

REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 06 AUG 2024

TABLED BY: Deputy Majority Whip

CLERK AT THE TABLE: Benson Inzofu

DAY: TUE 6/8/2024



**REPORT**

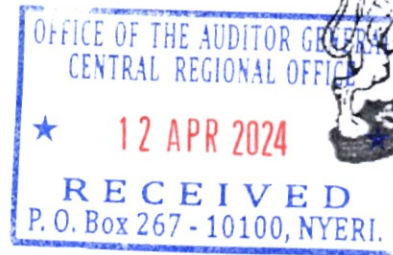
**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – KIHARU  
CONSTITUENCY**

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



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**KIHARU CONSTITUENCY**

**NATIONAL GOVERNMENT CONSTITTUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2023**

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

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**1. Acronyms and Abbreviations**

- i) NGCDF-National Government Constituency Development Fund
- ii) NGCDFC -National Government Constituency Development Fund Committee
- iii) PFM-Public Finance Management
- iv) IPSAS-International Public Sector Accounting Standards.
- v) PMC- Project Management Committee
- vi) ARMC - Audit and Risk Management Committee
- vii) FY-Financial Year

## **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;

*Kiharu Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

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

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

### **Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Kennedy Kamau
2.	Sub-County Accountant	Lawrence Warui
3.	Chairman NGCDFC	Peter Manyeki
4.	Member NGCDFC	Anthony Warui

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

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

P.O Box 899 - 10200  
Ngeka Centre Murang'a  
Uhuru Street  
Murang'a, Kenya

### **(e) Kiharu Constituency NGCDF Contacts**

Telephone: (254) 0720 207810  
E-mail: [cdfikiharu@ngcdf.go.ke](mailto:cdfikiharu@ngcdf.go.ke)  
Website: [www.kiharu.ngcdf.go.ke](http://www.kiharu.ngcdf.go.ke)

**(f) Kiharu Constituency NGCDF Bankers**

Family Bank  
Murang'a Branch  
Account No. 006000020013

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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



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



I am pleased to present the unaudited financial statements of NG-CDF Kiharu Constituency for the financial year ended 30 June 2023. The allocation to the constituency for the said year was a total of Kshs. 151,960,174 out of which Kshs. 89,000,000 was disbursed to the constituency by the NG-CDF Board in eight tranches of Kshs. 7,000,000 received on 30.12.2022, Kshs. 6,000,000 received on 27.1.2023, Kshs. 15,000,000 received on 27.1.2023, Kshs. 5,000,000 received on 15.2.2023, Kshs.12,000,000 received on 1.3.2023, Kshs.12,000,000 received on 6.4.2023, Kshs.16,000,000 received on 15.6.2023 and Kshs. 16,000,000 received on 21.6.2023.

The balance of Kshs. 62,960,174 for 2022-2023 financial year, Kshs. 20,000,000 for 2021-2022 financial year and Kshs. 12,088,879 for 2020-2021 financial year, Kshs. 700,000 for 2019-2020 financial year and Kshs. 500,000 for 2018-2019 financial year, all totalling to Kshs. 96,249,053 had not been disbursed to the constituency by the NG-CDF Board as at closure of the financial year on 30 June 2023.

On receipt of the funds referred here in above, Kiharu National Government Constituency Development Fund Committee (NG-CDFC) prioritized award of bursary to needy students in secondary schools, vocational and special schools through which a total of 15,725 students benefitted as below:-

Category	Period	Amount Awarded	No. of Beneficiaries
Secondary Schools			
Boarding Secondary Schools	February 2023	5,525,000	599
Boarding Secondary Schools	June 2023	21,505,000	4,301
Day Secondary Schools	June 2023	31,752,000	10,584
Tertiary Institutions			
Vocational Institutions	June 2023	923,000	71
Special Schools			
Special Schools	June 2023	1,700,000	170
Total			15,725

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Below are photos of NGCDFC meetings with bursary beneficiaries, parents and guardians on verification of details and issuance of bursary cheques:-



Kiharu National Government Constituency Development Fund Committee however noted various challenges in projects implementation and management during the 2022-2023 financial year. The challenges were: - disruptions of programs by the general elections, delay of programs awaiting constitution of new NG-CDF committees, inadequate record keeping by project management committees, lack of knowledge especially by new project management committees on provisions of Public Procurement and Assets Disposal Act 2015 as well as delayed submission of the required returns for funds disbursed. Another notable challenge is the limited numbers of technical officers needed to provide the requisite technical advice in project implementation and management.

To mitigate the above, the committee during the financial year scaled up its capacity building programmes for NG-CDF Committee, Project Management Committees and staff on various aspects of NG-CDF projects management.

These programmes contributed to minimizing the challenges hence improving overall performance by Project Management Committees. The NG-CDFC plans to intensify capacity building as well as monitoring and evaluation programmes during the 2023-2024 financial year.

I wish to sincerely thank the NG-CDF Committee, NG-CDFC staff, Project Management Committees and other stakeholders for the co-operation and support that resulted in achievement of the said milestones. Going forward, the Committee envisions performing even better and attaining better assessments in its performance targets for 2023-2024 financial year.

**SIGNED:**



**PETER MANYEKI, CHAIRMAN  
KIHARU NG-CDF COMMITTEE**

#### **4. Statement Of Performance Against Predetermined Objectives for FY 2022/23**

##### **Introduction**

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

The key development objectives of Kiharu Constituency 2022-2027 plan are to:

##### **Strategic Area One: Education**

**Objective:** Become a national model for education by improving schools infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.

**Initiative:** Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children.

**Initiative:** Enhance and develop social programmes that support education within the constituency.

##### **Strategic Area Two: Security**

**Objective:** Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure

**Initiative:** Improving infrastructure and service delivery

##### **Strategic Area Three: Environment**

**Objective:** Sustainable and conserved environment in Kiharu through natural resources conservation initiatives

**Initiative:** Initiate and enhance conservation programs within the constituency

##### **Strategic Area Four: Sports**

**Objective:** Empower and develop youth and special groups to reduce dependence and spur economic growth through sports

**Initiative:** Develop and empower youth and special groups through sports.

##### **Strategic Area Five: Emergency**

**Objective:** Enhance response to urgent, unforeseen need for expenditure in the constituency within the financial year.

**Initiative:** Enhancement of response to urgent, unforeseen need for expenditure in the constituency within the financial year.

##### **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:

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Constituency Sector	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children	Classrooms, Administration blocks, Multi-Purpose Halls, Science Laboratories built/ rehabilitated in primary schools and secondary schools; Bursary beneficiaries in Secondary schools, Tertiary institutions and Special Schools	Allocated funds to increase:- Number of new/ rehabilitated classrooms from 497 to 837 Number of laboratories increased from 12 to 16 Number of multipurpose halls increased from 16 to 19 Number of administration blocks increased from 20 to 23 Bursary beneficiaries in all levels
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Physical infrastructure built/ renovated in divisions, locations, sub locations and police stations	Number of constructed/ renovated chiefs' offices increased from 11 to 17 Number of assistant chiefs' offices increased from 4 to 10 Number of police lines increased from 9 to 11
Environment	Sustainable and conserved environment through natural resources conservation initiatives	Equip schools and public facilities with sanitation facilities Provide tree seedlings to public institutions to improve the forest cover	6 sanitation facilities built in security establishments, primary and secondary schools	Number of sanitation facilities increased from 38 to 44
Sports	Empower and develop youth and special groups	Reduced dependence and spur economic growth through sports	62 youth groups benefitting from the sports programme	All the 112 teams within the constituency benefited from the sports programme
Emergency	Enhance response to urgent, unforeseen need for expenditure in the constituency within the financial year	Enhanced response to emergencies that arise within the constituency	Emergency projects implemented	Allocated funds to 9 emergency projects within the financial year

## **5. Statement of Governance**

### **a) Appointment of NGCDFC Members**

Kiharu NG-CDF Committee comprises of ten members, five recruited by a Selection Panel constituted in accordance with section 5 (1) of the NG-CDF Act Regulations 2016, two nominated by the Constituency Office in accordance with section 43 (2) (e) of the NG-CDF Act 2015, one member co-opted by the NG-CDF Board in accordance with Regulations made by the Board as provided for in section 43 (2) (g) of the NG-CDF Act 2015, the national government official responsible for coordination of national government functions as provided for in section 43 (2) (a) of the NG-CDF Act 2015 and the officer of the Board seconded to the Constituency Committee by the Board who is an ex officio member without a vote as provided for in section 43 (2) (f) of the NG-CDF Act 2015.

### **b) Duties and Responsibilities of NGCDF Committee**

The duties and responsibilities of the NG-CDF Committee entail:-

- i) To consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency.
- ii) To ensure that project proposals submitted to the NGCDF Board include detailed budget proposals, procurement plans and work plans.
- iii) To rank projects proposals in order of priority while ensuring that on-going projects take precedence.
- iv) To ensure that all projects receive adequate funding and are completed within three years.
- v) To consult with relevant government departments to ensure that cost estimates for projects are realistic.
- vi) 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.
- vii) To build the capacity of project management committees and sensitize the community on the operations of National Government Constituency Development Fund.
- viii) To ensure that projects proposed for funding fulfill the requirements provided in the Act and relevant circulars issued by the Board.
- ix) To monitor implementation of projects in accordance with the monitoring and evaluation framework prescribed by the NGCDF Board.
- x) To ensure that project reports are prepared and submitted to the NGCDF Board.

- xi) To ensure formation of project management committees, opening of project accounts, project implementation and closure of projects.
- xii) To receive returns from project management committees.
- xiii) To 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.
- xiv) To ensure financial statements are submitted to the NGCDF Board within sixty days of the end of the financial year.
- xv) To collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account.
- xvi) To recommend to the NGCDF Board the removal of a committee member in accordance with the NGCDF Act.
- xvii) To enter into performance contracting with the NGCDF Board on an annual basis.
- xviii) To maintain a database of project management committees and reports from the respective committees.
- xix) To record the names of all the signatories of the accounts of a project management committee as communicated to a Constituency Committee by the project management committee upon assumption of office.
- xx) Receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level.
- xxi) Ensure that the NGCDF committee does not enter into commitments for which funding has not been allocated.
- xxii) Ensure projects are labeled in accordance with the guidelines issued by the NGCDF Board;
- xxiii) Perform any other function assigned by the NGCDF Board.

**c) NGCDF Committee Induction**

To be able to perform the duties and responsibilities referred here in above, the NGCDF committee was taken through a five days induction workshop during which they were trained on:-

- i) Overview of NG-CDF
- ii) Strategic planning
- iii) Project cycle management in NG-CDF operations
- iv) Technical aspects of project planning and management
- v) Monitoring and Evaluation of NG-CDF projects
- vi) Overview of public procurement procedures and processes

- vii) Management of NG-CDFCs projects and statutory obligations
- viii) Book keeping, accounting and financial reporting in NG-CDF operations
- ix) Conduct of meetings and minute writing
- x) Management of NG-CDF staff
- xi) Complaints handling mechanism
- xii) Overview of Public officers Ethics Act
- xiii) Risk Management
- xiv) Brand Management
- xv) Introduction to Quality Management System (ISO 9001:2015 requirements)
- xvi) Performance Contracting in NG-CDF

**d) NGCDF Committee Term of Office and Meetings**

The term of office of the members of the NG-CDF Committee is two years renewable but shall expire upon the appointment of a new NG-CDF Committee in the manner provided for in the Act. The NG-CDF Committee may 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. The quorum of the Committee is one half of the total membership. Kiharu NG-CDFC held sixteen meetings during the financial year under review.

**e) Removal and Replacement of NGCDFC Members**

A member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity
- (b) Gross misconduct
- (c) Embezzlement of public funds
- (d) Bringing the committee into disrepute through unbecoming personal public conduct
- (e) Promoting unethical practises
- (f) Causing disharmony within the committee
- (g) Physical or mental infirmity

Whenever a vacancy occurs in the NG-CDF Committee by reason of resignation, incapacitation or demise of a member, the vacancy should be filled from the same category of persons where the vacancy has occurred within a period of thirty days in accordance with section 43 (10) of the NG-CDF Act 2015.

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

Kiharu 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 Kiharu NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. Education and Training:** Kiharu 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 level 2022-2023 financial year has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

## **2. Environmental performance**

- Allocated funds for tree planting for 20 institutions
- Initiated a constituency sports tournament where all registered teams within the constituency participated

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Kiharu 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. Kiharu 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-**

Kiharu 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-**

Kiharu 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.

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



.....  
**Kennedy Kamau**  
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-Kiharu 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- Kiharu 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- Kiharu Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

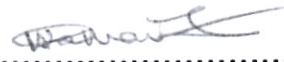
the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF- Kiharu Constituency financial statements were approved and signed by the Accounting Officer on 8<sup>th</sup> September 2023.



.....  
**Name: Peter Manyeki**  
**Chairman – NGCDF Committee**



.....  
**Name: Kennedy Kamau**  
**Fund Account Manager**

# REPUBLIC OF KENYA

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NAIROBI

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

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Kiharu Constituency set out on pages 1 to 41, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the

Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kiharu 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 National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Bursary Disbursements**

The statement of receipts and payments reflects other grants and transfers amount of Kshs.65,835,000 which as disclosed in Note 8 to the financial statements, includes bursary payments amounts of Kshs.58,782,000, Kshs.923,000 and Kshs.1,700,000 disbursed to secondary schools, tertiary institutions and special schools respectively. However, no acknowledgement letters from beneficiaries were provided for audit.

In the circumstances, the accuracy and completeness of bursary disbursements totalling Kshs.61,405,000 could not be confirmed.

#### **2. Unsupported Project Management Committee Bank Balances**

Note 19.4 and Annex 5 to the financial statements reflects two hundred and ten (210) Project Management Committee (PMC) bank balances totalling Kshs.11,589,021. However, the cash books and bank reconciliation statements for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.11,589,021 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 - Kiharu Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects a revenue budget of Kshs.237,052,247 and actual on comparable basis totalling Kshs.140,803,194 resulting to an under-funding

of Kshs.96,249,053 or 41% of the budget. However, the Fund spent Kshs.91,052,106 against actual receipts of Kshs.140,803,194 resulting to an under-utilization of Kshs.49,751,088 or 35% of the total actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Audit Issues**

In the audit report of the previous year, five (5) issues were raised under the Report on Financial Statements, Other Matter and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management had not resolved the issues or provided explanation for failure to implement the recommendations.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, I confirm that, nothing 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**

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 and based on the audit procedures performed except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance, I confirm that,



nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **Lack of an Information Technology (IT) Service Continuity or Disaster Recovery Plan**

Review of IT processes and preparedness established that the Fund did not have a Data Recovery Strategy Plan and hence chances of data recovery in case of a calamity or disaster may not be possible. Further, there was no offsite backup storage facility. In addition, the Fund lacked an IT officer and IT Strategic Committee to steer the Fund forward on the IT system.

In the circumstances, the effectiveness of the IT resource service continuity and disaster recovery could not be confirmed.

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

### **Responsibilities of Management and those Charged with Governance**

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes

and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

06 June, 2024

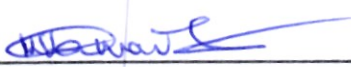
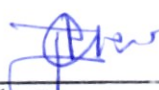
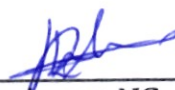
*Kiharu Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

**9. Statement Of Receipts and Payments for the Year Ended 30<sup>th</sup> June 2023**

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	89,000,000	150,088,879
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>89,000,000</b>	<b>150,088,879</b>
<b>Payments</b>			
Compensation Of Employees	4	4,813,727	3,642,860
Committee expenses	5	3,688,000	-
Use Of Goods and Services	6	7,115,579	7,121,114
Transfers To Other Government Units	7	8,800,000	47,050,000
Other Grants and Transfers	8	65,835,000	77,557,530
Acquisition Of Assets	9	-	-
Constituency Oversight Committee	10	799,800	-
Other Payments	11	-	-
<b>Total Payments</b>		<b>91,052,106</b>	<b>135,371,504</b>
<b>Surplus/(Deficit)</b>		<b>(2,052,106)</b>	<b>14,717,375</b>

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

The Constituency financial statements were approved by the NGCDFC on 8<sup>th</sup> September 2023 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Name: Kennedy Kamau	Name: Lawrence K. Warui ICPAK M/No: 13451	Name: Peter Manyeki

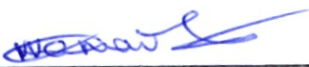
*Kiharu Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

**10. Statement Of Assets and Liabilities As At 30<sup>th</sup> June, 2023**

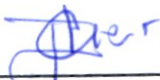
	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	12A	49,751,088	51,803,194
Cash Balances (Cash at Hand)	12B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>49,751,088</b>	<b>51,803,194</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	13	-	-
<b>Total Financial Assets</b>		<b>49,751,088</b>	<b>51,803,194</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	14A	-	-
Gratuity	14B	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>
<b>Net Financial Assets</b>		<b>49,751,088</b>	<b>51,803,194</b>
<b>Represented By</b>			
Fund Balance B/Fwd	15	51,803,194	37,085,819
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		(2,052,106)	14,717,375
<b>Net Financial Position</b>		<b>49,751,088</b>	<b>51,803,194</b>

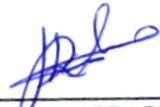
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 8<sup>th</sup> September 2023 and signed by:

  
\_\_\_\_\_  
Fund Account Manager

Name: Kennedy Kamau

  
\_\_\_\_\_  
National Sub-County  
Accountant  
Name: Lawrence K. Warui  
ICPAK M/No: 13451

  
\_\_\_\_\_  
Chairman NG-CDF Committee  
Name: Peter Manyeki

*Kiharu Constituency*

*National Government Constituencies Development Fund (NGCDF)*


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

**11. Statement Of Cash Flows for The Year Ended 30<sup>th</sup> June 2023**

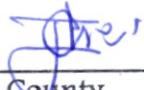
	Notes	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	89,000,000	150,088,879
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>89,000,000</b>	<b>150,088,879</b>
<b>Payments</b>			
Compensation Of Employees	4	4,813,727	3,642,860
Committee Expenses	5	3,688,000	-
Use Of Goods and Services	6	7,115,579	7,121,114
Transfers To Other Government Units	7	8,800,000	47,050,000
Other Grants and Transfers	8	65,835,000	77,557,530
Constituency Oversight Committee	10	-	-
Other Payments	11	799,800	-
<b>Total Payments</b>		<b>91,052,106</b>	<b>135,371,504</b>
<b>Total Receipts Less Total Payments</b>		<b>(2,052,106)</b>	<b>14,717,375</b>
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
<b>Net Cash Flow from Operating Activities</b>		<b>(2,052,106)</b>	<b>14,717,375</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	-
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase In Cash And Cash Equivalent</b>		<b>(2,052,106)</b>	<b>14,717,375</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	15	<b>51,803,194</b>	<b>37,085,819</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	12	<b>49,751,088</b>	<b>51,803,194</b>

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

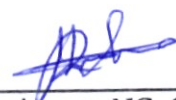
The Constituency financial statements were approved by NG CDFC on 8<sup>th</sup> September 2023 and signed by:

  
Fund Account Manager

Name: Kennedy Kamau

  
National Sub-County  
Accountant

Name: Lawrence K. Warui  
ICPAK M/No: 13451

  
Chairman NG-CDF Committee

Name: Peter Manyeki

12. Summary Statement of Appropriation for The Year Ended 30<sup>th</sup> June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2022-2023		
<b>Receipts</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
Transfers From NGCDF Board	151,960,174	51,803,194	33,288,879	237,052,247	140,803,194	96,249,053	59%
Proceeds From Sale of Assets							
Other Receipts							
<b>Totals</b>	<b>151,960,174</b>	<b>51,803,194</b>	<b>33,288,879</b>	<b>237,052,247</b>	<b>140,803,194</b>	<b>96,249,053</b>	<b>59%</b>
<b>Payments</b>							
Compensation Of Employees	6,488,877	2,630,980		9,119,857	4,813,727	4,306,130	53%
Committee Expenses	2,120,000	4,183,105		6,303,105	3,688,000	2,615,105	59%
Use Of Goods and Services	5,067,538	3,700,103	86,672	8,854,313	7,115,579	1,738,734	80%
Transfers To Other Government Units	68,000,000	57,000		68,057,000	8,800,000	59,257,000	13%
Other Grants and Transfers	63,861,393	41,089,006	13,202,207	118,152,606	65,835,000	52,317,606	56%
Constituency Oversight Committee	1,519,601			1,519,601	799,800	719,801	53%
Acquisition Of Assets							
Other Payments	1,902,765			1,902,765		1,902,765	0%
Funds Pending Approval**	3,000,000	143,000	20,000,000	23,143,000		23,143,000	0%
<b>Totals</b>	<b>151,960,174</b>	<b>51,803,194</b>	<b>33,288,879</b>	<b>237,052,247</b>	<b>91,052,106</b>	<b>146,000,141</b>	<b>38%</b>

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

**Explanatory Notes.**

- i) The actual on comparable basis receipts are funds available for use during the financial year represented by funds received from the Board totalling to Kshs. 89,000,000 (Note 1) plus the balance b/f in the beginning of the financial year of Kshs. 51,803,194 (Note 15) all totalling to Kshs. 140,803,194.

- ii) The constituency received 59% of the budget from NG-CDF Board with some of the funds received towards the end of the financial year leaving a total balance of Kshs. 96,249,053 which largely contributed to the overall budget utilization of 38%.
- iii) Budget utilization for Compensation of employees, Committee Expenses and Use of goods and services were at 53%, 59% and 80% respectively since NG-CDF since a significant percentage of funds for projects under transfer to other government units and other grants and transfers categories whose utilization were at 56% and 53% respectively had not been disbursed by the NG-CDF Board as at the end of the financial year hence slowing down activities.
- iv) Budget utilization for Constituency Oversight Committee was at 53% following late formation of the committee after the general election and subsequent re-constitution of the NG-CDF committee.

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	146,000,141
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	(96,249,053)
	49,751,088
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	<b>49,751,088</b>

The Constituency financial statements were approved by NG CDFC on 8<sup>th</sup> September 2023 and signed by:

  
\_\_\_\_\_  
Fund Account Manager

Name: Kennedy Kamau

  
\_\_\_\_\_  
National Sub-County Accountant

Name: Lawrence K. Warui  
ICPAK M/No: 13451

  
\_\_\_\_\_  
Chairman NG-CDF Committee

Name: Peter Manyeki



13. Budget Execution By Sectors And Projects For The Year Ended 30<sup>th</sup> June 2023

	Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
			Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
			Kshs	Kshs			
<b>1.00</b>	<b>Administration and Recurrent</b>						
1.10	Compensation of employees	6,488,877	2,630,980	-	9,119,857	4,813,727	4,306,130
1.20	Committee allowances	780,000	3,073,075	-	3,853,075	1,330,000	2,523,075
1.30	Use of goods and services	1,848,733	1,155,476	86,672	3,090,881	2,641,939	448,942
<b>2.00</b>	<b>Monitoring and evaluation</b>						
2.10	Capacity building	1,050,000	1,466,955	-	2,516,955	1,716,890	800,065
2.20	Committee allowances	1,340,000	1,110,030	-	2,450,030	2,358,000	92,030
2.30	Use of goods and services	2,168,805	1,077,672	-	3,246,477	2,756,750	489,727
<b>3.00</b>	<b>Emergency</b>						
3.10	Primary Schools	-	-	-	-	-	-
3.20	Secondary schools						
3.21	Nyakihai Secondary School	200,000	-	-	200,000	200,000	-
3.22	Gikuu Secondary school	840,000	-	-	840,000	840,000	-
3.23	Kambirwa Secondary School	420,000	-	-	420,000	420,000	-
3.24	St. Lukes Gituri Secondary School	260,000	-	-	260,000	260,000	-
3.25	Kianderi Secondary School	760,000	-	-	760,000	760,000	-
3.26	Gathuki-ini Secondary School	200,000	-	-	200,000	200,000	-
3.27	Dr. Gitau Matharite Secondary School	500,000	-	-	500,000	500,000	-
3.28	Kambirwa Secondary School	800,000	-	-	800,000	800,000	-
3.30	Tertiary institutions	-	-	-	-	-	-
3.40	Security projects						
3.41	Wangu ACC Office	450,000	-	-	450,000	450,000	-
3.42	Emergency 2022/2023 unutilized	3,206,190	-	-	3,206,190	-	3,206,190
3.43	Emergency 2021/2022 unutilized	-	1,672,207	-	1,672,207	-	1,672,207
3.44	Emergency b/f	-	608,241	-	608,241	-	608,241
3.45	Emergency 2020/2021	-	90,000	2,207	92,207	-	92,207
<b>4.00</b>	<b>Bursary and Social Security</b>						
4.10	Primary Schools	-	-	-	-	-	-
4.20	Secondary Schools	35,000,000	24,662,703	10,000,000	69,662,703	58,782,000	10,880,703
4.30	Tertiary Institutions	15,186,000	6,126,759	-	21,312,759	923,000	20,389,759

**Kiharu Constituency  
National Government Constituencies Development Fund (NGCDF)  
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	Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
			Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.40	Special Schools	3,000,000	1,700,000	-	4,700,000	1,700,000	3,000,000
4.50	Social Security	-	-	-	-	-	-
<b>5.00</b>	<b>Sports</b>						
5.10	Sports 2022/2023	3,039,203	-	-	3,039,203	-	3,039,203
5.20	Sports 2021/2022	-	2,740,000	-	2,740,000	-	2,740,000
<b>6.00</b>	<b>Environment</b>						
6.10	Environment 2021/2022	-	2,740,500	-	2,740,500	-	2,740,500
6.20	Environment 2020/2021	-	740,500	2,000,000	2,740,500	-	2,740,500
6.30	Environment 2019/2020	-	-	700,000	700,000	-	700,000
6.40	Environment b/f	-	8,096	-	8,096	-	8,096
<b>7.00</b>	<b>Primary Schools Projects</b>						
7.01	Gakurwe Primary School	700,000	-	-	700,000	-	700,000
7.02	Gakuyu Primary School	1,200,000	-	-	1,200,000	1,200,000	-
7.03	Kiamuri Primary School	2,000,000	-	-	2,000,000	-	2,000,000
7.04	Kiambuigi Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.05	Kaigwa Primary School	700,000	-	-	700,000	-	700,000
7.06	Nyakihai Primary School	1,500,000	-	-	1,500,000	-	1,500,000
7.07	Rurii Primary School	2,000,000	-	-	2,000,000	-	2,000,000
7.08	Kibuu Primary School	2,500,000	-	-	2,500,000	-	2,500,000
7.09	Mjimi Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.10	Mbiri Primary School	1,800,000	-	-	1,800,000	1,800,000	-
7.11	St. Joseph Primary School Kiangage	400,000	-	-	400,000	-	400,000
7.12	Technology Primary School	200,000	-	-	200,000	-	200,000
7.13	Ndikwe Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.14	Muchungucha Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.15	Githuguya Primary School	800,000	-	-	800,000	-	800,000
7.16	Kiangochi Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.17	Gikandu Primary School	700,000	-	-	700,000	-	700,000
7.18	Gaitega Primary School	600,000	-	-	600,000	-	600,000
7.19	Mirira Primary School	800,000	-	-	800,000	-	800,000
7.20	Kayuyu Primary School	400,000	-	-	400,000	-	400,000
7.21	Upendo Primary School	500,000	-	-	500,000	-	500,000
7.22	Kiumu Primary School	600,000	-	-	600,000	-	600,000
7.23	Mbari Ya Hiti Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.24	Murai Primary School	1,200,000	-	-	1,200,000	-	1,200,000

	Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
			Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.25	Kahatia Primary School	700,000	-	-	700,000	-	700,000
7.26	Kionjoimi Primary School	500,000	-	-	500,000	-	500,000
7.27	Gathaithi Lower Primary School	1,500,000	-	-	1,500,000	-	1,500,000
7.28	Gatheru Primary School	600,000	-	-	600,000	-	600,000
7.29	Weithaga Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.30	Kirogo Primary School	600,000	-	-	600,000	-	600,000
7.31	Mumbi Kiano Primary School	700,000	-	-	700,000	-	700,000
<b>8.00</b>	<b>Secondary Schools Projects</b>						
8.01	Kambwe Secondary School	1,500,000	-	-	1,500,000	1,500,000	-
8.02	Gakurwe Secondary School	1,500,000	-	-	1,500,000	1,500,000	-
8.03	Mbari Ya Hiti Secondary School	1,500,000	-	-	1,500,000	1,500,000	-
8.04	Kiandari Secondary School	600,000	-	-	600,000	600,000	-
8.05	Weithaga Secondary School	4,000,000	-	-	4,000,000	-	4,000,000
8.06	St. Michael's Gathukimi Secondary School	700,000	-	-	700,000	700,000	-
8.07	Dr. Gitau Matharite Secondary School	700,000	-	-	700,000	-	700,000
8.08	Gatara Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
8.09	Gitweku Mixed Day Secondary School	500,000	-	-	500,000	-	500,000
8.10	Kaganda Secondary School	300,000	-	-	300,000	-	300,000
8.11	Kagumo Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
8.12	Kahatia Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
8.13	Kahuhia Mixed Secondary School	500,000	-	-	500,000	-	500,000
8.14	Kahuro Secondary School	700,000	-	-	700,000	-	700,000
8.15	Kamaguta Secondary School	700,000	-	-	700,000	-	700,000
8.16	Koimbi Mixed Day Secondary School	700,000	-	-	700,000	-	700,000
8.17	Mugoiri Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
8.18	Mukangu Secondary School	2,000,000	-	-	2,000,000	-	2,000,000
8.19	Ndutumi Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
8.20	Yamugwe Secondary School	700,000	-	-	700,000	-	700,000
8.21	Mweru Secondary School	700,000	-	-	700,000	-	700,000
8.22	Kiawambeu Secondary School	700,000	-	-	700,000	-	700,000
8.23	Kimathi Secondary School	2,500,000	-	-	2,500,000	-	2,500,000
8.24	Nyakihai Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
8.25	Githanga Mixed Secondary School	700,000	-	-	700,000	-	700,000
8.26	St Luke Giture Secondary School	700,000	-	-	700,000	-	700,000

	Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
			Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
8.27	Mugeka Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
8.28	Giathiya Secondary School	700,000	-	-	700,000	-	700,000
8.29	Kigetuini Secondary School	700,000	-	-	700,000	-	700,000
8.30	Vidhu Ramji Secondary School	700,000	-	-	700,000	-	700,000
8.31	Kigongo Secondary School	700,000	-	-	700,000	-	700,000
8.32	Muchungucha Secondary School	700,000	-	-	700,000	-	700,000
8.33	Mirira Secondary School	1,500,000	-	-	1,500,000	-	1,500,000
8.34	Karema-Ini Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
8.35	Kiangochi Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
8.36	Rurii Secondary School	700,000	-	-	700,000	-	700,000
8.37	Gikandu Secondary School	1,000,000	-	-	1,000,000	-	1,000,000
8.38	Gakurwe Mixed Day Secondary School	-	57,000	-	57,000	-	57,000
<b>9.00</b>	<b>Security Projects</b>						
<b>10.00</b>	<b>Acquisition of assets</b>	-	-	-	-	-	-
10.10	Motor Vehicles (including motorbikes)	-	-	-	-	-	-
10.20	Construction of CDF office	-	-	-	-	-	-
10.30	Purchase of furniture and equipment	-	-	-	-	-	-
10.40	Purchase of computers	-	-	-	-	-	-
10.50	Purchase of land	-	-	-	-	-	-
<b>11.00</b>	<b>Others</b>						
11.01	Gaturi Education Office	-	-	500,000	500,000	-	500,000
11.02	Strategic Plan	1,902,765	-	-	1,902,765	-	1,902,765
11.03	Innovation Hub	-	-	-	-	-	-
<b>12.00</b>	<b>Constituency Oversight Committee</b>	1,519,601	-	-	1,519,601	799,800	719,801
<b>13.00</b>	<b>Funds pending approval</b>	-	-	-	-	-	-
13.01	Environment 2022/2023	3,000,000	-	-	3,000,000	-	3,000,000
13.02	Kenneth Matiba Technical And Vocational College	-	-	10,000,000	10,000,000	-	10,000,000
13.03	Constituency Revision Books Project	-	-	10,000,000	10,000,000	-	10,000,000
13.04	AIA	-	143,000	-	143,000	-	143,000
	<b>Total</b>	<b>151,960,174</b>	<b>51,803,194</b>	<b>33,288,879</b>	<b>237,052,247</b>	<b>91,052,106</b>	<b>146,000,141</b>

#### **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-Kiharu Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

##### **3. Reporting Currency**

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

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

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

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

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

*Significant Accounting Policies continued*

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

*Unutilized Funds from PMCs.*

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

**External Assistance**

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

**b) Recognition of payments**

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

*Significant Accounting Policies continued*

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

*Significant Accounting Policies continued*

**6. Cash and Cash Equivalent.**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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



*Significant Accounting Policies continued*

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

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

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

**12. Comparative Figures**

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

*Significant Accounting Policies Continued*

**13. Subsequent Events**

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

**14. 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	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO.		
B185105	7,000,000	
B185639	15,000,000	
B206139	5,000,000	
B185518	6,000,000	
B206403	12,000,000	
B205777	12,000,000	
B207538	16,000,000	
B207900	16,000,000	
B140937		33,000,000
B105656		44,000,000
B105808		22,000,000
B128548		5,000,000
B128860		12,000,000
B154056		12,000,000
B164497		22,088,879
<b>Total</b>	<b>89,000,000</b>	<b>150,088,879</b>

2. Proceeds From Sale of Assets

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

3. Other Receipts

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

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*Notes To the Financial Statements (Continued)*

**4. Compensation Of Employees**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	3,150,800	2,015,540
Personal allowances paid as part of salary	-	-
House Allowance	481,750	304,500
Transport Allowance	345,000	293,000
Leave allowance	-	-
Gratuity to contractual employees	636,535	908,880
Employer Contributions Compulsory national social security schemes	199,642	120,940
<b>Total</b>	<b>4,813,727</b>	<b>3,642,860</b>

**5. Committee Expenses**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Sitting allowance	3,688,000	-
Other committee expenses	-	-
<b>Total</b>	<b>3,688,000</b>	<b>-</b>

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**6. Use of Goods and services**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	2,450	4,790
Communication, supplies and services	106,482	227,555
Domestic travel and subsistence	14,000	154,000
Printing, advertising and information supplies & services	-	152,076
Rentals of produced assets	754,020	754,020
Training expenses	1,716,890	1,039,300
Hospitality supplies and services	72,210	190,116
Other committee expenses	3,731,480	994,024
Committee allowance	-	2,915,000
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	151,215	212,919
Fuel , oil and lubricants	500,000	-
Other operating expenses	-	246,920
Bank Charges	38,452	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	28,380	230,394
Routine maintenance- other assets	-	-
<b>Total</b>	<b>7,115,579</b>	<b>7,121,114</b>

*Notes To The Financial Statements (Continued)*

**7. Transfer To Other Government Units**

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	3,000,000	26,150,000
Transfers To Secondary Schools (See Attached List)	5,800,000	20,900,000
Transfers To Tertiary Institutions (See Attached List)	-	-
<b>Total</b>	<b>8,800,000</b>	<b>47,050,000</b>

**8. Other Grants and Other transfers**

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	58,782,000	56,547,770
Bursary – tertiary institutions (see attached list)	923,000	7,398,000
Bursary – special schools (see attached list)	1,700,000	1,300,000
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	2,250,000
Sports projects (see attached list)	-	2,741,760
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	4,430,000	5,520,000
Roads projects (see attached list)	-	-
Other projects	-	1,800,000
<b>Total</b>	<b>65,835,000</b>	<b>77,557,530</b>

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*Notes To the Financial Statements (Continued)*

**9. Acquisition Of Assets**

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

**10. Oversight Committee Expenses**

	2022-2023	<i>Insert Previous FY</i>
	Kshs	Kshs
Sitting allowance	162,000	-
Other committee expenses	637,800	-
<b>Total</b>	<b>799,800</b>	-

**11. Other Payments**

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

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
Kiharu NG-CDF, Family Bank, Murang'a Branch - Account Number 006000020013	49,751,088	51,803,194
	-	-
<b>Total</b>	<b>49,751,088</b>	<b>51,803,194</b>
<b>12 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

13. Outstanding Imprests

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



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*Notes to the Financial Statement Continued*

**14. Retention and Gratuity**

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

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

**15. Fund Balance B/F**

	<b>(1<sup>st</sup> July 2022)</b>	<b>(1<sup>st</sup> July 2021)</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	51,803,194	37,085,819
Cash in hand	-	-
Imprest	-	-
Total	51,803,194	37,085,819
Less		
Payables: - Retention	-	-
Payables - Gratuity	-	-
<b>Fund Balance Brought Forward</b>	<b>51,803,194</b>	<b>37,085,819</b>

16. Prior Year Adjustments

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

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

17. Changes In Accounts Receivable – Outstanding Imprests

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

18. Changes In Accounts Payable – Deposits and Retentions

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

*Kiharu Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

*Notes To the Financial Statements (Continued)*

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

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

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	4,306,130	2,630,980
Committee expense	2,615,105	
Use of goods and services	1,738,734	11,769,881
Amounts due to other Government entities (see attached list)	59,257,000	4,257,000
Amounts due to other grants and other transfers (see attached list)	51,817,606	45,791,213
Acquisition of assets	-	-
Other Payments ( <i>specify</i> )	2,402,765	500,000
Constituency Oversight Committee	719,801	-
Funds pending approval	23,143,000	20,143,000
<b>Total</b>	<b>146,000,141</b>	<b>85,092,074</b>

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19.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	11,589,021	15,055,989
<b>Total</b>	<b>11,589,021</b>	<b>15,055,989</b>

16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

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

*Kiharu Constituency**National Government Constituencies Development Fund (NGCDF)**Annual Report and Financial Statements for The Year Ended June 30, 2023***Annex 3 – Unutilized Fund**

<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance Current FY</b>	<b>Outstanding Balance Previous FY</b>	<b>Comments</b>
Compensation of employees		4,306,130	2,630,980	
Committee expense		2,615,105		
Use of goods & services		1,738,734	7,969,881	
Amounts due to other Government entities				
Gakurwe Primary School		700,000		
Kiamuri Primary School		2,000,000		
Kiambu Primary School		1,000,000		
Kaigwa Primary School		700,000		
Nyakihai Primary School		1,500,000		
Rurii Primary School		2,000,000		
Kibuu Primary School		2,500,000		
Mjini Primary School		1,000,000		
St. Joseph Primary School Kiangage		400,000		
Technology Primary School		200,000		
Ndikwe Primary School		1,000,000		
Muchungucha Primary School		1,000,000		
Githuguya Primary School		800,000		
Kiangochi Primary School		1,000,000		
Gikandu Primary School		700,000		
Gaitega Primary School		600,000		
Mirira Primary School		800,000		
Kayuyu Primary School		400,000		
Upendo Primary School		500,000		
Kiumu Primary School		600,000		
Mbari Ya Hiti Primary School		1,200,000		
Murai Primary School		1,200,000		
Kahatia Primary School		700,000		
Kionjoini Primary School		500,000		
Gathaithi Lower Primary School		1,500,000		
Gatheru Primary School		600,000		
Weithaga Primary School		1,000,000		
Kirogo Primary School		600,000		

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Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Mumbi Kiano Primary School		700,000		
Weithaga Secondary School		4,000,000		
Dr. Gitau Matharite Secondary School		700,000		
Gatara Secondary School		1,000,000		
Gitweku Mixed Day Secondary School		500,000		
Kaganda Secondary School		300,000		
Kagumo Secondary School		1,000,000		
Kahatia Secondary School		1,000,000		
Kahuhia Mixed Secondary School		500,000		
Kahuro Secondary School		700,000		
Kamaguta Secondary School		700,000		
Koimbi Mixed Day Secondary School		700,000		
Mugoiri Secondary School		1,000,000		
Mukangu Secondary School		2,000,000		
Ndutumi Secondary School		1,000,000		
Yamugwe Secondary School		700,000		
Mweru Secondary School		700,000		
Kiawambeu Secondary School		700,000		
Kimathi Secondary School		2,500,000		
Nyakihai Secondary School		1,000,000		
Githanga Mixed Secondary School		700,000		
St Luke Gituri Secondary School		700,000		
Mugeka Secondary School		1,000,000		
Giathiya Secondary School		700,000		
Kigetuni Secondary School		700,000		
Vidhu Ramji Secondary School		700,000		
Kigongo Secondary School		700,000		
Muchungucha Secondary School		700,000		
Mirira Secondary School		1,500,000		
Karema-Ini Secondary School		1,000,000		
Kiangochi Secondary School		1,000,000		
Rurii Secondary School		700,000		
Gikandu Secondary School		1,000,000		
Gakurwe Mixed Day Secondary School		57,000	57,000	
Sub-Total		59,257,000	57,000	



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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance Current FY</b>	<b>Outstanding Balance Previous FY</b>	<b>Comments</b>
Amounts due to other grants and other transfers				
<b>Emergency</b>				
Emergency 2022/2023 unutilized		3,206,190		
Emergency 2021/2022 unutilized		1,672,207	1,672,207	
Emergency b/f		608,241	608,241	
Emergency 2020/2021		92,207	92,207	
<b>Bursary and Social Security</b>				
Secondary Schools		10,880,703	34,662,703	
Tertiary Institutions		20,389,759	6,126,759	
Special Schools		3,000,000	1,700,000	
<b>Sports</b>				
Sports 2022/2023		3,039,203		
Sports 2021/2022		2,740,000	2,740,000	
<b>Environment</b>				
Environment 2021/2022		2,740,500	2,740,500	
Environment 2020/2021		2,740,500	2,740,500	
Environment 2019/2020		700,000	700,000	
Environment b/f		8,096	8,096	
Sub-Total		<b>51,817,606</b>	<b>53,791,213</b>	
<b>Acquisition of assets</b>				
<b>Other Projects</b>				
Gatari Education Office		500,000	500,000	
Strategic Plan		1,902,765		
Sub-Total		<b>2,402,765</b>	<b>500,000</b>	
Constituency Oversight Committee		<b>719,801</b>		
Funds pending approval				
Environment 2022/2023		3,000,000		
Kenneth Matiba Technical And Vocational College		10,000,000	10,000,000	
Constituency Revision Books Project		10,000,000	10,000,000	
AIA		143,000	143,000	
Sub-Total		<b>23,143,000</b>	<b>20,143,000</b>	
<b>Grand Total</b>		<b>146,000,141</b>	<b>85,092,074</b>	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	9,988,431	-	-	9,988,431
Transport equipment	3,264,238	-	-	3,264,238
Office equipment, furniture and fittings	1,188,931	-	-	1,188,931
ICT Equipment, Software and Other ICT Assets	294,340	-	-	294,340
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>14,735,940</b>	<b>-</b>	<b>-</b>	<b>14,735,940</b>

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
<b>PRIMARY SCHOOLS</b>				
	Family Murang'a	006000029365	69	
	Family Murang'a	006000030410	3,840	3,960
	Family Murang'a	006000029856	110,782	110,782
	Family Murang'a	006000029375	2,283	-
	Family Murang'a	006000029814	1,902	2,022
	Family Murang'a	006000026838	30	-
	Family Murang'a	006000030498	2,862	-
	Family Murang'a	006000030361	28,069	-
	Family Murang'a	006000029446	525	-
	Family Murang'a	006000029429	5,238	-
	Family Murang'a	006000029428	2,806	-
	Family Murang'a	006000031184	500	-
	Family Murang'a	006000030624	1,737	1,652
	Family Murang'a	006000030649	2,575	-
	Family Murang'a	006000029374	2,620	-
	Family Murang'a	006000029877	3,193	3,313
	Family Murang'a	006000029451	9,753	-
	Family Murang'a	006000030778	971	79,478
	Family Murang'a	006000030407	442	-
	Family Murang'a	006000030601	3,952	4,072
	Family Murang'a	006000031177	667	-
	Family Murang'a	006000029756	1,930	2,050
	Family Murang'a	006000031125	28,840	-
	Family Murang'a	006000029633	2,324	-
	Family Murang'a	006000029433	13,124	-
	Family Murang'a	006000029617	1,041	1,161
	Family Murang'a	006000031243	1,609	-
	Family Murang'a	006000031183	3,107	-
	Family Murang'a	006000029401	12,439	12,559
	Family Murang'a	006000029632	2,701	-
	Family Murang'a	006000029639	1,127	1,247

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Gitweku Primary School	Family Murang'a	006000029510	3,192	48,312
Ititu Primary School	Family Murang'a	006000029859	2,180	-
Ithiki Primary School	Family Murang'a	006000030608	109,900	110,020
Kabui Primary School	Family Murang'a	006000029415	1,169	-
Kaganda Primary School	Family Murang'a	006000031261	2	97,252
Kagira Primary School	Family Murang'a	006000028999	4,355	-
Kagumo Primary School	Family Murang'a	006000030403	4,173	303,693
Kahatia Primary School	Family Murang'a	006000029442	3,154	-
Kahithe Primary School	Family Murang'a	006000031237	99,891	-
Kahuhia Primary School	Family Murang'a	006000030600	3,609	-
Kaigwa Primary School	Family Murang'a	006000030440	2,970	3,090
Kairichi Primary School	Family Murang'a	006000030378	598	718
Kamaguta Primary School	Family Murang'a	006000030411	10,644	-
Kambirwa Primary School	Family Murang'a	006000029417	5,260	15,380
Kambwe Primary School	Family Murang'a	006000029379	851	-
Kangure Primary School	Family Murang'a	006000029853	8,711	8,831
Kari Primary School	Family Murang'a	006000030421	501	-
Karingu Primary School	Family Murang'a	006000029879	38	-
Karuriini Primary School	Family Murang'a	006000030364	560	-
Kayuyu Primary School	Family Murang'a	006000029380	1,083	-
Kiaguthu Primary School	Family Murang'a	006000029418	6,584	6,704
Kiambuigi Primary School	Family Murang'a	006000029908	1,229	-
Kiamuri Primary School	Family Murang'a	006000030156	2,288	-
Kianderi Primary School	Family Murang'a	006000030675	265	-
Kiangage Primary School	Family Murang'a	006000029426	1,744	1,864
Kiangage Primary School Karindundu	Family Murang'a	006000028896	(100)	-
Kiangatia Primary School	Family Murang'a	006000029158	30,239	-
Kiangochi Primary School	Family Murang'a	006000030415	16,904	17,024
Kibuu Primary School	Family Murang'a	006000030753	1,980,745	1,980,865
Kionjoini Primary School	Family Murang'a	006000030365	563	683
Kirogo Primary School	Family Murang'a	006000030044	4,459	365,329
Kiumu Primary School	Family Murang'a	006000029369	3,782	502,327
Kiamuri Primary School	Family Murang'a	006000030156	2,288	2,400
Kiawambeu Primary School	Family Murang'a	006000030671	173	-

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance Current FY</b>	<b>Bank Balance Previous FY</b>
Kiayatta Primary School	Family Murang'a	006000030381	2,400	-
Kiboi Primary School	Family Murang'a	006000030412	4,720	-
Kigongo Primary School	Family Murang'a	006000029643	667	-
Kiguru Primary School	Family Murang'a	006000030406	12,981	-
Kimathi Primary School	Family Murang'a	006000029631	53	-
Kionjeini Primary School	Family Murang'a	006000030365	563	-
Kirogo Primary School	Family Murang'a	006000030044	4,459	-
Kiumba Primary School	Family Murang'a	006000030402	7,737	-
Kiumu Primary School	Family Murang'a	006000029369	3,782	-
Kiyu Primary School	Family Murang'a	006000029403	33,027	-
Koimbi Primary School	Family Murang'a	006000029947	680	-
Konguini Primary School	Family Murang'a	006000029509	1,267	1,387
Mamumbu Primary School	Family Murang'a	006000031233	119	-
Maragi Primary School	Family Murang'a	006000031176	1,123	47,327
Marewa Primary School	Family Murang'a	006000029376	4,513	4,633
Mariaini Primary School	Family Murang'a	006000030409	15	-
Matithi Primary School	Family Murang'a	006000030674	36,315	31,935
Matongu Primary School	Family Murang'a	006000030777	645	-
Mbari Ya Hiti Primary School	Family Murang'a	006000029435	713	-
Mbiri Primary School	Family Murang'a	006000031191	1,578	1,698
Mbiri Primary School Kandundu	Family Murang'a	006000028870	3,560	-
Mirichu Primary School	Family Murang'a	006000031230	1,014	1,134
Mirira Primary School	Family Murang'a	006000030570	9,637	9,757
Mjini Primary School	Family Murang'a	006000029349	7,688	7,808
Muchungucha Primary School	Family Murang'a	006000029430	14,456	-
Mukangu Primary School	Family Murang'a	006000031182	5,547	122,731
Mukumu Primary School	Family Murang'a	006000029449	573	-
Mumbi Primary School	Family Murang'a	006000029851	5,176	5,296
Munchungucha Primary School	Family Murang'a	006000029430	14,456	14,576
Munyutha Primary School	Family Murang'a	006000031236	13,352	-
Murai Primary School	Family Murang'a	006000030408	3,687	3,807
Murarandia Primary School	Family Murang'a	006000029596	201,465	-
Muringa Primary School	Family Murang'a	006000030569	1,932	2,052
Muthigiriri Primary School	Family Murang'a	006000030653	1,235	-

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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Muthiria Primary School	Family Murang'a	006000030405	594	714
Mwara Primary School	Family Murang'a	006000030397	1,957	-
Mweru Primary School	Family Murang'a	006000029427	1,485	-
Ndikwe Primary School	Family Murang'a	006000030621	1,645	-
Ndikwe Primary School	Family Murang'a	006000028973	136	-
Ndutumi Primary School	Family Murang'a	006000029432	11,241	-
Ngaru Primary School	Family Murang'a	006000030377	10,989	-
Nyakihai Primary School	Family Murang'a	006000026884	64	184
Rurii Primary School	Family Murang'a	006000030006	824	-
St. Mary's Primary School	Family Murang'a	006000031175	1,714	-
Technology Primary School	Family Murang'a	006000029946	1,646	1,766
Thangathi Primary School	Family Murang'a	006000029852	2,365	2,485
Thengeini Primary School	Family Murang'a	006000030379	581	701
Theri Primary School	Family Murang'a	006000031181	287	-
Upendo Primary School	Family Murang'a	006000030623	4,293	4,413
Vidhuramji Primary School	Family Murang'a	006000030643	1,682	1,802
Wanjengi Primary School	Family Murang'a	006000030673	225	-
Weithaga Primary School	Family Murang'a	006000030602	395	-
Yamugwe Primary School	Family Murang'a	006000030391	6,066	-
<b>SECONDARY SCHOOLS</b>				
Gaitheri Secondary School	Family Murang'a	006000029416	680	800
Gakurwe Secondary School	Family Murang'a	006000030793	1,480	706,650
Gatara Secondary School	Family Murang'a	006000030672	700	-
Giathiya Secondary School	Family Murang'a	006000030845	393	-
Gikindu Secondary School	Family Murang'a	006000029858	4,620	3,740
Gikuu Secondary school	Family Murang'a	006000030727	2,410	1,205
Gitaro Secondary school	Family Murang'a	006000030425	80	80
Githanga Secondary School	Family Murang'a	006000033711	810	533,000
Gitige Secondary School	Family Murang'a	006000033632	615	735
Gitui Mixed Secondary School	Family Murang'a	006000033681	168	993,000
Gitweku Secondary School	Family Murang'a	006000033611	110	230
Ititu Secondary School	Family Murang'a	006000030607	2,275	2,395
Kagaa Secondary School	Family Murang'a	006000030632	215	-
Kaganda Secondary School	Family Murang'a	006000030347	996,650	2,000,000

**Kiharu Constituency**

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<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance Current FY</b>	<b>Bank Balance Previous FY</b>
Kagumo Secondary School	Family Murang'a	006000029948	3,055	-
Kahuhia Mixed Secondary School	Family Murang'a	006000030604	278	398
Kahuro Secondary School	Family Murang'a	006000033725	165	285
Kambarwa Secondary School	Family Murang'a	006000030780	14,864	26,895
Karemaini Secondary School	Family Murang'a	006000029854	1,317	797
Karingu Secondary School	Family Murang'a	006000033781	1,690	3,825
Kianderi Girls Secondary School	Family Murang'a	006000031232	610	-
Kiangochi Secondary School	Family Murang'a	006000030568	6,237	-
Kiboi Secondary School	Family Murang'a	006000030424	13,130	-
Koimbi Day Secondary School	Family Murang'a	006000030892	529	-
Maragi Secondary School	Family Murang'a	006000031235	1,855	-
Mbari ya Hiti Secondary School	Family Murang'a	006000030426	3,526	3,646
Mirichu Secondary School	Family Murang'a	006000030940	1,130	-
Muchungucha Secondary School	Family Murang'a	006000031208	937	-
Mugoiri Secondary School.	Family Murang'a	006000031260	20	-
Mukumu Secondary School	Family Murang'a	006000030603	596	520,166
Mukurwe Wa Nyagathanga Sec sch	Family Murang'a	006000033607	93	2,395
Muranga High School	Family Murang'a	006000033738	498,740	498,360
Murarandia Secondary School	Family Murang'a	006000031027	490	-
Mwirua Secondary School	Family Murang'a	006000031923	735	-
Nyakihai Secondary School	Family Murang'a	006000023644	939	-
Rurii Secondary School	Family Murang'a	006000030605	650	-
St. Luke Gituri Secondary school	Family Murang'a	006000033669	1,560	60
St. Michael Gathuki-ini Sec Sch	Family Murang'a	006000030676	3,424	-
St.Paul Boys Secondary school	Family Murang'a	006000030046	3,250	3,370
Theri Secondary School	Family Murang'a	006000033751	553	335,523
Vidhuramji Secondary School	Family Murang'a	006000030434	7,518	73,638
Weithaga Mixed Secondary School	Family Murang'a	006000033602	50,058	1,850,738
Yamugwe Secondary School	Family Murang'a	006000028683	79	79
<b>SECURITY PROJECTS</b>				
Gacharu Chief's Office	Family Murang'a	006000031264	27,265	27,385
Gaitega Chief's Office	Family Murang'a	006000030966	25,627	28,322
Gathaithi Chief's Office	Family Murang'a	006000030798	31,588	-
Gatundu Chief's Office	Family Murang'a	006000032517	-	-

**Ucutu**  
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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Gikandu Chiefs Office	Family Murang'a	006000029279	92	-
Gikindu D.O's Office	Family Murang'a	006000029910	22,429	22,549
Gitui Chiefs Office	Family Murang'a	006000032516	22,540	22,660
Kahatia Chiefs Office	Family Murang'a	006000029268	23,847	123,331
Kambirwa Assistant Chief's Office	Family Murang'a	006000031281	12	-
Kangara Chiefs Office	Family Murang'a	006000029278	42	-
Karenaini Chief's Office	Family Murang'a	006000032593	25	-
Kaweru Chief's Office	Family Murang'a	006000030677	3,076	-
Kayuyu Chiefs Office	Family Murang'a	006000029276	42	-
Kiawambeu Chief's Office	Family Murang'a	006000030654	364	-
Kigetuni Chief's Office	Family Murang'a	006000030865	23	-
Kiria Assistant Chief's Office	Family Murang'a	006000030853	122	-
Kirogo Assistant Chief's Office	Family Murang'a	006000032594	40	-
Koimbi Chiefs Office	Family Murang'a	006000029970	512	-
Matharite Chief's Office	Family Murang'a	006000029284	259,191	259,191
Mugeka AP CAMP	Family Murang'a	006000030622	1,906	2,026
Mugeka Chief's Office	Family Murang'a	006000031152	180	-
Mumbi Police Post	Family Murang'a	006000029373	16	-
Mwirua Chiefs Office	Family Murang'a	006000029616	392	-
Ndikwe Police Post	Family Murang'a	006000028979	1,056	-
Ngaru Chief's Office	Family Murang'a	006000029971	15,146	30
Njoguini Chief's Office	Family Murang'a	006000031252	79,535	79,655
Theri Chief's Office	Family Murang'a	006000029317	32,953	307,537
Yamugwe police post	Family Murang'a	006000028867	380	380
<b>OTHER PROJECTS</b>				
Gaturi Education Office	Family Murang'a	006000028684	747	867
Gikindu Division Education Office	Family Murang'a	006000033581	1,958	2,078
Murang'a East Education Office	Family Murang'a	006000032592	160	
Constituency Revision Books project	Family Murang'a	006000032152	3,877,318	
Murang'a East Sub County Treasury Office	Family Murang'a	006000033123	8,624	8,624
Wangu Education office	Family Murang'a	006000033785	1,560	63,730
<b>SPORTS</b>				
Kiharu NGCDF sports project	Family Murang'a	006000029171	2,500,500	2,592,620



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PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
<b>ENVIRONMENTAL PROJECTS</b>				
Gathaiti Environmental Project	Family Murang'a	006000030100	422	-
Gaturi Environmental Project	Family Murang'a	006000030101	215	-
Kimathi Environmental Project	Family Murang'a	006000030102	302	-
Lower Mbiri Environmental Project	Family Murang'a	006000030105	422	-
Lower Mugoiri Environmental Project	Family Murang'a	006000030091	422	-
Lower Wangu Environmental Project	Family Murang'a	006000030095	422	-
Murarandia Environmental Project	Family Murang'a	006000030099	422	-
Township Environmental Project	Family Murang'a	006000030093	239	-
Upper Mbiri Environmental Project	Family Murang'a	006000030104	422	-
Upper Mugoiri Environmental Project	Family Murang'a	006000030092	422	-
Upper Wangu Environmental Project	Family Murang'a	006000030094	422	-
<b>TOTAL</b>			<b>11,589,021</b>	<b>15,055,989</b>

## 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)
Other matter				
1.	<p><b>Budgetary Control and Performance</b> The summary statement of appropriation reflects final receipts budget and actual on comparable basis amount of Kshs. 220,463,578 and Kshs. 187,174,698 respectively resulting to an underfunding of Kshs. 33,288,880 or 15% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs. 220,463,578 and Kshs. 135,371,504 respectively, resulting to an underperformance amounting to Kshs. 85,092,074 or 39% of the budget. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>The underperformance amounting to Kshs. 85,092,074 was represented by funds not yet received from the NGCDF Board as at 30 June 2022 amounting to Kshs. 33,288,880 and Cash and Cash Equivalents as at 30 June 2022 amounting to Kshs. 51,803,194. Kiharu NG-CDF has since disbursed the Kshs. 51,803,194 to the respective projects and bursary awaiting disbursement of the Kshs. 33,288,880 by the NGCDF Board.</p>	Not Resolved	3 Months
2.	<p><b>Unresolved Prior Year Matters</b> The progress on follow up of auditor recommendations section of the financial statements reflects some of the issues raised in the previous year's audit report remained unresolved as at 30 June, 2022. No satisfactory explanations were provided for not resolving the issues.</p>	<p>The issues raised in the previous year's audit report have since been resolved awaiting clearance by Parliament</p>	Resolved	-


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)
Report on lawfulness and effectiveness in use of public resources				
1.	<p><b>Poorly Done and Unlabeled Projects</b></p> <p>During projects inspection done in the month of March, 2023, thirty (30) projects with a total funding of Kshs.21,750,000 were verified. However, nineteen (19) of these projects costing Kshs.16,850,000 though complete and in use were observed to have unsatisfactory issues, including works not done, poor workmanship as well as all of them not being labelled.</p> <p>In the circumstances, the constituents did not achieve effective value for money from the projects worth Kshs.16,850,000 that had the unsatisfactory observations.</p>	Kiharu NG-CDF has since ensured PMCs have made good any defects and labelled the projects	Resolved	
2.	<p><b>Incomplete Implementation of Projects</b></p> <p>Review of project implementation status report as at 30 June, 2022 revealed that the Fund budgeted for ninety-two (92) projects with a total budgeted expenditure of Kshs.137,088,878. However, twenty-four (24) projects with a budget of Kshs.67,702,706 were ongoing and two (2) projects with a budget of Kshs.20,000,000 had not started as at 30 June, 2022.</p> <p>In the circumstances, the constituents did not receive value for money for the delayed projects amounting to Kshs.87,702,706 for the year under review.</p>	The delay in projects implementation was as a result of the funds that had not yet been received from NG-CDF Board. The funds have since been received and some of the earmarked projects completed and others at different stages of implementation	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.	<p><b>Employment of Excess Staff</b> The statement of receipts and payments reflects compensation of employees amount of Kshs. 3,642,860. During the year under review, the Fund had a total of (6) employees which exceeded the recommended staff establishment number of five employees by one (1). This is contrary to the National Government Constituencies Development Fund Board Circular Ref. No. CDF Board/ Circular/ Vol 166 dated 24 June, 2013 that directed the Funds not to employ more than (5) employees in the constituency offices.</p>	<p>The NG-CDF Board issued a new Circular Ref. NG-CDFB/CEO/NG-CDF Circulars/ Vol. II (033) dated 15<sup>th</sup> December 2022 indicating the ten (10) employees NG-CDF Committee's may employ and Kiharu NG-CDF has since ensured the staff establishment is aligned to the guidelines</p>	Resolved	-

  
 Kennedy Kamau  
 Fund Account Manager