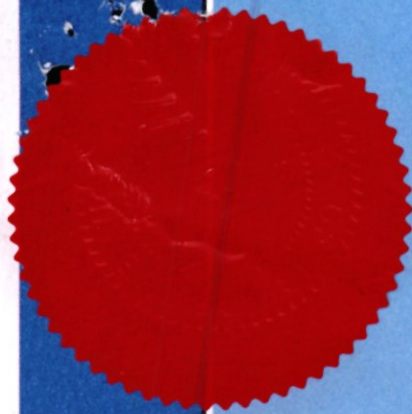


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability



REPORT



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 06 AUG 2024 DAY: TUE 6/8/2024

TABLED BY: Deputy Majority Whip

TABLED AT: THE TABLE:

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – GATUNDU SOUTH
CONSTITUENCY**

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



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
08 MAY 2024
RECEIVED



**GATUNDU SOUTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

ANNUAL REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023**

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

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

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1. Acronyms and Abbreviations

ARMC - Audit and Risk Management Committee

CDF - Constituency Development Fund

FY - Financial Year

IPSAS - International Public Sector Accounting Standards.

NGCDF - National Government Constituencies Development Fund Board

NGCDFB - National Government Constituencies Development Fund Board

NGCDFC - National Government Constituency Development Fund Committee

OSHA - Occupational Safety and Health Act of 2007

PFM - Public Finance Management

PMC - Project Management Committee

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 Gatundu South Constituency NGCDF day-to-day management is under the following key organs:

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

Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Samuel Mawiyoo
2.	Sub-County Accountant	Onesmus Kimani
3.	Chairman NGCDFC	Peter Kinyita
4.	Member NGCDFC	Rose Wanjiru

(c) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Gatundu South Constituency NGCDF. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(d) Gatundu South Constituency NGCDF Headquarters

P.O. Box 213-01030 Gatundu
Gatundu CDF Building
GATUNDU, KENYA

(e) Gatundu South Constituency NGCDF Contacts

Telephone: (254) 0726322626
E-mail: cdfgatundusouth@ngcdf.go.ke
Website: <https://gatundu-south.ngcdf.go.ke>

(f) Gatundu South Constituency NGCDF Bankers

1. Family Bank

Gatundu Branch

P.O.Box 481-010

Gatundu

2. Equity Bank

Gatundu Branch

P.o Box 528 -01030

Gatundu

(g) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

G.P.O 00100

Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

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

3. NG-CDFC Chairman's Report

As the chairman of GATUNDU SOUTH NGCDFC on behalf of the committee members, I am pleased to present to you the annual report and financial statements for the financial year 2022-2023 for GATUNDU SOUTH Constituency. In the year under review, the constituency had a final budget of Ksh **144,582,546**, inclusive of an opening cash book balance of Kshs **6,367,513**. The Constituency spent Kshs **51,878,661** and closed with a cashbook balance of Ksh. **42,488,852** which was **36%** of the amount received from the board.

The financial performance is summarized in the table below:

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	6,367,513		144,582,546	94,367,513	50,215,033	65.3%
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts				0	-	-	-
TOTAL RECEIPTS	138,215,033	6,367,513	0	144,582,546	94,367,513	50,215,033	65.3%
PAYMENTS							
Compensation of Employees	2,172,720	2,370,857		4,543,577.00	2,102,975	2,440,602	46.3%
Committee expenses	2,122,000			2,122,000.00	2,122,000	-	100%
Use of goods and services	8,144,634	2,971,231		11,115,864.99	3,740,218	7,375,647	33.6%
Transfers to Other	44,000,000			44,000,000.00	12,000,000	32,000,000	27.3%

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

Use of goods and services	8,144,634	2,971,231		11,115,864.99	3,740,218	7,375,647	33.6%
Transfers to Other Government Units	44,000,000			44,000,000.00	12,000,000	32,000,000	27.3%
Other grants and transfers	64,086,738	15,511		64,102,249.32	31,913,468	32,188,781	49.8%
Acquisition of Assets				-	-	-	-
Oversight committee Expenses	1,382,150		0	1,382,150.00		1,382,150	
Other Payments	11244800	714		11,245,514.00	-	11,245,514	0.0%
Un allocated funds	5061991	1009200	0	6,071,191.00		6,071,191	
TOTAL	138,215,033	6,367,513	0	144,582,546	51,878,661	92,703,885.24	35.9%

During the financial year 2022-2023, the constituency implemented several projects in various sectors, which show great improvement on financial year allocation.

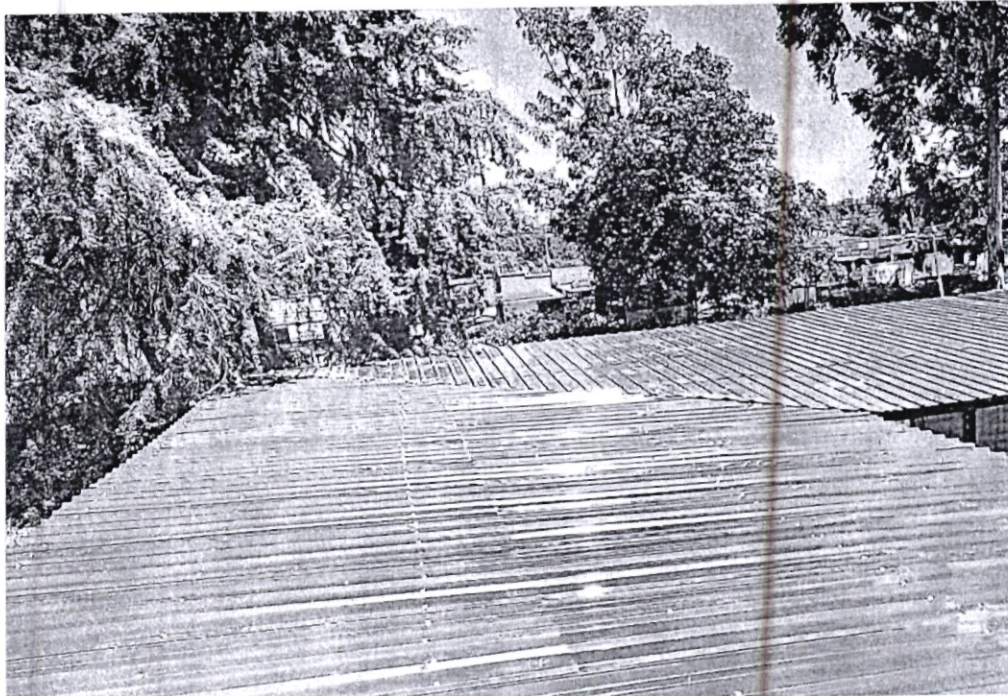


Fig. 1.0–Renovation of Gatundu Police station



Fig 1.1 Gatundu Police office



Fig 2.0 Kimaruri Primary School - Renovation of 6 No classroom



Fig 2.1 Kimaruri Primary School – Renovation of 6 No. classroom

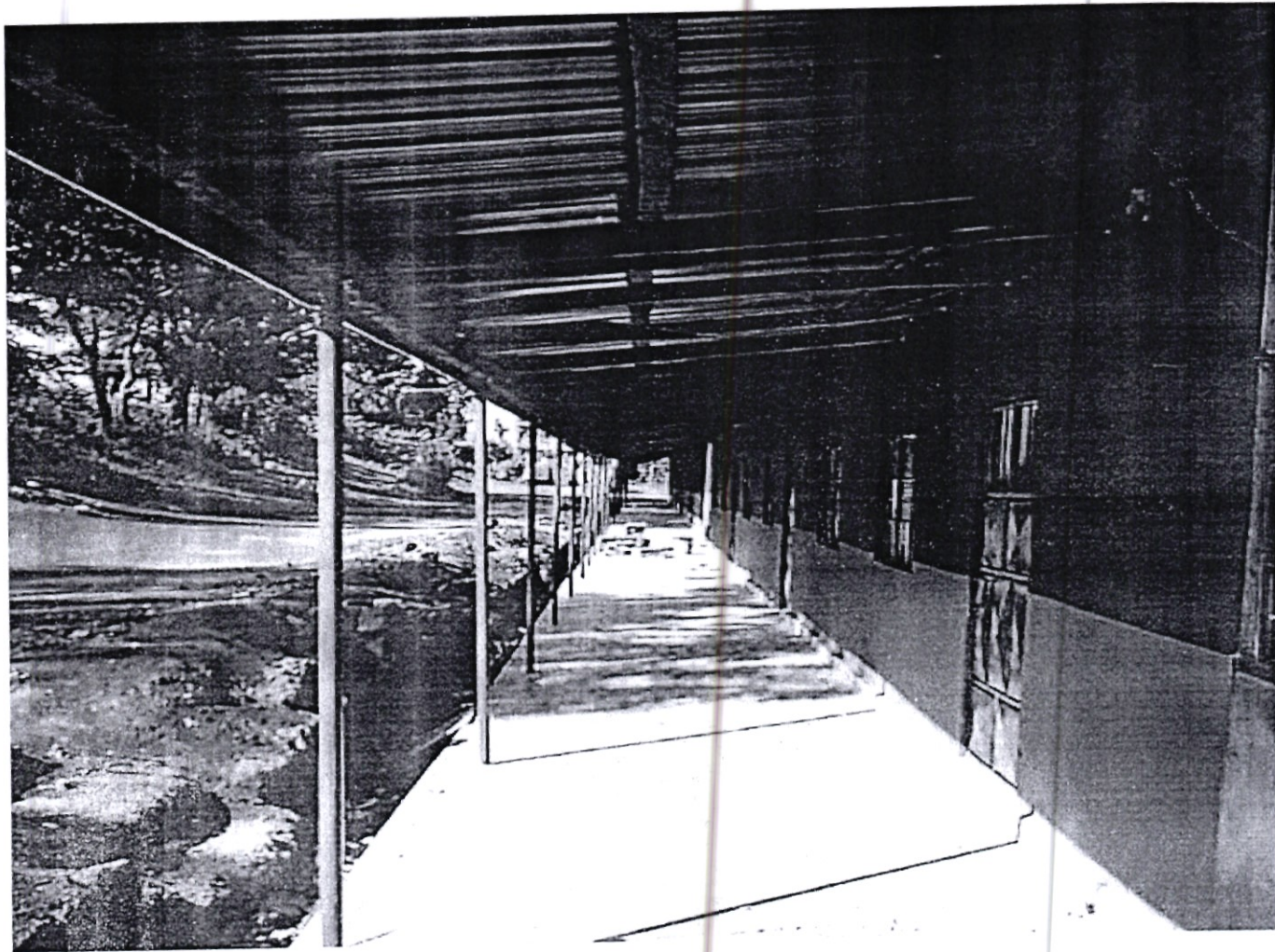


Fig. 3.0 Kiamwangi Primary School –Renovation of 8 No. classroom to completion.

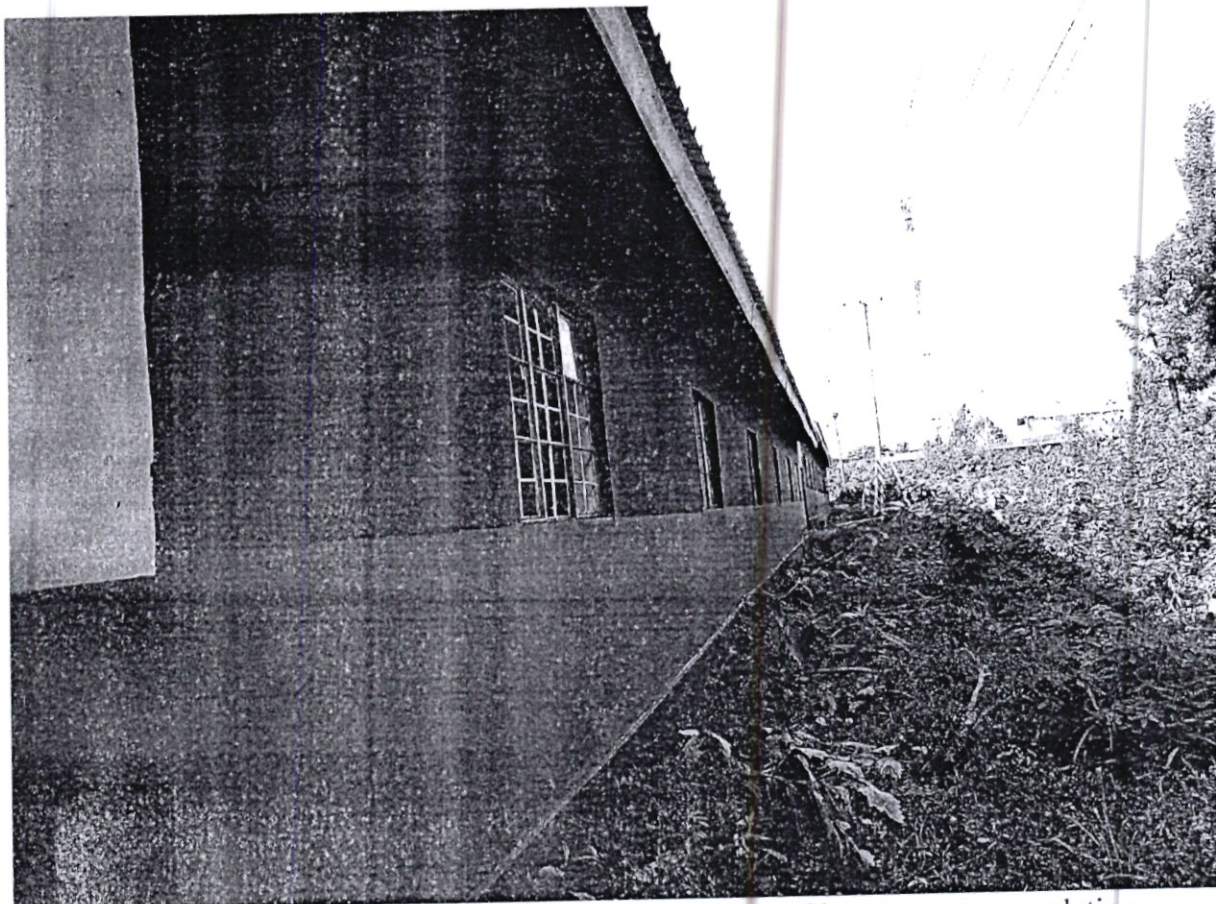
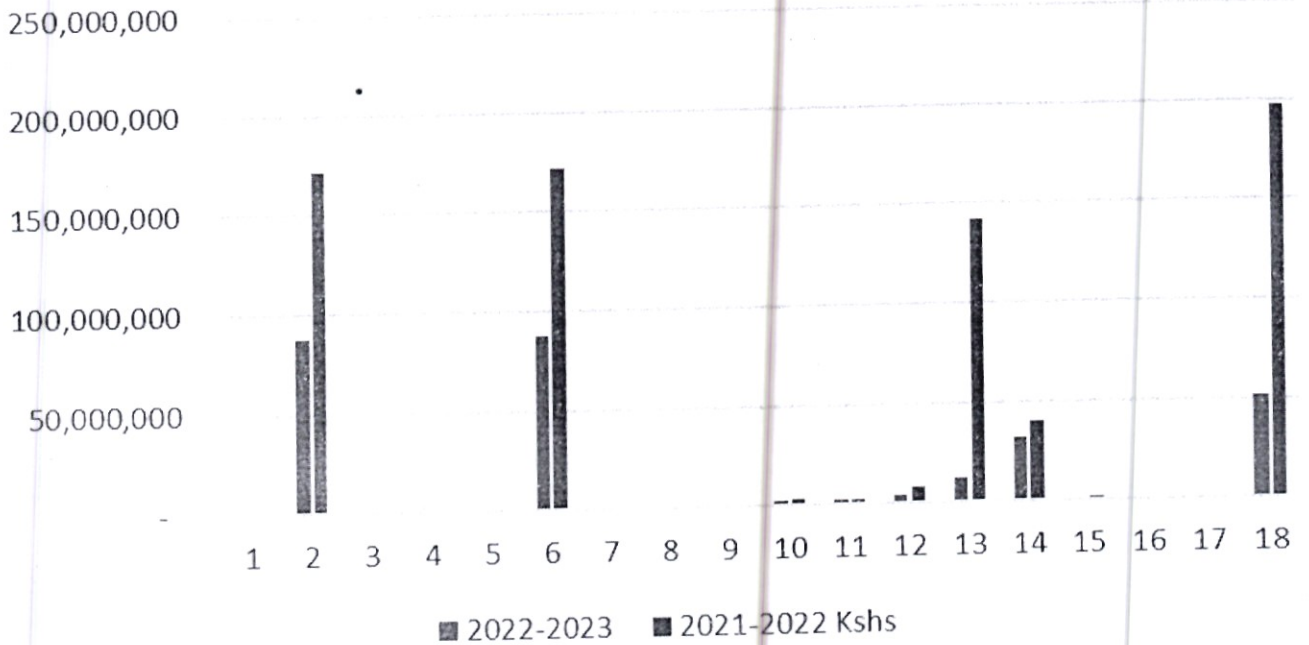


Fig 3.1 - Kiamwangi Primary School – Renovation of 8 No. Classrooms to completion

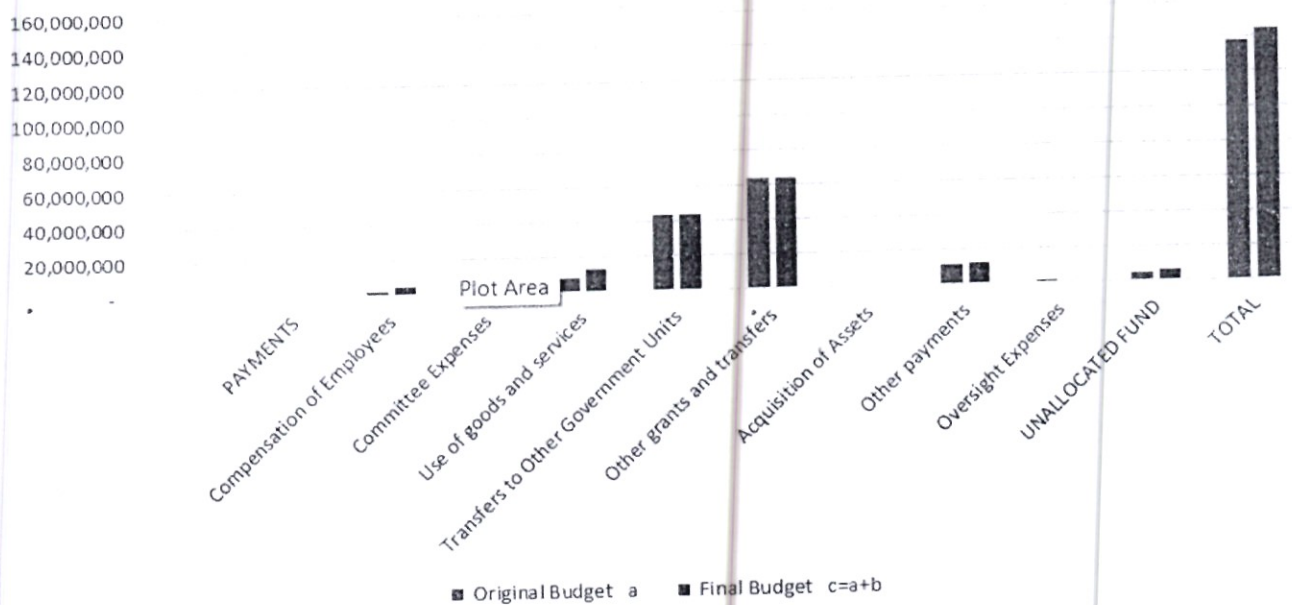
Below is analysis of the expenditure against the final Budget

Statement of receipts and expenditure



This is an indicator of a budget performance against actual amounts for the year 2022/2023

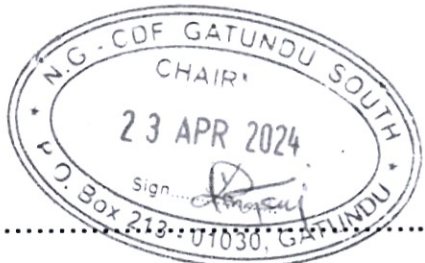
Budget performance against actual amounts



Addressing Challenges and Emerging Concerns:

The identified challenges closely mirror the aforementioned key emerging issues. Consequently, the committee has implemented the following recommendations to mitigate them:

- **Political Interference:** We have taken proactive steps to educate society about the adverse effects of politicizing projects. Moreover, we have established a transparent implementation process, ensuring openness from project initiation to completion.
- **County Projects Alignment:** For projects falling under county jurisdiction and considered a priority by the community, the administration sought consent from the county government prior to approval. This measure aims to prevent project duplication.
- **Targeting Needy Beneficiaries for Bursaries:** To address the issue of efficiently identifying deserving beneficiaries for the bursary fund, the Board should establish a clear bursary policy. This policy will ensure that the allocated funds are directed towards those in genuine need.
- **Infrastructure Enhancement for Schools:** Noteworthy strides have been made in improving the learning environment in our primary schools through classroom renovations. Additionally, we've undertaken the construction and renovation of primary schools, multipurpose halls and dormitories for secondary schools, aligning with the government's post-COVID-19 strategies to elevate education standards.
- **To enhance transparency and accountability in bursary fund management,** we have instituted a practice of publicly posting the list of beneficiaries on our notice board for scrutiny and verification



Peter Kinyita
CHAIRMAN NGCDF COMMITTEE

4. Statement of Performance against Predetermined Objectives for FY2022/2023

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of *Gatundu South Constituency 2022-2023* plans are to:

- a) Promote and improve the quality of education standards
 - b) Improve the security status, and strengthen security sector
 - c) Improve sports and talents among the youth.
- Enhance quality leadership and policy direction for effective fund management

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	<p>In FY 22/23 - we renovated 6 No classrooms each in 3 schools and a police station</p> <p>- Issued bursary for:</p> <p>Day Secondary school – 2073 students</p> <p>Boarding Secondary – 2930 Students</p> <p>Special schools - 70 students</p> <p>College and university – 660 Students</p>

Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
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Constituency Sector	Objective	Outcome	Indicator	Performance
Security	To improve security status and strengthen security sector	Renovation of Gatundu police post in Gatundu South Constituency	-Number of police stations in every ward	In FY 2022/23 The Construction of other police post, ACC and chiefs and Assistant chiefs office is ongoing
Environment	Improve and enhance conservation in the constituency.	Tree planting program has been initiated	- Number of institution that the constituency has planted trees.	- Planting of 10,000 Avocado trees in Gatundu Constituency is ongoing
Sports	Empower and develop youths through sports.	Sport tournament has been empowered and initiated	- Engage with the number of teams that are active in the constituency	- The administration is planning to organise a tournament for Gatundu South youth. .
Emergency	Fire protection facilities has been provided inside and outside the building.	Provision of fire protection and clothing.	- Fire extinguishers are adequate and well maintained	- Number increased from 3-5

5. Statement of Governance

Governance Status Overview

Introduction:

This report provides an overview of the procedures for appointing and dismissing NG-CDF Members, as well as the roles and functions of the committee. It also covers the induction and training of members, the number of meetings held, and disclosure policy on conflict of interest, member compensation, ethical standards, and risk management.

Appointment Process:

The members of a Constituency Committee provided for Appointment of under section 43(2) (b), (c) and (d) of the Act shall be selected by a members of Constituency selection panel established under paragraph (4) upon an occurrence of a Committee. Vacancy in the Constituency Committee. Kenya Subsidiary Legislation, 2016 1951 (2) A vacancy shall occur in Constituency Committee upon—

- Commencement of a new parliamentary term
- Dissolution of a Constituency Committee
- Removal of a member of a Constituency committee
- The occurrence of a vacancy in a Constituency Committee.

Upon the occurrence of a vacancy in a Constituency Committee, the Board shall within fourteen days, constitute a selection panel.

The officer of the Board seconded to the Constituency shall within fourteen days of the first meeting of the selection panel invite applications from persons who qualify for appointment to a Constituency Committee in accordance with guidelines issued by the Board.

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

The officer of the Board seconded to the Constituency shall within seven days of the selection process referred to in paragraph (6) submit to the Board the names of the selected candidates together with the report of the selection panel.

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

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

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

The Board shall, within fourteen days after receipt of the names approved by the National Assembly, appoint the members of a Constituency Committee by notice in the Gazette.

Induction: During the initial meeting on 4/12/2022, attended by the Member of Parliament Gatundu South, Deputy County Commissioner, and Gatundu South Constituency Fund Account Manager, committee members were introduced to their roles and responsibilities. The Chairperson was appointed, and the core objectives of their position were delineated.

NGCDF Committee Member Removal: Provisions within the NGCDF Act section 43 (13) and (14) outline the process for removing a committee member, which may occur due to various reasons, such as lack of integrity, gross misconduct, embezzlement of public funds, and other infractions affecting the committee's reputation or functioning.

➤ The members of a Constituency Committee may remove a Removal of a member in accordance with section 43 (13) and (14) of the Act upon receipt of a complaint against a member.

➤ A complaint against a member of a Constituency Committee shall be deposited with the National Government Constituency Office.

➤ The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting.

➤ If, at a meeting held and members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues re received in the complaint within fourteen days of the date of the notice.

➤ A copy of the complaint and any other grounds of removal shall be attached to the notice issued

➤ The member against whom a complaint is raised may, in addition to the written response required and may call witnesses

➤ If the member against whom a complaint is raised chooses not to submit a response in writing or to attend the hearings, a Constituency Committee may proceed to determine the matter.

➤ A Constituency Committee shall issue its decision on the complaint within seven days after the conclusion of the hearing.

Roles and Functions of the Committee:

The NGCDF Board Committee is entrusted with several key responsibilities;

- i. Build the capacity of project management committees and Committee and sensitize the Community on the operations of the Fund.
- ii. Consider all project proposals from all wards in the constituency and any other projects which a Constituency Committee considers beneficial to the Constituency.
- iii. Ensure that all proposed projects that are approved for funding meet the requirements of section 24 of the Act; 1956 - Kenya Subsidiary Legislation, 2016.
- iv. Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans and make sure they fall within the functions of the National Government under the Constitution.
- v. Consult with relevant government departments to ensure that all cost estimates for projects are realistic;
- vi. Rank projects proposals in order of priority while ensuring that on-going projects take precedence.
- vii. Ensure that all projects receive adequate funding and are completed within three years.
- viii. Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies.
- ix. Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board.
- x. Monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board;

- xi. Ensure that project reports are prepared and submitted to the Board
- xii. Ensure formation of project management committees, opening of project accounts, project implementation and closure of projects.
- xiii. Ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund; Submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act;

Removal of Constituency committee Member

- The members of a Constituency Committee may remove a member in accordance with section 43 (13) and (14) of the Act upon receipt of a complaint against a member.
- A complaint against a member of a Constituency Committee shall be deposited with the National Government Constituency Office.
- The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complaint, but the member against whom the complaint is raised shall not participate in such a meeting.
- If, at a meeting held and members determine that sufficient grounds exist requiring the member against whom the complaint is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues re received in the complaint within fourteen days of the date of the notice.
- A copy of the complaint and any other grounds of removal shall be attached to the notice issued.

- The member against whom a complaint is raised may, in addition to the written response required and may call witnesses
- If the member against whom a complaint is raised chooses not to submit a response in writing or to attend the hearings, a Constituency Committee may proceed to determine the matter.
- A Constituency Committee shall issue its decision on the complaint within seven days after the conclusion of the hearing.

Sub-committee

During the start of the financial year the NGCDFC had formed two sub-committee; bursary and tender committee.

Training

In the fiscal year 2022/2023, the Board Committee participated training session in Embu to enhance their effectiveness in fulfilling their duties. These training sessions aimed to equip them with the necessary skills and values for making informed decisions and effectively executing their responsibilities.

Meeting Frequency

The NGCDF Committee convened a total of 8 meetings in the financial year 2022/2023, aligning with the provisions of the act.

Conflict of Interest Policy

While conflict of interest is a recurring topic in their meetings, no member has raised any concerns on this matter.

Remuneration

Committee members do not receive a fixed monthly salary but are granted a 5,000/= allowance per meeting attended.

Ethical Standards and Conduct

To uphold order and ethical standards, members are expected to adhere to principles such as confidentiality, integrity, willingness, openness, and transparency. They take an oath of office before commencing their service.

Risk Management

To effectively manage risks, several measures have been implemented, including oversight by the Project Management Committee, creating a conducive working environment, evaluating bill of quantities prior to fund allocation, establishing mechanisms for efficient bursary issuance, allocating adequate funds for ongoing projects, conducting regular assessments of NGCDF Projects, maintaining a structured communication channel between the Board and the Constituency, accounting for inflation in the Bills of Quantity, and ensuring proper security measures at the office, project sites, and during assessments. Additionally, continuous capacity building efforts target employees, NGCDF committee members, and stakeholders for enhanced effectiveness.

6. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

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

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

2. Environmental performance

- NGCDF Gatundu south has ensured that the environment we live and work in is protected.
- Our key responsibility and an important aspect is the way in which we carry our operations. For instance, the administration has assigned head teacher in primary schools to plant Avocado trees and encourage their students to take care of them.
- The NGCDF administration has planned renovation and construction of police post, chiefs and assistant chief's offices to raise awareness among the youth about the consequences of substance abuse.
- The administration is planning to organise a tournament for Gatundu South youth.

3. Employee welfare

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

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

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. 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-

Gatundu South 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-

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

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



.....
Samuel Mawiyoo,
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- Gatundu South Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

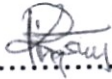
The Accounting Officer in charge of the NGCDF Gatundu South Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under

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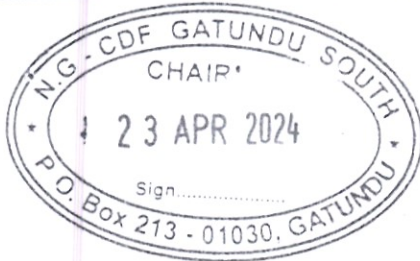
audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Gatundu South Constituency financial statements were approved and signed by the Accounting Officer on 23rd April 2024.



.....
Peter Kinyita,
Chairman – NGCDF Committee.





.....
Samuel Mawiyoo,
Fund Account Manager.



REPUBLIC OF KENYA

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P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GATUNDU SOUTH 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 - Gatundu South Constituency set out on pages 1 to 42, 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 - Gatundu South Constituency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Misstatement of Use of Goods and Services

The statement of receipts and payments reflects use of goods and services expenditure amount of Kshs.3,740,218 as disclosed in Note 6 to the financial statements. However, the expenditure was not supported by individual ledger schedules for each sub component. Further, review of the payment vouchers revealed that expenditure totalling Kshs.2,238,000 was wrongly charged to use of goods and services instead of committee allowances.

In the circumstances, the accuracy and completeness of the use of goods and services expenditure amounting to Kshs.3,740,218 could not be confirmed.

2. Unreconciled and Unsupported Committee Expenses

The statement of receipts and payments reflects committee expenses amounting to Kshs.2,122,000 as disclosed in Note 5 to the financial statements. Review of payment vouchers revealed that payments totalling Kshs.1,930,000 in respect to committee allowances were not included in the financial statements. Further, review of the payment vouchers for committee allowances revealed that payments totalling Kshs.1,289,000 were wrongly charged to committee allowances instead of use of goods and services. In addition, review of the committee allowances ledger revealed four (4) payment vouchers totalling Kshs.809,800 were not provided for audit review.

In the circumstances, the accuracy and completeness of committee expenses amounting to Kshs.2,122,000 could not be confirmed.

3. Failure to Disclose Gratuity Payable

Note 19.2 to the financial statements on pending staff payables reflects Nil balance of pending NGCDF staff gratuity payable. However, the Fund has five (5) staff who have valid contracts and are entitled to monthly gratuity of 31% of the basic salary totalling Kshs.606,360 which had not been disclosed in the financial statements.

In the circumstances, the accuracy and completeness of the pending staff gratuity payable balance could not be confirmed.

4. Unsupported Bursary Disbursements

During the year under review, Fund Management issued bursaries amounting to Kshs.30,337,860 to secondary schools, tertiary institutions and special schools. Analysis of the bursary list provided for audit revealed that, one hundred and thirty-three students (133) without admission numbers were awarded bursaries totalling Kshs.892,000. However, no documentary evidence was provided to confirm whether the bursary was issued to the intended beneficiaries. Further, analysis of the bursary list revealed that one hundred and ten (110) beneficiaries were awarded bursary amounting to Kshs.2,754,860. However, the criteria for awarding the bursaries was not provided for review to justify the awarding of different bursary amounts to same category of beneficiaries. This was contrary to circular CDFB/CEO/BOARD CIRCULARS VOL II (021) dated 16 June, 2020.

In the circumstances, the accuracy and completeness of Bursary disbursements of Kshs.892,000 and Kshs.2,754,860 could not be confirmed.

5. Failure to Provide Fixed Assets Register

Annex 4 to the financial statements on summary of fixed asset register reflects total assets of Kshs.15,361,162. However, the comprehensive fixed asset register was not provided for audit review. This was contrary to Section 149(2)(o) of the Public Finance Management Act, 2012, which requires the Accounting Officer to ensure that Government entity has adequate systems and processes in place for the maintenance of an assets register that is current, relevant and available to the Auditor-General.

In the circumstances, the accuracy and completeness of Fixed Assets balance of Kshs.15,361,161 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 – Gatundu South Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance With the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis amounts of Kshs144,582,546 and Kshs.94,367,513 respectively resulting to an under-funding of Kshs.50,215,033 or 35% of the budget. However,, the Fund spent Kshs.51,878,661 against actual receipts of Kshs.94,367,513 resulting to an under-utilization of Kshs.42,488,852 or 45% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

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. Committee Meetings Exceeding the Threshold

Review of the NGCDF Committee records provided for audit revealed that the committee members held twenty-eight (28) meetings during the year under review. However, the committee exceeded the required number of meetings by four (4) resulting to payment of additional committee allowances amounting to Kshs.208,000. This was contrary to Section 43(11) of the National Government Constituency Development Act, 2015 which requires that the Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings. Further, Management did not provide the NGCDF Committee annual plan for the meetings held.

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

2. Failure to Provide Committee Appointment Letters

Note 5 to the financial statements reflects committee expenses amounting to Kshs.2,122,000. Review of the gazette notice (Vol CXXIV No.266) dated 9 December, 2022, revealed that seven (7) NGCDFC members of Gatundu South Constituency were gazetted by the NGCDF Board but appointment letters for the NGCDF committee members were not provided for audit. It was therefore not possible to confirm the actual appointment of the committee members.

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

3. Failure to Report on Emergency Funds Utilization

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.31,913,468 which includes emergency expenditure amounting to Kshs.375,608 as disclosed in Note 8 to the financial statements. However, Management did not provide documentary evidence indicating that the emergency expenditure was reported to the Board using the prescribed format. This was contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the utilization of emergency reserve shall be reported to the Board within 30 days of the occurrence of emergency in the format prescribed by the Board.

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

4. Delay in Implementation of Projects

During the year under review, the Fund budgeted for fifty (54) projects with a total budgeted expenditure of Kshs.133,53,040, out of which twenty-five (25) projects with a budget of Kshs.52,373,401 had not been implemented.

In the circumstances, delayed implementation of approved projects may have impacted negatively on service delivery to the public.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 control, 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 and as applicable matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in

an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and 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


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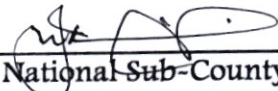
9. Statement of Receipts and Payments for the Year Ended 30th June 2023


	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	88,000,000	172,177,758
Proceeds From Sale of Assets	2		
Other Receipts	3		
Total Receipts		88,000,000	172,177,758
Payments			
Compensation Of Employees	4	2,102,975	3,045,137
Committee expenses	5	2,122,000	2,381,348
Use Of Goods and Services	6	3,740,218	8,333,112
Transfers To Other Government Units	7	12,000,000	141,600,000
Other Grants and Transfers	8	31,913,468	40,569,121
Acquisition Of Assets	9		1,999,300
Oversight Committee Expenses	10		
Other Payments	11		
Total Payments		51,878,661	197,928,018
Surplus/ (Deficit)		36,121,339	(25,750,260)

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 23rd April 2024 and signed by:


Fund Account Manager

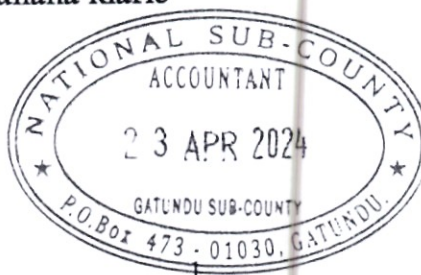

National Sub-County Accountant


Chairman NG-CDF Committee

Samuel Mawiyoo

Juliana Kiarie

Peter Kinyita



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

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

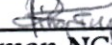
	Note	FY 2022/2023	FY 2021/2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	42,488,852	6,367,513
Cash Balances (Cash at Hand)	12B		
Total Cash and Cash Equivalents		42,488,852	6,367,513
Accounts Receivable			
Outstanding Imprests	13		
Total Financial Assets		42,488,852	6,367,513
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A		
Gratuity	14B		
Total Financial Liabilities			
Net Financial Assets		42,488,852	6,367,513
Represented By			
Fund Balance B/Fwd	15	6,367,513	32,117,774
Prior Year Adjustments	16		
Surplus/Deficit for The Year		36,121,339	(25,750,260)
Net Financial Position		42,488,852	6,367,514

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 23rd April, 2024 and signed by:


 Fund Account Manager

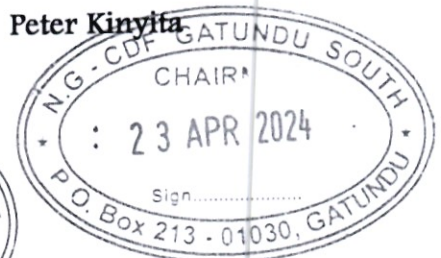

 National Sub-County
 Accountant


 Chairman NG-CDF
 Committee

Samuel Mawiyoo

Juliana Kiarie

Peter Kinyita




Gatundu South Constituency
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11. Statement Of Cash Flows for The Year Ended 30th June 2023

	Notes	FY 2022/2023 Kshs	FY 2021/2022 Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	88,000,000	172,177,758
Other receipt	3	-	-
Total Receipts		88,000,000	172,177,758
Payments			
Compensation Of Employees	4	2,102,975	3,045,137
Committee Expenses	5	2,122,000	2,381,348
Use Of Goods and Services	6	3,740,218	8,333,112
Transfers To Other Government Units	7	12,000,000	141,600,000
Other Grants and Transfers	8	31,913,468	40,569,121
Oversight Committee Expenses	10		
Other Payments	11		
Total Payments		51,878,661	195,928,718
Total Receipts Less Total Payments			
Adjusted For:			
Prior Year Adjustments	16		
Decrease/(Increase) In Accounts Receivable	17		
Increase/(Decrease) In Accounts Payable	18		
Net Cash Flow from Operating Activities		36,121,339	(23,750,960)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2		
Acquisition Of Assets	9		(1,999,300)
Net Cash Flows from Investing Activities			(1,999,300)
Net Increase In Cash And Cash Equivalent		36,121,339	(25,750,260)
Cash & Cash Equivalent At Start Of The Year	12	6,367,514	32,117,774
Cash & Cash Equivalent At End Of The Year		42,488,853	6,367,514

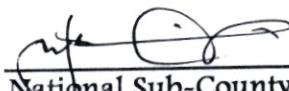
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 23rd April 2024 and signed by:


 Fund Account Manager

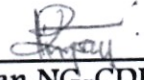
Samuel Mawiyoo



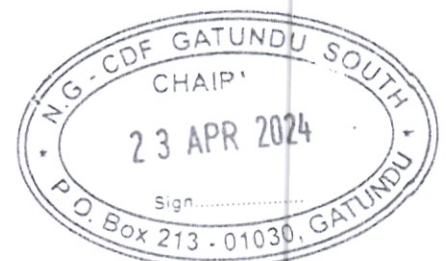

 National Sub-County Accountant

Juliana Kiarie




 Chairman NG-CDF Committee

Peter Kinyita



*Gatundu South Constituency
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12. 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	133,153,040	6,367,513		139,520,553	94,367,513	45,153,040	65.3%
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts				0	-	-	0.0%
Un approved funds	5,061,991.			5,061,991		5,061,991	0.0%
TOTAL RECEIPTS	138,215,033	6,367,513	0	144,582,546	94,367,513	50,215,033	65.3%
PAYMENTS							
Compensation of Employees	2,172,720	2,370,857		4,543,577.00	2,102,975	2,440,602	46.3%
Committee expenses	2,122,000			2,122,000.00	2,122,000	-	100%
Use of goods and services	8,144,634	2,971,231		11,115,864.99	3,740,218	7,375,647	33.6%
Transfers to Other Government Units	44,000,000			44,000,000.00	12,000,000	32,000,000	27.3%
Other grants and transfers	64,086,738	15,511		64,102,249.32	31,913,468	32,188,781	49.8%
Acquisition of Assets				-	-	-	-
Oversight committee Expenses	1,382,150		0	1,382,150.00		1,382,150	
Other Payments	11244800	714		11,245,514.00	-	11,245,514	0.0%
Un allocated funds	5,061,991	1009200	0	6,071,191.00		6,071,191	
TOTAL	138,215,033	6,367,513	0	144,582,546	51,878,661	92,703,885.24	35.9%


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

Explanatory Notes.

- a. There was a delay in unemployment benefits due to the change in the NGCDFC committee.
- b. The administration had allocated funds to operate the office for the use of goods and services. Consequently, there was a decrease in activities due to a shortage of funds during that period.
- c. In the case of transferring to another government unit, the administration had rearranged projects to align with the community's requested needs.
- d. The administration received funds in July 2023 for other grants and transfers, which will be utilized in the fiscal year 2023/2024.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	92,703,885
Less undisbursed funds receivable from the Board as at 30 th June 2023	50,215,033
Increase/(decrease) Accounts payable	42,488,852
(Decrease)/Increase Accounts Receivable	
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the 30 th June 2023	42,488,852

The Constituency financial statements were approved by NG CDFC on 23rd April, 2024 and signed by:


 Fund Account Manager

Samuel Mawiyoo



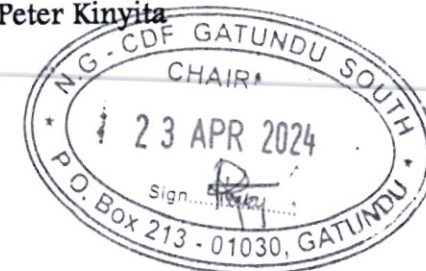

 National Sub-County Accountant

Juliana Kiarie




 Chairman NG-CDF Committee

Peter Kinyita



*Gatundu South Constituency
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13. 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)	
	2022-2023	Opening Balance (C/Blk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023		
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent							
1.1 Compensation of employees	2,172,720	2,370,857.00		4,543,577	2,102,975	2,440,602	46%
1.2 Committee allowances	1,498,000			1,498,000	919,421	98,000	61%
1.3 Use of goods and services	4,622,183	6,384.00		4,628,567	2,163,736	2,945,410	47%
Total	8,292,903	2,377,241	-	10,670,144	5,186,132	5,484,012	49%
2.0 Monitoring and evaluation						-	
2.1 Capacity building	980,000	189,070.00		1,169,070		1,169,070	0%
2.2 Committee allowances	624,000	1,415,999.00		2,039,999	1,202,579	837,420	59%
2.3 Use of goods and services	2,542,451	1,359,778.00		3,902,229	1,576,483	2,325,746	40%
Total	4,146,451	2,964,847	-	7,111,298	2,779,062	4,332,236	39%
3.0 Emergency							
3.1 Primary Schools	7,636,190	3,916.00		7,640,106	375,608	7,264,498	5%
3.2 Secondary schools				-		-	
3.3 Tertiary institutions				-		-	
3.4 Security projects				-		-	
3.5 Unutilised				-		-	

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	30/06/2023		
Total	7,636,190	3,916		7,640,106	375,608	7,264,498	5%
4.0 Bursary and Social Security							
4.1 Secondary Schools	22,000,000			22,000,000	21,764,960	235,040	99%
4.2 Tertiary Institutions	7,000,000			7,000,000	7,232,900	(232,900)	103%
4.3 Social Security	5,100,000			5,100,000		5,100,000	0%
4.4 Special Needs	1,500,000	169.00		1,500,169	1,340,000	160,169	89%
4.5 Bursary vocational Institution	10,521,947			10,521,947		10,521,947	0%
Total	46,121,947	169	-	46,122,116	30,337,860	15,784,256	66%
5.0 Sports	2,464,301	5,561.00		2,469,862		2,469,862	0%
Sports activities							
Regional Sports tournament	300,000			300,000		300,000	0%
5.1							
Total	2,764,301	5,561	-	2,769,862	-	2,769,862	0%
6.0 Environment							
Kahuguini Primary School	1,382,150			1,382,150		1,382,150	0%
Kagera Primary School	1,382,150			1,382,150		1,382,150	0%
Total	2,764,301	-	-	2,764,301	-	2,764,301	0%

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	30/06/2023		
7.0 Primary Schools Projects							
Githaruru Primary School	3,000,000.00			3,000,000		3,000,000	0%
Kahuguini Primary School	3,000,000.00			3,000,000	3,000,000	-	100%
Gathiru Primary School	3,000,000.00			3,000,000		3,000,000	0%
Kiganjo Primary School	3,000,000.00			3,000,000		3,000,000	0%
Ndundu Primary School	3,000,000.00			3,000,000		3,000,000	0%
Muthiga Primary School	3,000,000.00			3,000,000		3,000,000	0%
Gatitu Primary School	3,000,000.00			3,000,000		3,000,000	0%
Kagera Primary School	3,000,000.00			3,000,000		3,000,000	0%
Kiamwangi Primary School	3,000,000.00			3,000,000	3,000,000	-	100%
Kimaruri Primary School	3,000,000.00			3,000,000	3,000,000	-	100%
Mutunguru Primary School	3,000,000.00			3,000,000	3,000,000	-	100%
Kibiru Primary School	3,000,000.00			3,000,000		3,000,000	0%
Total	36,000,000	-	-	36,000,000	12,000,000	24,000,000	33%
8.0 Secondary Schools Projects							
Githuya Secondary School	1,000,000.00			1,000,000		1,000,000	0%
Handege Secondary School	1,000,000.00			1,000,000		1,000,000	0%
Kiamworia Girls high school	1,000,000.00			1,000,000		1,000,000	0%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2022-2023			2022-2023	30/06/2023	
Kagio secondary School	1,000,000.00			1,000,000		0%
Ueke-ini Secondary School	1,000,000.00			1,000,000		0%
Gatitu High School	1,000,000.00			1,000,000		0%
Ndarugu Secondary School	1,000,000.00			1,000,000		0%
Munyu-ini Secondary School	1,000,000.00			1,000,000		0%
Total	8,000,000			8,000,000		
9.0 Tertiary institutions Projects						
						0%
Total				1,800,000		100%
10.0 Security Projects						
Kiamworia chiefs office and Gitare Asst chiefs offices	1,800,000			1,200,000	1,200,000	0%
Gatundu Sub-county Police Headquarters	1,200,000			1,800,000		0%
Kirangi Police post	1,800,000			4,315		0%
Assistant County Commissioner Kiamwangi office (Kiamwangi Ajira Centre)			4,315.00			4,315

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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023		
Assistant County Commissioner Ngenda office (Gatundu Ajira Centre)		1,550.00		1,550		1,550	0%
Total	4,800,000	5,865	-	4,805,865	1,200,000	3,605,865	25%
11.0 Acquisition of assets				-		-	
NG CDF OFFICE	-						
Total	-		-	-		-	
12.0 Other payments				-		-	
						-	
Srategic plan	3,500,000	14.00		3,500,014.00		3,500,014.00	0%
Gatundu South NG-CDF office	2,200,000	700.00		2,200,700.00		2,200,700.00	0%
Motor vehicle	5,544,800			5,544,800.00		5,544,800.00	0%
Constituency oversite Committee Expenses	1,382,150			1,382,150.00		1,382,150.00	0%
				-			
				-			
Total	12,626,950	714		12,627,664	-	12,627,664	0%
13.0 unallocated fund							
Unapproved projects	5,061,991			5,061,991		5,061,991	0%
AIA		1,009,200.00		1,009,200		1,009,200	0%

*Gatundu South Constituency
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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	30/06/2023		
PMC savings	5,061,991	1,009,200	-	6,071,191	-	6,071,191	0%
Total	138,215,033	6,367,513	-	144,582,546	51,878,662	92,703,884	36%

(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-Gatundu South Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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15. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	FY 2022/2023	FY 2021/2022
NGCDF Board	Kshs	Kshs
AIE No. B185057	7,000,000	
AIE No. B206281	26,000,000	
AIE No. B206342	12,000,000	
AIE No. B205728	12,000,000	
AIE No. B207515	15,000,000	
AIE No. B207855	16,000,000	
AIE No. B140886		35,088,879.3
AIE No B105435		44,000,000
AIE No B 105764		24,000,000
AIE No B132498		10,000,000
AIE No B128809		12,000,000
AIE No B154007		20,000,000
AIE No B154300		27,088,879
TOTAL	88,000,000	172,177,758

2. Proceeds From Sale of Assets

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

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3. Other Receipts

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

Gatundu South Constituency
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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	<i>FY 2022/2023</i>	<i>FY 2021/2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,004,015.36	2,980,337
Personal allowances paid as part of salary		
House Allowance		
Transport Allowance		
Leave allowance		
Gratuity to contractual employees		
Employer Contributions Compulsory national social security schemes	98,960.00	64,800
Total	2,102,975.36	3,045,137

5. Committee Expenses

	<i>FY 2022/2023</i>	<i>FY 2021/2022</i>
	Kshs	Kshs
Sitting allowance	937,975.00	495,348.00
Other committee expenses	1,184,025.00	1,886,000.00
Total	2,122,000.00	2,381,348.00

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6. Use of Goods and services

	<i>FY 2022/2023</i>	<i>FY 2021/2022</i>
	Kshs	Kshs
Utilities, supplies and services		
Communication, supplies and services	148,000.00	342,086.00
Domestic travel and subsistence	371,120.37	1,038,100.00
Printing, advertising and information supplies & services	511,980.00	765,594.00
Rentals of produced assets		
Training expenses	65.65	4,394,000.00
Hospitality supplies and services	673,870.31	346,535.00
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	1,404,624.00	355,277.00
Fuel , oil & lubricants		
Other operating expenses		713,755.00
Security operations	364,026.00	
Routine maintenance - vehicles and other transport equipment		
Routine maintenance- other assets	106,500	
Electricity	63,900.00	121,350
Water and sewerage charges	95,299.67	226,955
Bank charges	831.71	29,460
Total	3,740,217.71	8,333,112

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Notes To The Financial Statements (Continued)

7. Transfer To Other Government Units

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	12,000,000	58,300,000
Transfers To Secondary Schools (See Attached List)	-	83,300,000
Transfers To Tertiary Institutions (See Attached List)		
Total	12,000,000	141,600,000

8. Other Grants and Other transfers

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	21,764,960.00	15,143,683.00
Bursary – tertiary institutions. (see attached list)	7,232,900.00	9,947,316.00
Bursary – special schools (see attached list)	1,340,000.00	815,000.00
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	
Security projects (see attached list)	1,200,000.00	2,996,500.00
Sports projects (see attached list)	-	2,876,132.00
Environment projects (see attached list)	-	1,600,000.00
Emergency projects (see attached list)	375,608.00	7,190,490.00
Roads projects (see attached list)	-	-
Total	31,913,468.00	40,569,121

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Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Purchase of Buildings		
Construction of Buildings		
Refurbishment of Buildings	-	1,999,300
Purchase of Vehicles and Other Transport Equipment		
Purchase of Household Furniture and Institutional Equipment		
Purchase of Office Furniture and General Equipment		
Purchase of ICT Equipment, Software and Other ICT Assets		
Purchase of Specialized Plant, Equipment and Machinery		
Rehabilitation and renovation of plant, machinery and equipment		
Acquisition of Land		
Acquisition Intangible Assets		
Total	-	1,999,300

10. Oversight Committee Expenses

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

11. Other Payments

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

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	FY 2022-2023	FY 2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank</i>	11,488,852	6,367,513
<i>Family Bank</i>	31,000,000	-
Total	42,488,852	6,367,513
12 B: Cash on Hand		
Location 1		
Location 2		
Location 3		
Other Locations (<i>Specify</i>)		
Total	42,488,852	6,367,513

13. Outstanding Imprests

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

Gatundu South Constituency
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Notes to the Financial Statement Continued

14. Retention and Gratuity

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

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

15. Fund Balance B/F

	<i>2022-2023 (1st July 2022)</i>	<i>2021-2022 (1st July 2021)</i>
	Kshs	Kshs
Bank accounts	6,367,513	32,117,774
Cash in hand		
Imprest		
Total		
Less		
Payables: - Retention		
Payables – Gratuity		
Fund Balance Brought Forward	6,367,513	32,117,774

16. Prior Year Adjustments

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

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

17. Changes In Accounts Receivable – Outstanding Imprests

	FY 2022/2023	FY 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

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

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Notes to the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	FY 2022/2023	FY 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)

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

19.3: Unutilized Fund (See Annex 3)

	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Compensation of employees	2,440,602	2370857
Committee expense	-	-
Use of goods and services	7,375,646	2971230
Amounts due to other Government entities (see attached list)	32,000,000	-
Amounts due to other grants and other transfers (see attached list)	32,188,781	15512
Acquisition of assets	-	714.00
Oversight Committee Expenses	-	-
Other Payments (<i>specify</i>)	12,627,664	-
Funds pending approval	6,071,191	1,009,200
Total	92,703,884	6,367,513. 00

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19.4: PMC account balances (See Annex 5)

	<i>FY 2022/2023</i>	<i>FY 2021/2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	2,340,215	1,689,288
Total	2,340,215	1,689,288

16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

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

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance FY 2022/23	Outstanding Balance FY 2021/22	Comments
Administration and Recurrent				
Compensation of employees	Payment 6 No staff of Basic salaries for 13 months	2,440,602	2,370,857	
Committee Allowances	Payment of NGCDFC allowance	98,000		
Use of goods & services	Purchase of General Office Supplies	2,945,410	2,971,230	
Monitoring and Evaluation				
Capacity building	Payment of Accommodation Allowance of NGCDFC, National Government officers and PMC	1,169,070		
Committee allowances	Payment of NGCDFC allowance	356,842		
Use of goods and services	Purchase of General Office Supplies	2,806,324		
		9,816,248	5,342,087	
Emergency		7,264,498		
Amounts due to other grants and other transfers				
Secondary Schools	Payment of bursary to needy students in secondary schools	235,040	15,512	
Tertiary Institutions	Payment of bursary to needy students in tertiary institutions	7,000,000		

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Name	Brief Transaction Description	Outstanding Balance FY 2022/23	Outstanding Balance FY 2021/22	Comments
Social Security	Provision of annual medical insurance cover for 2000 vulnerable families	5,100,000		
Special Needs	Payment of bursary to needy students in special Institutions	160,169		
Bursary Vocational Institution	Payment of training of vocational skills and short courses	10,521,947		
Sub total		15,784,256	15,512	
Sports	Carry out Constituency Sports tournament	2,469,862		
Regional Sports tournament	To facilitate regional sports tournament in partnership with other Constituencies within the region	300,000		
Sub total		2,769,862		
Environment				
Kahuguini Primary School	Construction to completion of chain-link fence (183m) and Purchase of Avocado trees	1,382,150.33		
Kagera Primary School	Construction to completion of chain-link fence (183m) and Purchase of Avocado trees	1,382,150.33		
Sub total		2,764,301.66		

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Name	Brief Transaction Description	Outstanding Balance FY 2022/23	Outstanding Balance FY 2021/22	Comments
Githaruru Primary School	Renovation of 6 No. Classrooms to completion	3,000,000		
Gathiru Primary School	Renovation of 6 No. Classrooms to completion	3,000,000		
Kiganjo Primary School	Renovation of 6 No. Classrooms to completion	3,000,000		
Ndundu Primary School	Renovation of 6 No. Classrooms to completion	3,000,000		
Muthiga Primary School	Renovation of 6 No. Classrooms to completion	3,000,000		
Gatitu Primary School	Renovation of 6 No. Classrooms to completion	3,000,000		
Kagera Primary School	Renovation of 6 No. Classrooms to completion	3,000,000		
Kibiru Primary School	Renovation of 6 No. Classrooms to completion	3,000,000		
Sub-Total		24,000,000		
Githuya Secondary School	Construction to completion of boys 10 No. door block modern toilet	1,000,000		
Handege Secondary School	Construction to completion of boys 10 No. door block modern toilet	1,000,000		
Kiamworia Girls high school	Construction to completion of Girls 10 No. door block modern toilet	1,000,000		
Kagio secondary School	Construction to completion of Boys 10 No. door block modern toilet	1,000,000		

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Name	Brief Transaction Description	Outstanding Balance FY 2022/23	Outstanding Balance FY 2021/22	Comments
Uceke-ini Secondary School	Construction to completion of Girls 10 No. door block modern toilet	1,000,000		
Gatitu High School	Construction to completion of Boys 10 No. door block modern toilet	1,000,000		
Ndarugu Secondary School	Construction to completion of Boys 10 No. door block modern toilet	1,000,000		
Munyu-ini Secondary School	Construction to completion of Boys 10 No. door block modern toilet	1,000,000		
Sub total		8,000,000		
Security				
Kiamworia chiefs office and Gitare Asst chiefs offices	Construction to completion of 4 No. room police station.	1,800,000		
Kirangi Police post	Construction to completion of 3 No. room administrative office.	1,800,000		
Assistant County Comissioner Kiamwangi office (Kiamwangi Ajira Centre)	Renovation of Kiamwangi Ajira Center	4,315		
Assistant County Commissioner Ngenda office (Gatundu Ajira Centre)	Renovation of Gatundu Ajira Center	1,550		
Sub total		3,605,865		
Other payments				
Srategic plan	To facilitate Gatundu South NG-CDF	3,500,000		

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Name	Brief Transaction Description	Outstanding Balance FY 2022/23	Outstanding Balance FY 2021/22	Comments
	Strategic plan for the period between 2023-2027			
Gatundu South NG-CDF office	Renovation to completion of Gatundu South NG-CDF office	2,200,700	714	
Motor vehicle	Purchase of ISUZU, D-MAX TFS 86 Double Cab Deluxe, 4x4	5,544,800		
Constituency oversight Committee Expenses	Payment of Constituency oversight Committee Expenses	1,382,150		
Sub total		12,627,664	714	
Unapproved projects		5,061,991		
AIA		1009200	1,009,201	
Sub total		6,071,191		
TOTAL		92,703,884	6,367,513	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f 2021- 2022 (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022-2023
Land				
Buildings and structures	1,999,300	10,000,000		11,999,300
Transport equipment				
Office equipment, furniture and fittings		2,772,822		2,772,822
ICT Equipment, Software and Other ICT Assets		490,440		490,440
Other Machinery and Equipment		98,600		98,600
Heritage and cultural assets				
Intangible assets				
Total	1,999,300	13,361,862		15,361,162

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

NO.	Name of the Project	Account number	Bank	DATE A/C OPENED	Bank Balance FY2022/2023	Bank Balance FY2021/2022
1.	Kiamugo Primary School	0660278821673	Equity-Gatundu	06/09/2016	730	
2.	Mutati AP Post	0660169211643	Equity-Gatundu	28/07/2016	670	
3.	Kimunyu Primary School	0660278769507	Equity-Gatundu	28/07/2016	40	
4.	Wamitaa Primary School	0660176346637	Equity-Gatundu	16/03/2018	125	
5.	Nembu Primary School	0660176346561	Equity-Gatundu	16/03/2018	145	
6.	Ituru Primary School	0660176346542	Equity-Gatundu	16/03/2018	10	
7.	Gachika Primary School	0660176402186	Equity-Gatundu	16/03/2018	2935	
8.	Karembu Primary School	0660176357206	Equity-Gatundu	16/03/2018	39	
9.	Muhoho Primary School	0660176356268	Equity-Gatundu	16/03/2018	265	
10.	Mutomo Primary School	0660177484522	Equity-Gatundu	16/03/2018	730	
11.	DEO Office	0660176356257	Equity-Gatundu	16/03/2018	183	
12.	Kiganjo Primary School	0660177243109	Equity-Gatundu	21/05/2018	200	
13.	Karatu Primary School	0660177243523	Equity-Gatundu	21/05/2018	40	
14.	Nembu Primary School	0660263839464	Equity-Gatundu	21/05/2018	90	
15.	Kiamworia Primary School	0660278821673	Equity-Gatundu	21/05/2018	80	
16.	Gakunju Memorial Primary School	0660176357206	Equity-Gatundu		39	
17.	Gatundu KMTC	066272354269	Equity-Gatundu	21/05/2018	2,120	
18.	Mutunguru KMTC	0660177247686	Equity-Gatundu	21/05/2018	250	
19.	Ndundu Secondary School	0660278550607	Equity-Gatundu	21/05/2018	1,270	
20.	Kibiru Secondary School	0660278769636	Equity-Gatundu	12/10/2018	12,332	

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43.	Gachoka Secondary School	0660179751163	Equity-Gatundu	03/06/2020	109,903	109,903.20
44.	Wamwangi Secondary School	0660179786551	Equity-Gatundu	03/06/2020	529	529
45.	Kiamworia Secondary School	0660281041733	Equity-Gatundu	03/06/2020	90	90
46.	Gatundu Primary School	06601766348552	Equity-Gatundu	03/06/2020	1,580	1580.52
47.	Muthiga High School	0660280408768	Equity-Gatundu	24/02/2020	120,842	120,842
48.	Gikure Secondary School	0660179758842	Equity-Gatundu	31/3/2020	215,979	215,979
49.	Gathiru High School	0660281285875	Equity-Gatundu	09/09/2021	1,330	1,330
50.	Kamutua Secondary School	0660281282739	Equity-Gatundu	09/09/2021	610	610
51.	Ndarugu Secondary School	0660281285464	Equity-Gatundu	09/09/2021	237.101	237,101
52.	Icaciri Secondary School	0660281282981	Equity-Gatundu	09/09/2021	660	660
53.	St. Dominic Secondary School-Gatundu	0660281282751	Equity-Gatundu	14/9/2021	332,795	332,795
54.	Ituru Primary School	0660282045677	Equity-Gatundu	26/11/2021	1,400	1,400
55.	Ndumbi Primary School	0660282052107	Equity-Gatundu	29/11/2021	2,020	2,020
56.	Githuya Primary School	0660282064014	Equity-Gatundu	12/01/2021	1,100	1,100
57.	Gathage Primary School	0660282083917	Equity-Gatundu	12/07/2021	980	980
58.	Ruburi Secondary School	0660282045537	Equity-Gatundu	26/11/2021	2,310	2,310
59.	Nembu Primary School	0660282170994	Equity-Gatundu	01/05/2022	660	660
60.	Ikuma Primary School	0660282432185	Equity-Gatundu	23/3/2022	2,350	2,350
61.	Gachika Primary School	0660282445774	Equity-Gatundu	24/3/2022	1,130	1,130
62.	Muthiga Primary School	0660282455884	Equity-Gatundu	28/3/2022	129,941	129,941
	TOTAL				2,340,215	1,689,288

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	Misallocation of Expenditure Kshs.19,348,940	The attached is extract of NGCDF Act 2015 Sec (24) in line with nature of projects: projects to be in respect of national government functions. The Kenya Medical Training Colleges are under Education Tertiary, and therefore the NGCDF Board approved them for implementation. (Annex 1)	Not Solved	30 days
3	Budgetary Performance	The NGCDF Gatundu South had an approved budget of Kshs.86, 810,344.82 and Kshs.11, 379,310.34 respectively totalling to Kshs.101, 074,199 in different 4period, leading to delay in p5roject proposal submission fo5r approval and project implementation at the end of financial year. Attached are Circular and proposal submission in various period. (Annex 3)	Resolved on Certification	30 days

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21.	Kiamwangi High School	0660278733099	Equity-Gatundu	28/3/2019	3,060	3,060
22.	Gatundu Primary School	0660176348552	Equity-Gatundu	04/08/2019		
23.	Ng'enda Primary School	0660278973625	Equity-Gatundu	27/5/2019	474,690	474,690
24.	Githuya Secondary School	0660278821633	Equity-Gatundu	27/5/2019	1,659	1,659.27
25.	Wamwangi Primary School	0660279642710	Equity-Gatundu	07/02/2020	46,568	46,568
26.	Kahugu-ini Boys Sec School	0660179720746	Equity-Gatundu	24/02/2020	79,447	
27.	Muthurumbi Secondary School	0660179756973	Equity-Gatundu	05/06/2020	214,609	
28.	Kiganjo Secondary School	0660179749947	Equity-Gatundu	05/06/2020	101,302	
29.	Gatundu Technical Training Institute	0660278549923	Equity-Gatundu	21/09/2018	847	
30.	Kagio Secondary School	0660177484345	Equity-Gatundu	05/06/2020	56,713	
31.	Gatundu Police Station	0660280097598	Equity-Gatundu	09/10/2020	460	
32.	Nembu Secondary School	0660179762639	Equity-Gatundu	03/06/2020	1,728	
33.	Gitare Secondary School	0660179758890	Equity-Gatundu	03/06/2020	65,700	
34.	Gathage Secondary School	0660278817692	Equity-Gatundu	03/06/2020	150	
35.	Kibiru Primary School	0660180357530	Equity-Gatundu	11/05/2020	28,201	
36.	Gathuri Secondary School	0660280405588	Equity - Gatundu	11/05/2020	10	
37.	Muthurumbi Primary School	0660177257709	Equity-Gatundu	03/06/2020	18,013	
38.	Kamunyu Primary School	0660280798455	Equity-Gatundu	03/06/2020	10	
39.	Handege Primary School	0660179753652	Equity-Gatundu	03/06/2020	13,819	
40.	Handege Secondary School	0660179768980	Equity-Gatundu	03/06/2020	808	
41.	Gatitu High School	0660280811846	Equity-Gatundu	03/06/2020	250	
42.	Wamwangi Primary School	0660279642710	Equity-Gatundu	03/06/2020	46,568	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4	Repair And Maintenance Of Motor Vehicle	We concur with above recommendation, the motor vehicle had an accident on 25 th February, 2015 and the Repair were required, the attached is a police abstract and photos indicating the issue. The attached is the memorandum and article of association of the Cebtec company indicating further service & duties the company can render including Motor vehicle spare parts and implements on pg 2 of 14 (c). We also awarded the company on the basis of recommendation from Motor Hub, being the lowest bidder, The motor vehicle was repaired as per inspection report attached from the mechanical engineer, the NGCDFC is in process of disposing off the Motor vehicle as per the attached inspection report dated 14 th January, 2019 which indicates it is	Resolved on Certification	30 days

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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)
		in good condition except the chassis bent. Attached is the memorandum and article of association, Recommendation Letter, Inspection report, and Disposal committee minutes, for Disposal (Annex 4)		
5	Construction Of Ablution Block At Gatundu Primary School	We concur with above recommendation, the Ksh. 4,635,930 was funds spent from Emergency vote head, which was unforeseen expense at the time of project proposal. Hence the project being in the same institution the PMC combined the BQ. Attached are the Code list indicating how it was financed. Code lists, Request letter for Emergency (Annex 5)	Resolved on Certification	

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 Samuel Mawiyoo
 Fund Account Manager.