

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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DATE: 15 APR 2024		DAY
TABLED BY:	Hon Owen Banya MP Deputy Member of Parliament	
CLERK AT THE TABLE:	Chobot Kaskei	

THE AUDITOR-GENERAL

ON

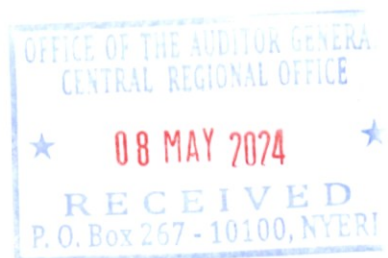
**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
MUKURWE-INI CONSTITUENCY**

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



MUKURWE-INI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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



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

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I. Acronyms and Abbreviations

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

NGCDF-National Government Constituency Development Fund
NGCDF- National Government Constituency Development Fund Committee
NGCDF- B-National Government Constituency Development Fund Board
PFM-Public Finance Management
IPSAS-International Public Sector Accounting Standards.
PMC- Project Management Committee
FY-Financial Year
ARMC- Audit and Risk Management Committee
OSHA- Occupational Safety and Health Act of 2007

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 Mukurwe-ini Constituency NGCDF day-to-day management is under the following key organs:

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

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Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	David Muriithi Githinji
2.	Sub-County Accountant	Robert Kinyua
3.	Chairman NGCDFC	Patrick Wachira
4.	Member NGCDFC	Eva Shine Wanjiku Kahuthu

(c) Fiduciary Oversight Arrangements

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

P.O. Box 8-10103
Mukurweini, KENYA

(e) Mukurweini Constituency NGCDF Contacts

Telephone: 0724925786
E-mail: cdfmukurweini@ngcdf.go.ke
Website: <https://mukurwe-ini.ngcdf.go.ke>

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(f) Mukurweini Constituency NGCDF Bankers

Equity Bank; 0830297514775

Branch: Mukurweini

Mukurwe-ini – Karatina Road

Mukurweini

(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-CDF Chairman's Report



Patrick Wachira: Chairman, NG-CDF Mukurwe-ini

I am pleased to share a few highlights for the Financial Year Ended 30 June 2023.

As we are aware, the national elections were held in August 2022. The electioneering cycle delayed a few of the NG-CDF processes including submission of project proposals which was due on 13 January 2023. The new NG-CDF Committee was gazetted on 30 November 2022 and took over a month later. The current Fund Account Manager was appointed on 9 December 2022.

As at the beginning of the financial year, we had cash available of Kshs 81M. We received KShs 81M and were able to spend KShs 121M as shown below.

Financial Summary

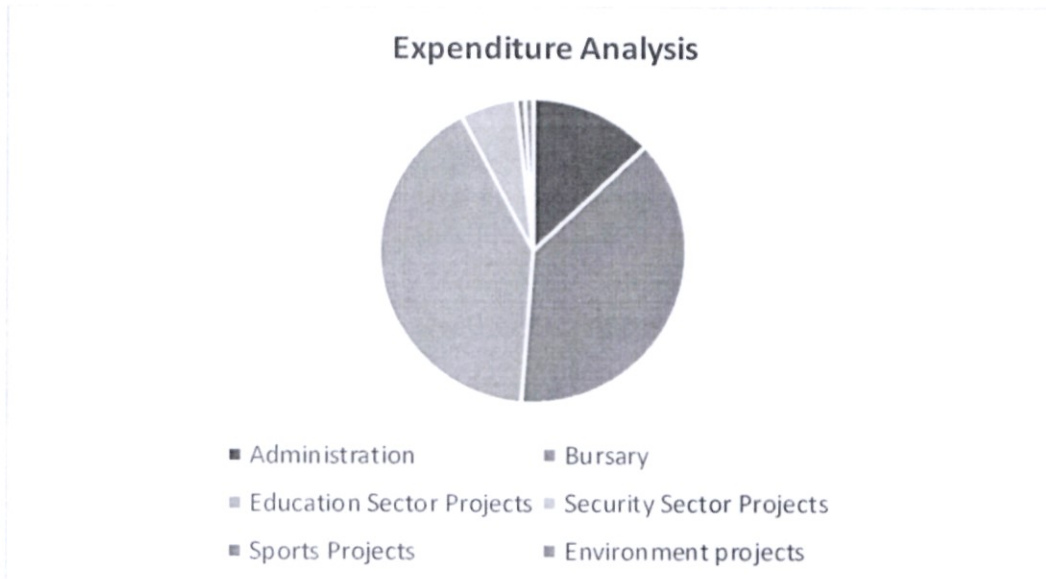
Item	FY Ended 30 June 2023 (KShs '000')	FY Ended 30 June 2022 (KShs '000')
Opening Balance	80,682	108,263
Disbursements	88,497	170,642
Expenditure	120,779	198,223
Closing Balance	48,401	80,682

Expenditure Summary

Given the delay in critical activities such as submission of project proposals and subsequent disbursement of funds, the expenditure was largely restricted to bursaries and a few of the funded projects for the previous year as shown in the table below.

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No	Description	Amount in KShs '000'
1.	Administration	15,725
2.	Bursary	46,106
3.	Education Sector Projects	49,548
4.	Security Sector Projects	7,200
5.	Sports Projects	1,100
6.	Environment projects	1,100
7.	Total Expenditure	120,779



Pictorial: St Benedict Wamutitu School Bus – NG-CDF Mukurwe-ini Project

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During the year, in addition to extending bursary support to the needy, we signed a memorandum of Understanding with KCB Foundation for the “Shilingi Kwa Shilingi” 2Jijiri Program. This program will enable full sponsorship of needy youth to access technical and upskilling programs in Vocational and Technical Training Centres in Mukurwe-ini. NG-CDF Mukurwe-ini has allocated KShs 5M with a similar amount from KCB Foundation.

Pictorial: NG-CDF Mukurwe-ini and KCB Foundation Partnership MoU Signing





Challenges

In addition to the challenges associated with the national elections cycle, we faced a number of challenges that have affected the execution of our mandate. These include;

1. Delayed handover between the previous and current Fund Account Manager
2. Inadequate support for prior year project proposals. We therefore spent time to pursue projects that had conditional approvals.
3. Special Audit – On handover, we noted possible irregularities including misallocation of project specific funds. We spent significant time seeking guidance and eventually working with special audit teams from the Office of the Auditor General and NG-CDF Board. We are yet to get the final audit reports.
4. Due to the manual nature of the bursary process, the activities were not executed efficiently. We intend to put in place an automated bursary system to enable a more efficient process.

Despite the challenges, we are confident of a positive year ahead with high value for money delivery to the constituents of Mukurwe-ini Constituency.

PATRICK WACHIRA
CHAIRMAN
NG-CDF COMMITTEE

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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 *Mukurweini Constituency 2021-2025* plan are to:

(Enumerate all the objectives of the constituency as per the Strategic Plan)

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:

Sector	Objective	Outcome	Indicator	Performance
Education	<ul style="list-style-type: none"> To allocate and distribute the maximum allowable bursary support Increase hostel capacity for boarding secondary schools Construct laboratory facilities for secondary schools 	Increased transition to secondary schools, universities and other tertiary institutions Enhanced capacity and increased readiness for science subjects	<ul style="list-style-type: none"> number of bursary's beneficiaries at all levels Number of Dormitories Number of laboratories 	In FY 2022/23 -we increased number of bursary beneficiaries, constructed laboratories at Thangathi, Rutune, Kihate and Gaikundo Secondary schools as well as a hostel facility at Mukurwe-ini Boys.
Security	To ensure safety within the constituency for all the residents.	-Reduced crime rate -increased productivity in all aspects.	-police posts built across the constituency -Offices built for National government Administration Officers (NGAO)	Completed construction of many National Government Administrative Offices (NGAOs)
Environment	To promote tree planting in line with the government	-increased crop production due to	-tree planting on uncultivated land in public institutions. -	-A more beautiful environment due to the green vegetation.

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	initiative to tackle climate change and control soil erosion	increased rainfall. -		-
Sports	To build social character and talents among the youth.	-Reduced crime rate -increased productivity among the youth.	-Buying sports equipment for local male and female teams(volleyball, football etc.)	-Increased tournaments. -talent advancement through partnership with Kenya Football Federation.
Emergency				
Others(Specify)				

5. Governance Statement

Following the national elections held in August 2022 and as provided by the law, a new Constituency Development Fund Committee was on boarded. This was preceded by public advertisement of the vacancies and vetting of the applicants. The appointments were as per provisions of the law and the new members were gazetted in November 2022. The inaugural meeting was held on 28 December 2022.

The new committee has held 6 meetings over the period to 30 June 2023 and participated in other mandate activities including public participation for purposes of project proposals. We have also created sub-committee and co-opted other members. These sub-committees include;

- Bursary Sub Committee
- Sports Sub-Committee
- Constituency Roads Sub-Committee
- Complaints and Anti-Corruption Sub-Committee.

As guided by the law, members are remunerated for every formal meeting held at the rate of Kshs 7,000 for Chairman and KShs 5,000 for other members.

All our CDFC members attended the Board facilitated capacity building workshop held in Embu. We are currently preparing for an internal capacity building workshop that will also include the CDFC Staff.

6. Environmental and Sustainability Reporting

NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. Mukurweini Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

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

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

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

2. Environmental Performance

- NG-CDF sponsored sports activities in Mukurwei-ini, including a sports day and the Karindi Marathon. This was in addition to sponsoring tournaments in Football.
- As part of the environmental work, we sponsored the community to plant indigenous and fruit trees during the rainy season.
- During the various public fora, we engaged the youth and provided counselling sessions relating to substance abuse and enabling them to develop life skills.

3. Employee welfare

We invest in providing the best working environment for our employees. Mukurwe -ini 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. Mukurweini constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

4. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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



.....
David M. Githinji
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-Mukurweini 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-Mukurweini 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 in charge of the NGCDF- Mukurweini 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 Mukurweini 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

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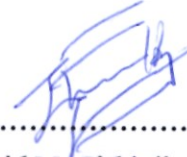
prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Mukurweini Constituency financial statements were approved and signed by the Accounting Officer on _____ 2023.



.....
Name: Patrick G. Wachira
Chairman – NGCDF Committee



.....
Name: David M. Githinji
Fund Account Manager

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mukurwe-ini Constituency set out on pages 1 to 49,

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 the 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 - Mukurwe-ini 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. Misclassification of Expenditure

The statement of receipts and payments reflects transfers to Other Government Units amount of Kshs.48,559,300, as disclosed in Note 7 to the financial statements. Included are amounts of Kshs.5,600,000 and Kshs.29,859,300 in respect of transfers to primary schools and secondary schools respectively. However, review of the supporting schedules provided for audit revealed that Kshs.2,500,000 transfers to primary schools and Kshs.2,500,000 transfers to secondary schools, were payments for supply of goods to Non-Government institutions.

Further, Note 6 to the financial statements reflects use of goods and services amounting to Kshs.6,564,944 which includes Kshs.400,000 erroneously classified under domestic travel and subsistence instead of fuel, oil and lubricants. In addition, review of supporting schedules provided for audit revealed that a total of Kshs.2,670,000 was wrongly classified under other operating expenses instead of committee expenses.

In the circumstances, the accuracy and completeness of the respective financial statements amounts could not be confirmed.

2. Unsupported Committee Allowances

The statement of receipts and payments reflects committee expenses amount of Kshs.7,275,00 as disclosed in Note 5 to the financial statements. However, review of payment vouchers and other supporting records revealed that an amount Kshs.2,398,800 was incurred for monitoring and evaluation out of which expenditure amounting to Kshs.935,000 was not supported with documents such as list of the projects visited, evidence of travel and report on the monitoring and evaluation for the projects visited. In addition, the payment schedule supporting the payments did not specify the period when the monitoring and evaluation exercise was conducted. Further, review of

committee allowances documents provided for audit revealed that Kshs.3,300,000 incurred for training and sensitization did not have the criteria for identifying the trainers, training programs, and post training reports. Further, the basis of payment of allowances at a rate of Kshs.4,500 per person and training venue were not disclosed.

In the circumstances, the accuracy and completeness of committee allowances amounting to Kshs.4,235,000 could not be confirmed.

3. Unconfirmed Project Management Committees Account Balances

Note 19.4 and Annex 5 to the financial statements reflects Project Management Committees (PMC) account balances of Kshs.1,264,874. However, cash books, bank certificates and bank reconciliation statements were not provided for audit review. Further, the comparative balance of Kshs.2,619,138 differs with the balance of Kshs.18,349,798 reported in Note 17.4 and Annex 5 of the audited financial statements for the year ended 30 June, 2022 resulting to unexplained difference of Kshs.15,730,660.

In addition, Project Management Committee account balances totalling Kshs.11,359,904 as reported in the audited financial statement for the year ended 30 June, 2022 were not disclosed in the financial statements under review and no evidence of closure of the bank accounts were provided for audit review.

It was also noted that during the year under review, the Fund transferred a total of Kshs.39,159,300 to various Project Management Committee accounts. However, the PMC account balances as at 30 June, 2023 were not disclosed in the financial statements and the respective cash books were not provided for audit verification.

Similarly, review of the respective PMC bank statements revealed cash withdrawals totalling Kshs.2,161,418 which were not supported by expenditure returns.

In the circumstances, the accuracy and completeness of Project Management Committees account balances amounting to Kshs.1,264,874 could not be confirmed.

4. Unaccounted for Expenditure on Sports and Environment Projects

The statement of receipts and payments reflects other grants and other transfers amount of Kshs.54,759,049 as disclosed in Note 8 to the financial statements which includes an amount of Kshs.1,100,000 for sports projects and Kshs.1,100,000 for environment projects. Review of PMC bank statements revealed that the Fund transferred Kshs.1,100,000 to Sports Tournament and Kshs.1,100,000 to Environment PMC accounts on 05 July, 2022 and the full amounts were withdrawn in favor of Merchants on the same day without any documents to support the expenditure.

In the circumstances, the accuracy and completeness of the Project Management Committee expenditure amounting to Kshs.2,200,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Mukurwe-ini Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in

accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.234,376,605 and Kshs.169,918,573 respectively resulting to an underfunding of Kshs.64,458,032 or 27% of the budget. Similarly, the fund spent Kshs.121,056,195 against actual receipts of Kshs.169,918,573 resulting to an under-utilization of Kshs.48,862,378 or 29% of the actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous, several issues were raised under the report on Financial Statements, Report on Lawfulness and Effectiveness in the Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Irregular Procurement of Revision Materials

During the year under review, the Fund Management procured printing services for revision materials from two firms at a cost of Kshs.2,500,000 each, totalling

Kshs.5,000,000. However, it was noted that the procurement method was structured to allow use of request for quotations procurement instead of open tender method contrary to Section 54(1) of the Public Procurement and Disposal Act, 2015 which provides that no procuring entity may structure procurement as two or more procurements for the purpose of avoiding the use of a procurement procedure except where prescribed.

Further, Inspection and acceptance committee reports were not provided for audit review, contrary to Section 48(3) of the Public Procurement and Asset Disposal Act, 2015 which states that the inspection and acceptance committee shall immediately after the delivery of the goods, works or services inspect and where necessary, test the goods received. In addition, there were no requisitions from various schools that required such services/goods and distribution lists of the revision materials to the various schools were not provided for audit review.

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

2. Lack of Bursary Policy

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.54,759,049 out of which Kshs.45,359,049 related to bursary disbursements. However, the Fund did not have a documented bursary policy to guide on the criteria for identifying the needy students and the amount of bursary to be awarded to each beneficiary. Further, bursary committee vetting minutes were not provided for audit review.

In the circumstances, it was not possible to confirm that bursary disbursements amounting to Kshs.45,359,049 benefited the needy and deserving students.

3. Irregular Procurement of Stationery and Printing Services

During the year under review, the Fund procured stationery and printing services from two firms at a cost of Kshs.573,110 using direct procurement method without justification. contrary to Section 103(1) of the Public Procurement and Asset Disposal Act, 2015 which provides that a procuring entity may use direct procurement as allowed under Sub-Section (2) as long as the purpose is not to avoid competition.

Further, inspection and acceptance committee reports were not provided for audit review, contrary to Section 48(3) of the Public Procurement and Asset Disposal Act, 2015 which states that the inspection and acceptance committee shall immediately after the delivery of the goods, works or services inspect and where necessary, test the goods received.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Weak Internal Controls in Fuel Management

Review of fuel statements from a local petrol station provided for audit revealed that various private vehicles, Government vehicles not attached to the Fund and a generator not in the custody of the Fund drew fuel on account of the Fund during the financial year under review.

In the circumstances, the effectiveness of internal controls on fuel management could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

17 May, 2024

Mukurwe-ini Constituency

National Government Constituencies Development Fund (NGCDF)

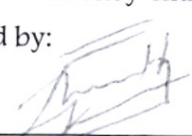
Annual Report and Financial Statements for The Year Ended June 30, 2023


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

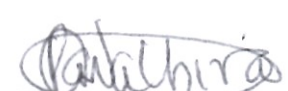
	Note	2022-2023	2021-2022
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	88,497,153	170,534,758
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	739,073	7,000
TOTAL RECEIPTS		89,236,226	170,541,758
PAYMENTS			
Compensation of employees	4	2,530,102	3,490,845
Committee expenses	5	7,275,000	21,920,000
Use of goods and services	6	6,564,944	1,939,430
Transfers to Other Government Units	7	48,559,300	73,325,000
Other grants and transfers	8	54,759,049	94,578,274
Acquisition of Assets	9	-	-
Oversight Committee Expenses	10	1,367,800	-
Other Payments	11	-	2,338,514
TOTAL PAYMENTS		121,056,195	197,592,063
SURPLUS/DEFICIT		(31,819,969)	(27,050,305)

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

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


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: David M. Githinji

Name: Robert Kinyua
ICPAK M/No:

Name: Patrick G. Wachira


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

III. Statement of Assets and Liabilities as at 30th June, 2023

	Note	2022-2023 Kshs	2021-2022 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	12A	48,400,869	80,682,347.00
Cash Balances (cash at hand)	12B	-	-
Total Cash and Cash Equivalents		48,400,869	80,682,347.00
Accounts Receivable			
Outstanding Imprests	13	-	-
TOTAL FINANCIAL ASSETS		48,400,869	80,682,347.00
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	626,429	1,087,938.00
NET FINANCIAL ASSETS		47,774,440	79,594,409.00
REPRESENTED BY			
Fund balance b/fwd 1st July...	15	79,594,409	108,262,880.00
Prior year adjustments	16	-	(1,618,167.00)
Surplus/Deficit for the year		(31,819,969)	(27,050,305.00)
NET FINANCIAL POSITION		47,774,440	79,594,408.00

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

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



Fund Account Manager

Name: David M. Githinji



National Sub-County
Accountant

Name: Robert Kinyua
ICPAK M/No:



Chairman NG-CDF
Committee

Name: Patrick G. Wachira

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

IV. Statement of Cash Flows for The Year Ended 30th June 2023

		2022-2023	2021-2022
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	88,497,153	170,534,758
Other Receipts	3	739,073	7,000
		89,236,226	170,541,758
Payments for operating activities			
Compensation of Employees	4	2,530,102	3,490,845
Committee expenses	5	7,275,000	21,920,000
Use of goods and services	6	6,564,944	1,939,430
Transfers to Other Government Units	7	48,559,300	73,325,000
Other grants and transfers	8	54,759,049	94,578,274
Oversight Committee Expenses	10	1,367,800	-
Other Payments	11	-	2,338,514
		121,056,195	197,592,063
Adjusted for:			
Decrease / (Increase) in Accounts receivable	17	-	-
Increase / (Decrease) in Accounts Payable	18	(461,509)	(530,229)
Prior year Adjustments	16	-	-
Net Adjustments		(461,509)	(530,229)
Net cash flow from operating activities		(32,281,478)	(27,580,534)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(32,281,478)	(27,580,534)
Cash and cash equivalent at BEGINNING of the year	12	80,682,346	108,262,880
Cash and cash equivalent at END of the year		48,400,868	80,682,346

Mukurwe-ini Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

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



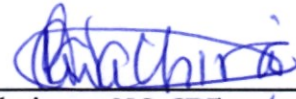
Fund Account Manager

Name: David Githinji



National Sub-County Accountant

**Name: Robert Kinyua
ICPAK M/No:**



Chairman NG-CDF Committee

Name: Patrick G. Wachira

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

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

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	138,215,033	80,682,347	14,740,152	233,637,532	169,179,500	64,458,032.20	72.4%
Proceeds from Sale of Assets				0	-	-	#DIV/0!
Other Receipts		739073		739,073	739,073	(0.24)	100.0%
TOTAL RECEIPTS	138,215,033	81,421,420	14,740,152	234,376,605	169,918,573	64,458,031.96	72.5%
PAYMENTS				0		-	
Compensation of Employees	3,338,388	460,310		3,798,698	2,530,102	1,268,596.00	66.6%
Committee expenses	3,316,000	-9,628,632		-6,312,632	7,275,000	(13,587,632.00)	-115.2%
Use of goods and services	5,784,964	-6,203,954		-418,990	6,564,944	(6,983,934.02)	-1566.8%
Transfers to Other Government Units	52,000,000	76,912,370	5,000,000	133,912,370	48,559,300	85,353,070.00	36.3%
Other grants and transfers	60,775,491	6,276,252		67,051,743	54,759,049	12,292,693.42	81.7%
Acquisition of Assets	2,353,740	5,460,000	6,400,000	14,213,740	-	14,213,739.70	0.0%
Oversight Committee Expenses	1,382,150	0		1,382,150	1,367,800	14,350.00	99.0%
Other Payments	3,500,000	7360000	3,340,153	14,200,153	-	14,200,152.80	0.0%
Funds Pending Approval**	5,764,301	785,073		6,549,374	-	6,549,373.66	0.0%
TOTAL	138,215,033	81,421,419	14,740,153	234,376,605	121,056,195	113,320,409.56	51.7%

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

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

Explanatory Notes.


(a) We did not have any AIA item.

(b) We have not achieved an optimal utilization level due to the transition issues. The new Fund Account Manager reported in November 2022. Further, we had significant concerns on a number of financial transactions for the period up to the date when the new Fund Account manager took over. In fact, we have been the subject of a Special Audit following significant irregular inter vote borrowing and busting of sector ceilings. As a result, we were not able to seek funding for on going projects.

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	113,320,410
Less undisbursed funds receivable from the Board as at 30th June 2023	64,458,032
	48,862,377
Add Accounts payable	(461,509)
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2022/2023	48,400,868

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



Fund Account Manager

Name: David M. Githinji



National Sub-County Accountant

Name: Robert Kinyua
ICPAK M/No:



Chairman NG-CDF Committee

Name: Patrick G. Wachira

Mukurwe-ini Constituency

National Government Constituencies Development Fund (NGCDF)

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

VI. Budget Execution by Sectors and Projects for The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f = d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	6/30/2023		
	Kshs			Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	3,338,388	460,310.00		3,798,698	2,530,102	1,268,596	33%
1.2 Committee allowances	1,548,000	(5,208,632.00)		(3,660,632)	3,366,000	(7,026,632)	192%
1.3 Use of goods and services	2,956,514	362,810.00		3,319,324	3,555,344	(236,020)	-7%
Total	7,842,902	(4,385,512)	-	3,457,390	9,451,446	(5,994,056)	
2.0 Monitoring and evaluation							
2.1 Capacity building	1,366,450	(7,110,000.00)		(5,743,550)	339,600	(6,083,150)	106%
2.2 Committee allowances	1,768,000	(4,420,000.00)		(2,652,000)	1,800,000	(4,452,000)	168%
2.3 Use of goods and services	1,462,000	543,236.00		2,005,236	3,909,000	(1,903,764)	-95%
Total	4,596,450	(10,986,764)	-	(6,390,314)	6,048,600	(12,438,914)	

Mukurwe-ini Constituency

National Government Constituencies Development Fund (NGCDF)

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	6/30/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
3.0 Emergency				-		-	
3.1 Primary Schools				-		-	#DIV/0!
3.2 Secondary schools				-		-	#DIV/0!
3.3 Tertiary institutions				-		-	#DIV/0!
3.4 Security projects			-	-		-	#DIV/0!
3.5 Unutilised	7,636,190	864,825		8,501,015		8,501,015	100%
Total	7,636,190	864,825	-	8,501,015	-	8,501,015	100%
4.0 Bursary and Social Security				-		-	
4.1 Secondary Schools	32,375,000	5,411,006		37,786,006	36,786,532	999,474	3%
4.2 Tertiary Institutions	15,500,000	421		15,500,421	8,572,517	6,927,904	45%
4.3 Social Security				-	-	-	#DIV/0!
4.4 Special Needs	500,000			500,000	-	500,000	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparabl e basis(d) 6/30/2023	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs		Kshs	Kshs	Kshs	Kshs	
Total	48,375,000	5,411,427	-	53,786,427	45,359,049	8,427,378	
5.0 Sports				-		-	
Sports activities	2,464,301			2,464,301	1,100,000	1,364,301	55%
Regional sports tournament	300,000			300,000		300,000	100%
Total	2,764,301	-	-	2,764,301	1,100,000	1,664,301	
				-		-	
6.0 Environment				-		-	
Mukurweini Environment				-	1,100,000	(1,100,000)	#DIV/0!
				-		-	
Total	-	-	-	-	1,100,000	(1,100,000)	
7.0 Primary Schools Projects				-		-	
Gachiriro Primary School	800,000			800,000		800,000	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparabl e basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	6/30/202 3		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Gakima Primary School	800,000			800,000		800,000	100%
Gakira Primary School	800,000			800,000		800,000	100%
Gathiriti Primary School	800,000			800,000		800,000	100%
Gathitu Primary School	800,000			800,000		800,000	100%
Gathukimundu Primary School	800,000			800,000		800,000	100%
Gatura Primary School	800,000			800,000		800,000	100%
Giathugu Primary School	800,000			800,000		800,000	100%
Gikondi Primary School	800,000			800,000		800,000	100%
Githagara Primary School	800,000			800,000		800,000	100%
Githi Primary School	800,000			800,000		800,000	100%
Githung'ung'u Primary School	800,000			800,000		800,000	100%
Githunguri Primary School	800,000			800,000		800,000	100%
Ichamara Primary School	800,000			800,000		800,000	100%



Mukurwe-ini Constituency

National Government Constituencies Development Fund (NGCDF)

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparabl e basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	6/30/202 3		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Ichamara Primary School	800,000			800,000		800,000	100%
Ithanji Primary School	800,000			800,000		800,000	100%
Ititu Primary School	800,000			800,000		800,000	100%
Kagarii Primary School	800,000			800,000		800,000	100%
Kaharo Primary School	800,000			800,000		800,000	100%
Kaheti Primary School	800,000			800,000		800,000	100%
Kaini Primary School	800,000			800,000		800,000	100%
Kangurwe Primary School	800,000			800,000		800,000	100%
Kanunga Primary School	800,000			800,000		800,000	100%
Karaba Primary School	800,000			800,000		800,000	100%
Karaguririo Primary School	800,000			800,000		800,000	100%
Kariara Primary School	800,000			800,000		800,000	100%
Karindi Primary School	800,000			800,000		800,000	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparable basis(d) 6/30/2023	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs		Kshs	Kshs	Kshs	Kshs	
Karundu Primary School	800,000			800,000		800,000	100%
Kiamurathe Primary School	800,000			800,000		800,000	100%
Kiang'onde Primary School	800,000			800,000		800,000	100%
Kianyaga Primary School	800,000			800,000		800,000	100%
Kiawaita Primary School	800,000			800,000		800,000	100%
Kiawamururu Primary School	800,000			800,000		800,000	100%
Kibutio Primary School.	800,000			800,000		800,000	100%
Kigathi primary school	800,000			800,000		800,000	100%
Kihate Primary School	800,000			800,000		800,000	100%
Kihuti Primary School	800,000			800,000		800,000	100%
Kiirungi Primary School	800,000			800,000		800,000	100%
Kinuri Primary School	800,000			800,000		800,000	100%
Maganjo Primary School	800,000			800,000		800,000	100%

Mukurwe-ini Constituency

National Government Constituencies Development Fund (NGCDF)

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f = d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	6/30/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Matiraini Primary School	800,000			800,000		800,000	100%
Matuto Primary School	800,000			800,000		800,000	100%
Mbugwa Primary School	800,000			800,000		800,000	100%
Mihuti Primary School	800,000			800,000		800,000	100%
Muhito Primary School	800,000			800,000		800,000	100%
Mukui Primary School	800,000			800,000		800,000	100%
Muthuthini Primary School	800,000			800,000		800,000	100%
Mutonga Primary School	800,000			800,000		800,000	100%
Mutwewathi Primary School	800,000			800,000		800,000	100%
Mwati Primary School	800,000			800,000		800,000	100%
Mweru Primary School	800,000			800,000		800,000	100%
Ndiaini Primary School	800,000			800,000		800,000	100%
Ngamwa Primary School	800,000			800,000		800,000	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparabl e basis(d) 6/30/2023	Budget utilization difference (e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs		Kshs	Kshs	Kshs	Kshs	
Nguura Primary School	800,000			800,000		800,000	100%
Ningaini Primary School	800,000			800,000		800,000	100%
Nyakahuho Primary School	800,000			800,000		800,000	100%
Rutune Primary School	800,000			800,000		800,000	100%
Tambaya Primary School	800,000			800,000		800,000	100%
Thangathi Primary School	800,000			800,000		800,000	100%
Thukuma Primary School	800,000			800,000		800,000	100%
Wachee Primary School	800,000			800,000		800,000	100%
Wahari Primary School	800,000			800,000		800,000	100%
Wang'era Primary School	800,000			800,000		800,000	100%
Wanguru Primary School	800,000			800,000		800,000	100%
Wanjithi Primary School	800,000			800,000		800,000	100%
Gathitu Primary School	500,000			500,000		500,000	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparabl e basis(d) 6/30/2023	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs		Kshs	Kshs	Kshs	Kshs	
Karundu Primary School	500,000			500,000		500,000	100%
Mutonga Primary School	500,000			500,000		500,000	100%
Kiawamururu Primary school		2,100,000.0		2,100,000	2,100,000	-	
				-	2,500,000	(2,500,000)	#DIV/0!
				-	1,000,000	(1,000,000)	#DIV/0!
				-		-	
Total	53,500,000	2,100,000	-	55,600,000	5,600,000	50,000,000	
8.0 Secondary Schools Projects				-		-	
Ndiaini Girls Secondary School		500,000.0		500,000	500,000	-	0%
Rutune Secondary		3,500,000.0		3,500,000		3,500,000	100%
Mihuti Secondary School		3,500,000.0		3,500,000		3,500,000	100%
Gaikundo Secondary School		3,500,000.0		3,500,000		3,500,000	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparabl e basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	6/30/202 3		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Thangathi					3,500,000	(3,500,000)	#DIV/0!
					3,500,000	(3,500,000)	#DIV/0!
					3,500,000	(3,500,000)	#DIV/0!
					3,500,000	(3,500,000)	#DIV/0!
Wamutitu Secondary School		7,359,300			7,359,300	(7,359,300)	#DIV/0!
Thangathi Secondary School		3,500,000.0		3,500,000		3,500,000	100%
Kihate Orphans Secondary School		3,500,000.0		3,500,000		3,500,000	100%
Kaharo Secondary School		3,500,000.0		3,500,000		3,500,000	100%
Weru Intergrated Secondary School		3,500,000.0		3,500,000		3,500,000	100%
St Augustine Gikondi Boys Secondary School		5,500,000.0		5,500,000	5,500,000.0	-	0%
Gathiriti Secondary School		2,000,000.0		2,000,000		2,000,000	100%
Rev Muhoro sec sch		2,000,000.0		2,000,000		2,000,000	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparabl e basis(d) 6/30/2023	Budget utilization difference(e = c-d) Kshs	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs		Kshs	Kshs	Kshs	Kshs	
					0		
9.0 Tertiary institutions Projects				-		-	
Mukurwe-ini KMTC		32,000,000.0		32,000,000	13,100,000	18,900,000	
Total	-	32,000,000	-	32,000,000	13,100,000	18,900,000	
10.0 Security Projects				-		-	
Kangurwe Police Post	2,000,000			2,000,000		2,000,000	100%
Rural Electrification Authority			5,000,000.0	5,000,000	2,200,000	2,800,000	56%
Ngamwa Assistant Chiefs Office		2,500,000.0		2,500,000	2,500,000	-	0%
Karindi Assistant Chiefs Office		2,500,000.0		2,500,000	2,500,000	-	0%
Bohero and Gatiki Security Mast		1,112,370.0		1,112,370		1,112,370	100%
Kiharo Asst Chief's Office		2,200,000.0		2,200,000		2,200,000	100%
				-		-	

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation f=d/c %
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	6/30/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Kiharo Asst Chief's Office		2,200,000.0		2,200,000		2,200,000	100%
				-		-	
Total	2,000,000	8,312,370	5,000,000	15,312,370	7,200,000	8,112,370	
11.0 Acquisition of assets				-		-	
NG-CDFC Office	2,353,740			2,353,740		2,353,740	100%
11.1 Motor Vehicles			6,400,000.0	6,400,000	-	6,400,000	100%
11.2 Construction of CDF office		1,210,000.0		1,210,000	-	1,210,000	100%
11.3 Purchase of furniture and equipment		4,250,000.0		4,250,000	0	4,250,000	100%
				-		-	
Total	2,353,740	5,460,000	6,400,000	14,213,740	-	14,213,740	
12.0 Oversight Committee Expenses (itemize)				-		-	
Accommodation Allowance	250,000			250,000	200,000	50,000	20%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparabl e basis(d)	Budget utilization difference(e = c-d)	% of Utilisation f=d/c %)
		Opening Balance (C/Blk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	6/30/202 3		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Advertising, Awareness and Publicity Campaigns	107,150			107,150	665,800	(558,650)	-521%
Daily Subsistence Allowance	75,000			75,000	502,000	(427,000)	-569%
Oversight Committee allowance	600,000			600,000		600,000	100%
Refined Fuels and Lubricants for Transport	100,000			100,000		100,000	100%
Travel Costs (Airlines, Bus, Railway, Mileage Allowances)	250,000			250,000		250,000	100%
Total	1,382,150	-	-	1,382,150	1,367,800	14,350	
13.0 Other payments				-		-	
Mukurwe-ini NG-CDF Strategic Plan	2,000,000			2,000,000		2,000,000	100%
Wamutitu Secondary School Bus		7,360,000.0		7,360,000		7,360,000	100%
covid banners			1,843,000.0	1,843,000		1,843,000	100%
Levelling of 15 School fields			1,497,152.8	1,497,153		1,497,153	100%
				-		-	

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparabl e basis(d)	Budget utilization difference(e = c-d)	% Utilis f=d/
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	6/30/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Total	2,000,000	7,360,000	3,340,153	12,700,153	-	12,700,153	
14.0 unallocated fund				-		-	
Unapproved projects	5,764,301			5,764,301		5,764,301	
AIA		785,073		785,073		785,073	
PMC savings				-		-	
Total	5,764,301	785,073	-	6,549,374	-	6,549,374	
	138,215,033	88,780,719	14,740,153	234,376,605	117,686,195	116,690,410	

(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-Mukurweini 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.

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.

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.

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO	xx	33,445,879
AIE NO	xx	44,000,000
AIE NO	xx	22,000,000
AIE NO	xx	5,000,000
AIE NO	XX	18,000,000
AIE NO	XX	12,000,000
AIE NO	XX	12,000,000
AIE NO	XX	10,988,879
AIE NO	XX	13,100,000
AIE NO B185191	7,000,000	XX
AIE NO B185466	6,000,000	XX
AIE NO B185727	15,000,000	XX
AIE NO B206043	5,000,000	XX
AIE NO B205835	12,000,000	XX
AIE NO	1,497,153	XX
AIE NO B206492	12,000,000	XX
AIE NO B207597	15,000,000	XX
AIE NO B207963	15,000,000	XX
TOTAL	88,497,153	170,534,758

2. Proceeds from Sale of Assets

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

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	7,000
Hire of plant/equipment/facilities	-	-
Unutilised funds from PMC	739,073	
Other Receipts Not Classified Elsewhere		-
Total	739,073	7,000

4. Compensation of Employees

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,442,622	2,757,056
Personal allowances paid as part of salary		
House Allowance		
Transport Allowance		
Leave allowance		
Gratuity to contractual employees	-	539,389
Employer Contributions Compulsory national social security schemes	87,580	194,400
Total	2,530,102	3,490,845

5. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	3,366,000	9,257,000
Other committee expenses	3,909,000	12,663,000
Total	7,275,000	21,920,000

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	188,000	136,450
Communication, supplies and services	673,434	-
Domestic travel and subsistence	400,000	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	-	-
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	2,293,910	300,550
Fuel, oil & lubricants	-	680,000
Other operating expenses	2,670,000	156,930
Routine maintenance – vehicles and other transport equipment	339,600	665,500
Routine maintenance – other assets	-	-
Total	6,564,944	1,939,430

7. Transfer to Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	5,600,000	18,325,000
Transfers To Secondary Schools (See Attached List)	29,859,300	22,000,000
Transfers To Tertiary Institutions (See Attached List)	13,100,000	33,000,000
Total	48,559,300	73,325,000

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	36,786,532	32,831,684
Bursary – tertiary institutions (see attached list)	8,572,517	20,074,670
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programs (NHIF)	-	-
Security projects (see attached list)	7,200,000	27,737,630
Sports projects (see attached list)	1,100,000	2,088,568
Environment projects (see attached list)	1,100,000	3,895,722
Emergency projects (see attached list)	-	7,950,000
Roads projects (see attached list)	-	-
Total	54,759,049	94,578,274

9. Acquisition of Assets

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

10. Oversight Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
COC Members allowance	-	-
Other COC expenses	1,367,800	-
TOTAL	1,367,800	-

11. Other Payments

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	2,338,514
	-	2,338,514.00

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Name Of Bank, Account No. (Main account)</i>	48,400,869	80,682,347
<i>Name of Bank, account No. (Deposits account)</i>	-	-
Total	48,400,869	80,682,347
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	49,389,011	80,682,347
<i>[Provide Cash Count Certificates for Each]</i>		

13. Outstanding Imprests

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

[Include an annex if the list is longer than 1 page.]

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

14 B. Gratuity

	2022-2023	2021-2022
	KShs	KShs
Gratuity as at 1 st July (A)	1,087,939	1,618,167
Gratuity held during the year (B)	-	539,389
Gratuity paid during the Year (C)	461,509	(1,069,618)
Closing Gratuity as at 30 th June D= A+B-C	626,429	1,087,938

15. Fund Balance B/F

	(1 st July 2022)	(1 st July 2021)
	Kshs	Kshs
Bank accounts	80,682,347	108,262,880
Cash in hand	-	-
Imprest	-	-
Total	80,682,347	108,262,880
Less		
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	80,682,347	108,262,880

[Provide short appropriate explanations as necessary]

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances			(1,618,167)
Cash in hand			
Accounts Payables			
Receivables			
Others (<i>specify</i>)			
Total			(1,618,167)

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

18. Changes in Accounts Payable – Deposits and Retentions

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	1,087,938	1,618,167
Deposit and Retentions held during the year (B)	-	539,389
Deposit and Retentions paid during the Year (C)	-	1,069,618
closing account payables D= A+B-C	1,087,938	1,087,938
Net changes in accounts payables D-A	-	(530,229)

19. Other Important Disclosures
 19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

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

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	1,268,596.00	460,310
Committee expense	(13,587,632.00)	-
Use of goods and services	(6,983,934.02)	907,394
Amounts due to other Government entities (see attached list)	85,353,070.00	57,270,710
Amounts due to other grants and other transfers (see attached list)	12,292,693.42	16,205,214
Acquisition of assets	14,213,739.70	7,610,000
Oversight Committee expenses	14,350.00	-
Other Payments (<i>specify</i>)	14,200,152.80	13,453,000
Funds pending approval	6,549,373.66	46,000
Total	113,320,409.56	95,952,628

NO.		Bank Balance	Bank Balance
	PMC NAME	2022/23	2021/22
	PMC		
1	Mukurweini Sport Tournament PMC	6,866	6,985
2	Mukurweini Environment PMC	34,818 15	35,058
3	Mukurweini KMTc	1,223,190 04	2,577,095
4			
5		1,264,873 94	2,619,138 00

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19.4: PMC account balances (See Annex 5)

NO.	PMC NAME	Bank Balance	Bank Balance
		2022/23	2021/22
	PMC		
1	Mukurweini Sport Tournament PMC	6,866	6,985
2	Mukurweini Environment PMC	34,818.15	35,058
3	Mukurweini KMTC	1,223,190.04	2,577,095
4			
5		1,264,873.94	2,619,138.00

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VIII. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

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

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2022-2023	Outstanding Balance 2021-2022	Comments
Compensation of employees		(3,177,798)	460,310	
Committee Expenses		(10,442,800)	-	
Use of goods & services		(18,006,730)	907,394	
Amounts due to other Government entities		20,040,700	57,270,710	
Sub-Total				
Amounts due to other grants and other transfers		(33,890,361)	16,205,214	
Sub-Total				
Acquisition of assets		11,860,000	7,610,000	
Others (<i>specify</i>)		9,203,000	13,453,000	
Sub-Total				
Funds pending approval		46,000	46,000	
Grand Total		(24,367,989)	95,952,628	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021/22	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022/23
Land	0	0	0	0
Buildings and structures	24,272,409	0	0	24,272,409
Transport equipment	21,581,182	0	0	21,581,182
Office equipment, furniture and fittings	3,281,691	0	0	3,281,691
ICT Equipment, Software and Other ICT Assets	1,308,127	0	0	1,308,127
Other Machinery and Equipment	0	0	0	0
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
Total	50,443,409	0	0	50,443,409

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Annex 5 –PMC Bank Balances as at 30th June 2023

NO.		Bank	Account number	Bank Balance	Bank Balance
	PMC NAME			2022/23	2021/22
	PMC				
1	Mukurweini Sport Tournament PMC	Equity	,830170946920	6,866	6,985
2	Mukurweini Environment PMC	Equity	,0830173286249	34,818.15	35,058
3	Mukurweini KMTC	Equity	,0830180348066	1,223,190.04	2,577,095
	Total			1,264,873.94	2,619,138.00

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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)
1.1	<p>The statement of assets and liabilities for the year ended June 30 2021 reflects Kshs. 91,644,713 in respect of net financial assets. However, a recast of the net financial assets reflected a balance of Kshs. 106,644,713 resulting into a variance of Kshs 15,000,000</p> <p>In the circumstances, the accuracy of the net financial asset balance of Kshs. 91,644,713 as at 30 June 2021 could not be ascertained.</p>	<p><i>We have amended the financial statements</i></p>	Resolved	
1.2	<p>The summary statement of appropriation reflects Kshs 137,088,879 in respect of transfers from NG-CDF board. However, the corresponding figure reflected in the statement of receipts and payments is Kshs 161,768,542 resulting into a variance of Kshs. 24,679,663.</p> <p>In the circumstances, the accuracy and completeness of the transfers from NG-CDF board amount of Kshs. 137,088,879 for the year under review could not be ascertained</p>	<p><i>The figure in statement of receipts and payments of Kshs. 161,768,542 entails all the disbursement received from the Board. The figure of Kshs 137,088,879 in statement of appropriation is the original budget for the year 2020-2021. The variance results because the disbursement</i></p>	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)
		<i>received during the year 2020-2021 included funds approved in FY 2019/2020. Similarly, the total budget for FY 2020/2021 was not fully funded during the year of audit.</i>		
2.0	<p>The statement of Assets and liabilities for the year ended June 30 2021 has the column for the current year figures presented as 2019-2020 instead of 2020/2021 and the column for comparative balances presented as 2018/2019 instead of 2019/2020 contrary to the prescribed format for presentation of financial statements by the Public Sector Accounting Standards Board (PSASB)</p> <p>In the circumstances, the Fund's financial statement were not as per the prescribed format by the PSASB</p>	<i>We have amended the financial statements</i>	Resolved	
3.0	<p>Note 6 to the financial statements reflects Kshs. 37,603,903 in respect to transfers to other government entities. However, the examination of bill of quantities for ten (10) projects revealed that provisions relating to eight (8) items totaling to Kshs 2,717,000 were not supported by expenditure returns and reports by the county works officer indicating how the provisions were utilized or accounted for.</p>	<i>The supporting documents have been attached for your verification</i>	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>Consequently, the propriety of expenditures on provision of Kshs 2,717,000 for transfers to other government entities during the year under review could not be confirmed.</p> <p>The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - Mukurwe-Ini Constituency 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.</p>			
	<p>Additionally, the summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs 267,733,569 and Kshs 204, 547,538 respectively resulting to a shortfall of Kshs 63, 186,033 of the approved budget Similarly, the statement reflects final expenditure budget and actual on comparable basis totaling to Kshs.267, 733,569 and Kshs 111, 824,048 respectively, resulting into an underperformance of Kshs 155, 909,521 of the budget mainly in the actual expenditures on transfer to other government units of Kshs 37,603,903 against a budget of Kshs</p>	<p><i>The underperformance is caused by delayed disbursement of funds from the board.</i></p>	<p>Not Resolved</p>	<p>Dec 2022</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)
	113,103,903 and other grants and transfers of Kshs 44,881,413 against a budget of 108,028,384 Consequently, the underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Mukurweini Constituency			
1	Note 6 to the financial statements reflects Kshs 37,603,903 in respect to transfers to other government entities which includes Kshs. 2,000,000 in respect to tertiary institutions for the proposed phase 1 Ground floor works for construction of tuition block and perimeter fence for Kenya Medical Training College (KMTTC) at Mukurweini. The Contract was awarded on 19 March 2021 at a contract sum of Kshs 35,000,000 with a completion date of 30 September 2021. However, a review of tender evaluation report revealed that recommended evaluated tender price was Kshs 48,421,928 and the amount exceeded the contract price and the budget of Kshs. 35,000,000 by Kshs. 13,421,928 or 38.3% contrary to Public Procurement and Assets disposal act, 2015 section 132(2) which require that In the case of tenderers that quoted above the available budget, an accounting officer of a procuring entity shall-(a) reveal its available budget to tenderers; and (b) limit its invitation to tenderers whose evaluated prices are not more than twenty five percent above the available budget	<i>KMTTC had an allocation of Kshs 40,000,000. FY 2017-18 had 20,000,000 and FY 2020-2021 had 20,0000. The bidder who was lowest at Kshs 48,421,928 was thus within the 25% limit permissible by the law, PPAD 2015 We thereafter entered into negotiation with the lowest bidder and came up with the Kshs 35,000,000 budget to enable us purchase furniture with the remaining sum. These were within the Public Procurement</i>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
	<p>Further, the Fund did not provide for audit review evidence of a report of the competitive negotiation submitted to the head of procurement function for professional opinion and onward submission to the accounting officer for approval contrary to requirement of section 100(1) of the Public procurement and asset disposal Regulations, 2020 which require that in using competitive negotiations as provided for under section 131 of the Act and in applying the procedure set out in section 132 of the Act, an accounting officer of a procuring entity shall appoint an ad hoc evaluation committee pursuant to section to 46(4) of the Act to negotiate with the bidder on the recommendation of the head of the procurement function.</p> <p>In the circumstance, the management was in breach of the law.</p>	<p><i>and asset disposal regulation 202</i></p>		
2.1	<p>The Fund transferred Kshs 2,500,000 to PMC account for installation of columns, walling. beams, finishes and slab of 2 No storied classrooms (upper floor). The tender for the project was awarded at a contract price of Kshs 2,490,230 with an expected completion date of 31 October 2021.</p> <p>However, it was noted that windows, doors, plastering, floor finishes and paint works worth Kshs 331,380 as per the priced Bill of Quantity had not been done as at the time of audit</p>	<p><i>The BQ were done when the VAT rate was 14 %. Subsequently, when the procurement had been done VAT went back to 16% thus materials went up. We have thus requested from NG-CDF Board for further funding to enable the classrooms to</i></p>	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)
		<i>be completed as per the BO</i>		
2.2	The Fund transferred Kshs 1,500,000 to the PMC payment on 27/11/2020 for renovation of 2 offices, roof repairs, ceiling, painting, replacement of steel door and windows However, it was noted that hacking off of the existing floor screed, plaster to the wall, wall paints, roof paints and purchase of water tank complete with tank base totaling to Kshs 603,700 as per priced bill of quantity had not been done as at the time of audit.	<i>The offices have now been completed. They can be visited for verification</i>	Resolved	
2.3	The Fund disbursed Kshs 1,021,272 to the PMC account on 08/08/2020 for leveling of playing ground (100m by 50m). However, as at the time of physical verification the playing field was not leveled instead the soil was removed leaving a deep hole in the playing field rendering the playing ground not proper for in use	<i>The field had initially been leveled but was interrupted with by a road contractor but has been re-leveled. The project can be visited for verification</i>	Resolved	
2.4	The Fund disbursed Kshs 1,871,892 to the PMC account on 3/06/2021 for renovation of 5 class rooms. However, the removal of the old corrugated roof cover, damaged timber, natural stone walling, roofing with sawn cypress, matching ridges and valleys, UPVC gutters and UPVC down pipes totaling to Kshs 363,420 as per the priced bill of quantity had not been done at the time of the audit verification	<i>The pending works worth 363,420 have been completed. The project can be visited for verification. The maisha mabati was used for the roof to be uniform with the existing roofing sheets. They were also painted</i>	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>Further the bill of quantities required that the use of Pre-painted box profile gauge 28 roofing sheets - MRM grade or any other equal. However, the physical verification revealed that the contractor used maishamabati gauge 30 that were not box profile and not pre painted.</p> <p>Consequently, the value for money on the above-mentioned projects implemented and remained incomplete during the year under review was not achieved for the residents of Mukurweini Constituency.</p> <p>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</p>			

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David M. Githinji
Fund Account Manager.

