primary school pmc	Sidian Bank	1007030004206	1,000	698,915
Kathuri Primarys school pmc	Sidian Bank	1007030004256	498,735	498,735
Karisa Primarys school pmc	Sidian Bank	1007030004216	4,025	610,754
Kaseveni primary school pmc	Sidian Bank	1007030004266	142	157,262
Muthiru primary school pmc	Sidian Bank	1007030004286	1,345	109,295
Mutindwa Primary school pmc	Sidian Bank	1007030004246	114,305	114,305
Ngenge primary school pmc	Sidian Bank	1007030004176	1,346,848	1,346,848
Rugakori primary school pmc	Sidian Bank	1007150013288	259,608	259,608
Kiritiri Primary School pmc	Sidian Bank	1007030003098	64,685	64,685
Ciorindagwa primary school pmc	Sidian Bank	1007030004196	262,272	262,272

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance FY 2022/23</b>	<b>Bank Balance FY 2021/22</b>
JJM Nyaga Primary school Pmc	Sidian Bank	1007150014106	2,190	2,190
Kamwimbi Primary school pmc	Sidian Bank	1007030003128	48,234	48,234
Rutumbi primary School Pmc	Sidian Bank	1007030004226	58,736	58,736
Kamurugu primary School pmc	Sidian Bank	1007030004186	2,798,855	2,798,855
Karuki primary School pmc	Sidian Bank	1007150013668	58,632	58,633
Malikini primary school pmc	Sidian Bank	1007030004156	15	15,035
Njeru Primary school pmc	Sidian Bank	1007030003468	926	926
Nyambori pimary School Pmc	Sidian Bank	1007030002711	12,929	2,787,605
Nyangwa Primary School Pmc	Sidian Bank	1007030003868	683	131,558
Riakanau Primary School Pmc	Sidian Bank	1007030003198	295	295
Rianguu Primary School Pmc	Sidian Bank	1007030003328	1,120	1,120
Rianjeru Primary School Pmc	Sidian Bank	1007030003358	2,517	1,624,955
S.A Gategi Primary School Pmc	Sidian Bank	1034150024750	1,643	1,643
Unyuani primary school Pmc	Sidian Bank	1007030003288	575	575
Urua primary school Pmc	Sidian Bank	1007030002681	1,233	1,233
Wakalia primary school pmc	Sidian Bank	1007030003338	555	555

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance FY 2022/23</b>	<b>Bank Balance FY 2021/22</b>
Yoder Karwigi Primary School Pmc	Sidian Bank	1007150014226	253	253
AIC Ndune Secondary school	Sidian Bank	1007030002991	11,340	11,340
Gacabari Secondary School	Sidian Bank	1007150014886	3,754	702,244
Gataka Secondary School Pmc	Sidian Bank	1007150014366	463	710,263
Gategi Girls secondary school Pmc	Sidian Bank	1007030003488	325	107,445
Gikiiro secondary school	Sidian Bank	1007030002941	244	814,493
Gitaraka Girls Secondary School Pmc	Sidian Bank	1007030003268	799	799
Igumori Secondary School Pmc	Sidian Bank	1007150014956	4,162	4,162
Iriaitune secondary school	Sidian Bank	1007030003058	1,190	2,268,165
Kabuguri Secondary School Pmc	Sidian Bank	1007030003158	639	639
Kabururi Secondary School Pmc	Sidian Bank	1007150013558	746	3,391,013
Kamunyange Secondary School Pmc	Sidian Bank	1007030002651	2,530	2,530
Kamweli Secondary School Pmc	Sidian Bank	1007030002981	715	100,015
Kanyonga Secondary School Pmc	Sidian Bank	1007150014936	1,474	1,474
Karura secondary school	Sidian Bank	1007030003018	635	635
Kiambere Mixed Secondary School Pmc	Sidian Bank	1007150015034	90	90

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance FY 2022/23</b>	<b>Bank Balance FY 2021/22</b>
Kiamuringa Secondary School Pmc	Sidian Bank	1007150014656	1,281	308,807
Kirima Secondary School Pmc	Sidian Bank	1007030003348	4,500	4,813,195
Makima Secondary School Pmc	Sidian Bank	1007030002661	1,450	1,450
Malikini Secondary School pmc	Sidian Bank	1034150024770	4,463	179,417
Mariari Girls Secondary School Pmc	Sidian Bank	1007030003138	6,036	1,369,175
Mashamba Secondary school Pmc	Sidian Bank	1007150014966	1,268	1,268
Maviani Secondary School Pmc	Sidian Bank	1034150024800	358	358
Mayori Secondary School pmc	Sidian Bank	1007030002601	932	1,580,815
Mbita Secondary School Pmc	Sidian Bank	1007150015044	1,792	3,201,325
Mbondoni Secondary School pmc	Sidian Bank	1007030002951	887	785,596
Mbonzuki Secondary School Pmc	Sidian Bank	1034150029201	3,556	157,707
Munyori Secondary School Pmc	Sidian Bank	1007150014486	4,293	4,293
Mutus Secondary School Pmc	Sidian Bank	1007150014986	1,038	1,038
Mwanyani secondary school Pmc	Sidian Bank	1007030003998	55	55
Ngenge Secondary School	Sidian Bank	1007150014806	2,015	2,143,234
Nthingini Secondary School Pmc	Sidian Bank	1034150026087	1,621	1,621

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PMC	Bank	Account number	Bank Balance FY 2022/23	Bank Balance FY 2021/22
Nyangwa Boys Secondary school Pmc	Sidian Bank	1007030002961	605	786,845
Nyangwa Girls Secondary School Pmc	Sidian Bank	1007150013348	181	50,801
Rugogwe Secondary School pmc	Sidian Bank	1007150015014	933	2,277,140
S.A Gategi Secondary School Pmc	Sidian Bank	1034030001249	357,032	3,530,519
St. Augustine Mariari Sec School pmc	Sidian Bank	1007150013468	332	332
Wachoro Boys Secondary School Pmc	Sidian Bank	1007030003448	635	635
Kamukunga Primary School	Sidian Bank	1007150013738	735	115
Gacabari Assistant Chief Office Pmc	Sidian Bank	1007030003228	396	396
Gacegethiuri Assistant Chief Office Pmc	Sidian Bank	1007030003178	1,555	118,175
Gachoka Acc Office Pmc	Sidian Bank	1007030002861	730	730
Gategi Assistant Chief Office Pmc	Sidian Bank	1007030003428	1,772	120,892
Gichiche Assistant Chiefs Office	Sidian Bank	1007030002921	255	255
Gichiche Chiefs Office	Sidian Bank	1007030003118	2,036	300,200
Kiamuringa Assistant Chief Office Pmc	Sidian Bank	1007150013658	309	45,429
Kindaruma Assistant chief	Sidian Bank	1007030002881	813	813
Makima Acc Office Pmc	Sidian Bank	1007150015154	398	398

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance FY 2022/23</b>	<b>Bank Balance FY 2021/22</b>
Mavuria Assistant Chief Office Pmc	Sidian Bank	1007030003318	1,646	1,646
Mbeti South Chiefs Office Pmc	Sidian Bank	1007030003478	6,095	880,924
Mwea Acc Office Pmc	Sidian Bank	1007030003918	708	708
Nyangwa assistant Chief Office Pmc	Sidian Bank	1007150014946	495	495
Makutano Police station pmc	Sidian Bank	1007030004136	356,719	55
Mbita assistant Chief Office Pmc	Sidian Bank	1007030004136	34,925	356,719
Ng-CDF Office Pmc	Sidian Bank	1007150013378	2,316	840,996
Mbeere South Sports Pmc	Sidian Bank	1007150013408	652	652
Primary schools Desks Pmc	Sidian Bank	1007030003148	1,614	1,614
Ng-Cdf Office Road	Sidian Bank	1007030004286	109,295	109,295
Youth Empowerment Centre Pmc	Sidian Bank	1007030003778	553	140,173
<b>Total</b>			<b>7,622,144</b>	<b>61,951,970</b>



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**Annex 6: Progress On Follow Up of Auditor Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/UER/AUD/NG-CDF-MBEERE SOUTH 2021/22/24	<p><b>1. Accuracy of Summary Statement of Appropriation</b></p> <p>The summary statement of appropriation for the year reflects Kshs.11,058,505 and Kshs.57,588,879 in respect to opening balance and outstanding disbursements respectively both totalling to Kshs.68,647,384 being unutilized funds from the previous year 2020/2021. However, the previous audited financial statements reflects funds balance of Kshs.56,747,384 resulting to unreconciled variance of Kshs.11,900,000.</p> <p>In the circumstances, the accuracy of the statement of appropriation could not be confirmed.</p>	Amend the financial statement	Resolved	3 Months
OAG/UER/AUD/NG-CDF-MBEERE SOUTH 2021/22/24	<p><b>2. Unsupported Project Management Committee (PMC) Account Balances</b></p> <p>Note 17.6 and Annex 5 to the</p>	To provide the supporting documents	Resolved	3 Months

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>financial statements reflects a balance of Kshs.61,951,970 in respect to PMC account balances for one hundred and thirty-eight (138) Project Committee bank accounts. However, only twelve (12) accounts out of the one hundred and thirty-eight (138) accounts were supported with bank statements. Further, the cashbooks and bank reconciliation statements as at 30 June, 2022 were not provided for audit review.</p> <p>In addition, analysis of Annex 5 revealed eighteen (18) out of the one hundred and thirty eight (138) PMC bank accounts holding a total of Kshs.925,239 were dormant contrary to Section 83 (1) and (2) of the Public Finance Management (National Government) Regulations, 2015 which states that The National Treasury shall be responsible for establishing sound cash management systems, procedures and processes, to ensure efficient and effective banking and cash management practices and for purposes of this</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>regulation, sound cash management includes avoiding accumulation of idle balances.</p> <p>In the circumstances, the accuracy and value for money for the account balances held in PMC bank accounts could not be confirmed.</p>			
OAG/UER/AUD/NG-CDF-MBEERE SOUTH 2021/22/24	<p><b>3. Accuracy of Cash and Cash Equivalents</b></p> <p>The statement of assets and liabilities and as disclosed in Note 10A to the financial statements reflects bank balances of Kshs.41,777,915. However, review of the bank reconciliation statement revealed receipts in bank statement not yet recorded in the cash book of Kshs.2,209,999 which understates the cash book balance by the same amount.</p> <p>In the circumstances, the accuracy of the bank balances of Kshs.41,777,915 could not be confirmed.</p>	To amend the cashbook	Resolved	3Months

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/UER/AUD/NG-CDF-MBEERE SOUTH 2021/22/24	<p><b>4. Summary of Fixed Assets Register</b></p> <p>Note 17.5 and Annex 4 to the financial statements reflects a balance of Kshs.44,733,673 in respect to historical cost of fixed assets which includes Kshs.899,335 and Kshs.1,103,000 in respect to office equipment and fittings and ICT equipment, software and other ICT assets. However, five (5) items with a total value of Kshs.148,300 were not functional but no explanation was given on why the items had not been earmarked for disposal contrary to Section 163 (1) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer shall establish a Disposal Committee as and when prescribed for the purpose of disposal of unserviceable, obsolete, obsolescent, or surplus stores, equipment or assets.</p> <p>In the circumstances, the accuracy and fair value of the assets</p>	Ensure assets are disposed	Not resolved Resolved	1 Year

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	balance could not be confirmed.			
OAG/UER/AUD/NG-CDF-MBEERE SOUTH 2021/22/24	<p><b>Budgetary Control and Performance</b></p> <p>The summary statement and appropriation reflects approved budget expenditure of Kshs: 205,736,263 and actual payments of Kshs: 163,958,348 resulting to under expenditure of Kshs: 41,777,915 or 20% of the Budget</p> <p>In Circumstances the Under Expenditures affected the planned activities for the year and may have impacted negatively on service delivery</p>	The Expenditure resulted from Delayed Funding	Resolved	
OAG/UER/AUD/NG-CDF-MBEERE SOUTH 2021/22/24	<p><b>Projects implementation status</b></p> <p>The Project Implementation status report as at 30<sup>TH</sup> June 2022 provided for audit review indicated that one hundred and sixty(160) projects worth Kshs: 205,736,363 were budgeted to be implemented during the under review. However only one Hundred and Nineteen (119) projects worth Kshs: 129,805,231 were completed, Nine (9) projects worth Kshs: 66,665,650 were ongoing while Thirty Two(32) projects worth</p>	Projects to begin immediately after funding	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs. 9,265,382 had not been started .In View of the foregoing the constituents may have been denied the expected services equivalent to Thirty Two (32) projects not started worth Kshs: 9,265,382 and nine (9) ongoing projects worth Kshs: 66,665,650 both totalling to Kshs: 75,931,031. This is an indication of inappropriate project implementation monitoring and Evaluation Mechanism.</p> <p>In the circumstances the residents of Mbeere South Constituency did not get services equivalent to the ongoing and not started projects during the year worth Kshs: 43,418,500</p>			
OAG/UER/AUD/NG-CDF-MBEERE SOUTH 2021/22/24	<p><b>1.0. Poor Workmanship at Makutano Primary School</b></p> <p>The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.108,070,118 in respect to transfer to other Government units which includes Kshs.47,460,000 in respect to transfer to primary schools which further includes Kshs.800,000 for construction of an administration block to lintel</p>	Defects noted to be corrected	Resolved	3 Months

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	level, 2 roomed offices and 1 staffroom at Makutano Primary School. Physical verification carried out in March, 2023 revealed that the project is complete and in use. However, there were visible cracks on the floor and walls which is an indication of poor workmanship. In the circumstances, the propriety and value for money for the Kshs.800,000 could not be confirmed.			
OAG/UER/AUD/NG-CDF-MBEERE SOUTH 2021/22/24	<p><b>1.0 Unsatisfactory Implementation of Two Secondary Schools Projects</b></p> <p>The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.108,070,118 in respect to transfer to other Government units which includes Kshs.57,510,118 in respect to transfers to secondary schools which further includes Kshs.4,400,000 disbursed for two projects at Rugogwe Secondary</p>	Defects noted to be corrected	Resolved	3 Months

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

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	<p>School and S. A Gategi Secondary School. However, physical verification carried out in March, 2023 revealed the following:</p> <ul style="list-style-type: none"> <li>i. A disbursement of Kshs.900,000 was made to Rugogwe Secondary School for completion of a dining hall. However, the dining hall was not in use since the kitchen area was incomplete and the plumbing works had not been done. There were several cracks on the floor due to poor workmanship. Further, the paint works especially on the doors and walls were poorly done. However, the contractor was paid the contract amount contrary to Section 139(1) of the Public Procurement and Asset Disposal Regulations, 2020 which states that a contractor shall satisfactorily perform the contractual obligations prior to any payment by a procuring entity.</li> <li>ii. S.A Gategi Secondary School</li> </ul>			

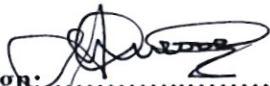


*Mbeere South Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>was allocated Kshs.3,500,000 for completion of 180 capacity storey building of 4 classrooms including upper floor roofing and plastering and painting to completion. The storey building of four (4) classroom is complete and in use. However, labelling of the project was not done and therefore it could not be confirmed that indeed the project was funded by the Fund contrary to Regulation 15(1)(f) of National Government Constituencies Development Fund Regulations, 2016. Also, there were visible cracks on the floor and wall which may be a result of poor workmanship. Further, the building was not accessible to persons with disability as the ramp was not included.</p> <p>In the circumstances, the value for money for the Kshs.4,400,000 could not be confirmed.</p>			

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

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OAG/UER/AUD/NG-CDF-MBEERE SOUTH 2021/22/24	<p><b>Lack of Ownership Documents</b> Annex 4 to the financial statements reflects a balance of Kshs: 44,733,673 in respect to the fixed asset which includes a balance of kshs: 2,000,000 relating to the value of the land with title deed registered in the names of Barnabas Mitaru and Andrew Mbithi as Trustees of Gachoka CDF. The land was registered on 15<sup>th</sup> July 2010 and had not been transferred to the Fund as at the time of Audit March 2023. This raises doubts on the Accounting officer proper control of the assets as required by Section 72(1)(a) Of the public Finance Management Act, 2012 which states that the accounting officer for the National Government entity shall be responsible for the management of entity's assets and liabilities and manage those assets in a way it ensures that National Government entity achieves value for money in acquiring using and disposing those assets.</p> <p>In circumstances, the Fund was a breach of the law The audit was co</p>	NG-CDFC to follow up on the transfer of the land to the Fund	Not Resolved	1 Year

  
Sign: .....  
**John Mwangi Chege**  
**Fund Account Manager.**

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