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# REPORT

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DATE: **14 AUG 2024** DAY: **WEDNESDAY**

TABLED BY:	<b>HON. DEPUTY SPEAKER MAJORITY PARTY</b>
CLERK-AT THE TABLE:	<b>KATHER NG'INYO</b>

**THE AUDITOR-GENERAL**

ON

## NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GICHUGU CONSTITUENCY

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



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**GICHUGU CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES 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)

<b>Table of Content</b>	<b>Page</b>
I. Acronyms and Abbreviations.....	ii
II. Key Constituency Information and Management.....	iii
III. NG-CDFC Chairman’s Report .....	vii
IV. Statement Of Performance Against Predetermined Objectives for FY2022/2023.....	x
V. Statement of Governance .....	xii
VI. Environmental and Sustainability Reporting.....	xv
VII. Statement Of Management Responsibilities .....	xix
VIII. Report Of the Independent Auditors On The NGCDF- Gichugu Constituency .....	xxi
IX. Statement Of Receipts and Payments for the Year Ended 30th June 2023 .....	1
X. Statement Of Assets and Liabilities As At 30 <sup>th</sup> June, 2023 .....	2
XI. Statement Of Cash Flows for The Year Ended 30th June 2023 .....	3
XII. Summary Statement of Appropriation for The Year Ended 30 <sup>th</sup> June 2023 .....	5
XIII. Budget Execution By Sectors And Projects For The Year Ended 30 <sup>th</sup> June 2023 .....	8
XIV. Significant Accounting Policies .....	14
XV. Notes To the Financial Statements .....	20
XVI. Annexes.....	31

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

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**I. Acronyms and Abbreviations**

NG-CDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project Management Committee

FY-Financial Year

NG-CDFC-National Government Constituency Development Funds Committee

ARMC -Audit and Risk Management Committee

OSHA -Occupational Safety and Health Act

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

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

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

### **Mandate**

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

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

***Gichugu 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 Gichugu Constituency NG-CDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

**Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Margaret Rugiri
2.	Sub-County Accountant	Jamleck Mutembei Mbuba
3.	Chairman NG-CDFC	Geoffrey K. Nduru
4.	Member NG-CDFC	Name of alternate signatory

**(c) Fiduciary Oversight Arrangements**

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

P.O. Box 234-10301  
NG-CDF Building  
DCC Compound  
Kianyaga  
Kirinyaga, KENYA

**(e) Gichugu Constituency NG-CDF Contacts**

Telephone: (254) 0728379287  
E-mail: [cdfgichugu@ngcdf.go.ke](mailto:cdfgichugu@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(f) Gichugu Constituency NGCDF Bankers**

Gichugu NG-CDF Bank  
FAMILY BANK  
KUTUS BRANCH  
P.O BOX 74145-00200  
Kutus

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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



### III. NG-CDF Chairman's Report



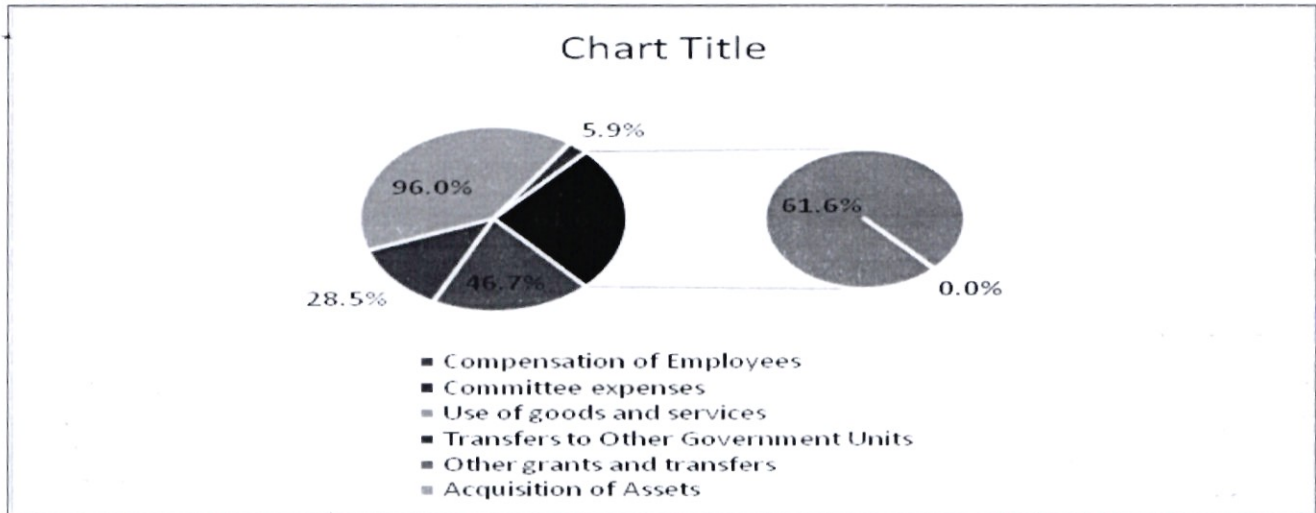
On behalf of the constituents and the NG-CDF Gichugu office, it's my utmost honour and privilege to present the financial report for the year ended 30<sup>th</sup> June 2023.

During the financial year 2022/2023 the management had a total budget of Kshs. 169,611,193 which included Kshs. **145,867,603** being the allocation for the year and balances brought forward from the previous year amounting to Kshs 23,908,754 However, the management received a total of Kshs. **98,819,875** during the year translating to **58.2%** of the expected amount. A total of Kshs. 70,956,482 is still owed from the NG-CDF board as at 30<sup>th</sup> June 2023. Of the received amount the management spent Kshs. **58,562,917** on projects and other administrative costs which translate to **34.5%**.

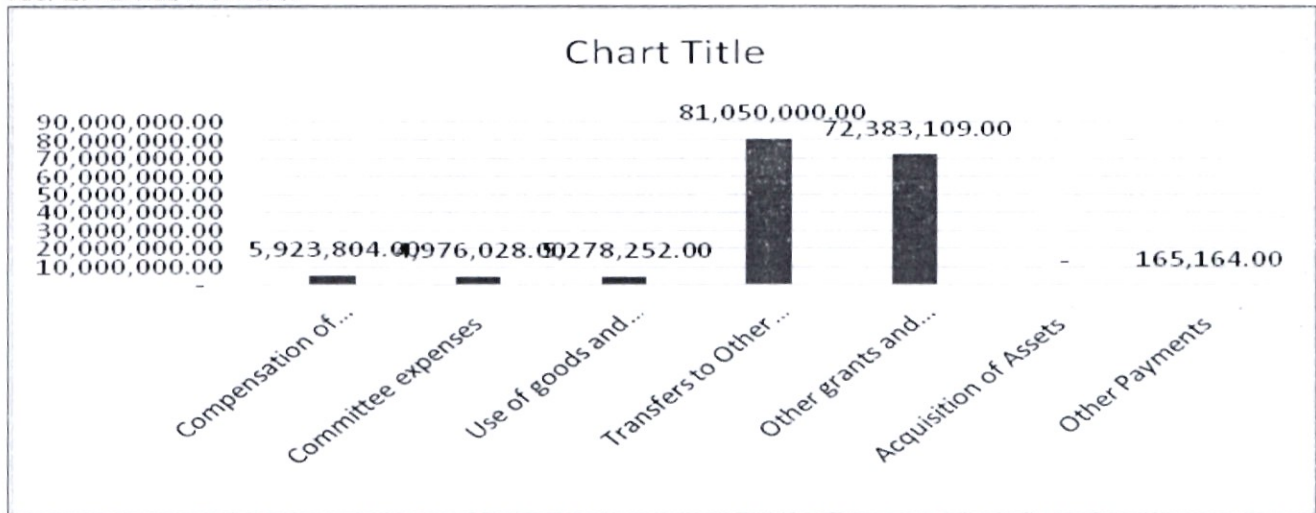
During this financial year 2022/2023, the NG-CDF Gichugu managed to complete and implement a good number of projects from the financial year 2022/2023 and a couple from the financial year 2021/2022 whose funds were received from the board in the financial year 2022/2023. This was made possible by good co-operation between the NG-CDF committee, the PMCs and other stakeholders despite political activities prevailing during the year. The management was able to disburse bursary to needy students totalling to fourteen thousand. This has enhanced retention of students in school which translates to performance improvement.

**BUDGET PERFORMANCE AGAINST ACTUAL AMOUNTS, FY 2022/2023**

**FIG 1. BUDGET UTILIZATION PERCENTAGE**



**FIG 2. FINAL BUDGET**



**FIG3. TOTAL RECEIPTS – TOTAL PAYMENT UTILIZATION DIFFERENCE**

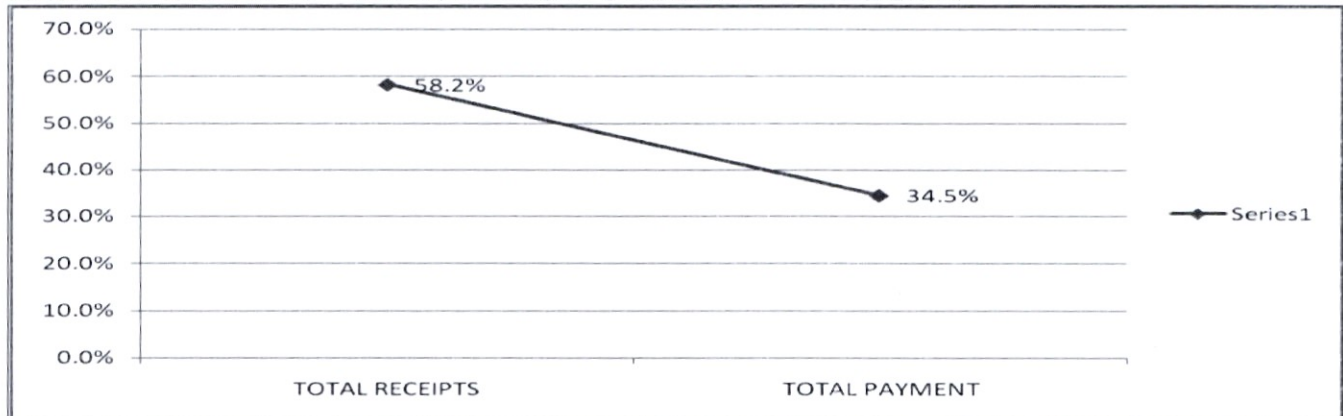
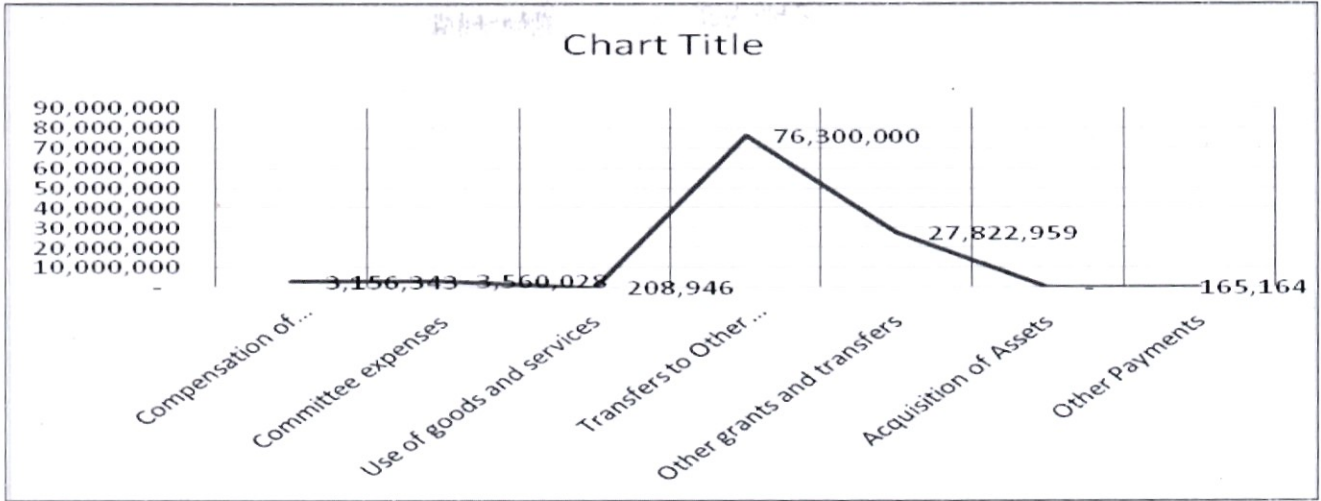


FIG 3. BUDGET UTILIZATION DIFFERENCE



Despite the achievements, the management experienced a number of challenges among them high number of requests by some of the institutions within the constituency especially boarding secondary where many required immediate intervention in terms of dormitories, dining halls and classrooms to accommodate high number of students enrolling following the 100% transition of students from Primary to Secondary Schools as per the government policy.

To address this the committee will allocate more funds towards the construction of more infrastructure in the schools in the financial year 2023/2024.

**Name:** Geoffrey K. Nduru  
**CHAIRMAN NG-CDF COMMITTEE**

#### IV. Statement of Performance Against Predetermined Objectives for FY2022/23

##### Introduction

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

The key development objectives of *Gichugu Constituency 2018-2022* plan are to:

##### Progress on attainment of Strategic development objectives

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

sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels	In FY 22/23 the Gichugu NG-CDF renovated 5 primary schools, completed 3 dining halls, 3 classrooms and drilled a borehole complete with a water pump to provide safe drinking water for students, all intended to improve learning conditions in our institutions. - Bursary beneficiaries at all levels were as per the attached schedule
Security	Enhance security infrastructure, housing for security/ administration staff	Increased security for the residents of the constituency.	-Usable physical infrastructure build in the constituency.	In the FY 22/23 the Gichugu NG-CDF completed 10 offices for the area Chiefs and Assistant chiefs in the constituency aimed at improving service delivery to our constituents in matters of security and administration.

Sports	Enhance sporting activities in the constituency to keep the youth engaged in a positive manner	Improvement of talents and reduction of negative vices like alcohol and drug abuse.	Number of uniforms and sporting equipment purchased	Uniforms purchased, balls and sporting shoes bought for atleast 30 clubs.
Emergency	To carry out emergency interventions in institutions funded by NG-CDF	Improvement of school facilities	Number of projects done by NG-CDF using emergency funds	Toilets constructed at Gatugura Primary school ,electricity connections at Kibaro Primary school

## **V. Statement of Governance**

### **Introduction**

This report entails the process of appointment and removal of NG-CDF Members, roles and functions of the committee, Induction and training of members, Number of meetings held, disclose policy on conflict of interest, member's remuneration, Ethics and conduct and risk management.

The committee is composed of two youth's men and women and two adults recruited through a selection panel. The selection panel also recruits a representative of the person living with disability to ensure that they are well represented.

The NGCDF committee is composed of 10 members: The national government official responsible for co-ordination of national government functions; two men, two women One person with disability nominated by a registered group, two persons nominated by the constituency office, the officer of the board seconded to the constituency committee and One member co-opted by the board in accordance with regulations made by the board.

### **Procedure of Appointment of Members**

The appointment of the 9 committee members was subjected to the provision in the National Government Constituencies Fund Act no.30 of 2015:

- (a) The national government official responsible for co-ordination of national government functions;
- (b) Two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment;
- (c) Two women nominated in accordance with subsection (3). One of whom shall be a youth at the date of appointment;
- (d) One person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- (e) Two persons nominated by the constituency office established under regulations made pursuant to the parliamentary service act;
- (f) The officer of the board seconded to the constituency committee by the board who shall be an ex officio member without a vote.
- (g) One member co-opted by the board in accordance with regulations made by the board.

### **Induction**

The committee members were introduced to their responsibilities during their first meeting on December 15 2022.

The Chairperson was appointed and their core-business outlined out to them on what they were expected to and what they were to expect even as they serve in the same capacity.

#### **Removal of the NGCDF Committee Member**

The removal process of any member is imposed to the provisions of the NG-CDF Act;

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

#### **Roles and functions of the committee**

The responsibilities of the NGCDF Board Committee Includes:

1. Allocation of Funds to the projects considering bill of quantity estimates.
2. Assess projects before, during and after undertaken.
3. Prepare strategic plan for the constituency.
4. Coordinate and review reports from the NG-CDF employees.
5. Employ staff needed to run specific roles at the NG-CDF Office.

#### **Trainings**

In the financial year 2022/2023 our Board Committee had a chance to attend training twice at Mombasa to enhance their effectiveness to handle their responsibilities.

These trainings are to equip them with needed skills and values to hold their responsibilities, effectively execute viable decision by teaching them the parameters of decision making.

Capacity building to facilitate a responsible and an objective oriented committee to facilitate well defined goals in their development's meetings.

#### **Number of meetings**

The NG-CDF Committee has managed to have 12 meetings within the financial Year 2022/2023 which is within the provision of the act to.

#### **Disclose Policy on Conflict of Interest**

Conflict of interest has always been part of the agenda in their meetings but there has been not even one member who has raised any.

### **Remuneration**

The Committee members do not have a defined monthly Salary; they receive a 5,000/= allowance per sitting.

### **Ethics and Conduct**

To ensure that order and ethics are esteemed, there are aspects over-emphasized in the membership;

- a. Confidentiality
- b. Integrity.
- c. Willingness.
- d. Openness
- e. Transparency.

Members take oath into office before they begin their service.

### **Risk Management**

To ensure that all risks are managed well;

1. Through the risk management platform.
2. Project Management Committee oversees all the projects being undertaken.
3. Creation of a good working environment at the office for working.
4. Consideration of bill of quantities before allocation of finances.
5. Appropriate mechanism put up to facilitate effective bursary issuance.
6. Allocation of enough funds ongoing projects to prevent under-budgeting.
7. Constant and continuous assessment of NGCDF Projects.
8. There is well structured channel between the Board and the Constituency.
9. There is provision of inflation in the Bills of quantity.
10. There is well fitted security at the office, site where projects are undertaken and during assessment.
11. Continuous and constant capacity building of the employees, Board members and the stakeholders for the effectiveness.



## VI. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Gichugu 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; NG-CDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
  
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

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

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

## **2. Environmental performance**

The committee allocates money every financial year for purchasing tree seedling in school.

Through this students carry out environmental conservation activities e.g planting trees once in an academic calendar

The committee ensures Sensitization of youth/ community on the impact of drugs during the construction of police stations supported NG-CDF during the public participations held annually. Through sporting activities/ tournament which bring communities together and they are sensitized on environmental conservation matters.

NG-CDF staff Have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NG-CDF supported projects.

## **3. Employee welfare**

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

Gichugu NG-CDF 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.

NG-CDF 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-**

Gichugu NG-CDF 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.

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

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**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-CDF 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.

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



.....  
**Henry G. Wanjiku**

**Fund Account Manager.**

## VII. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NG-CDF-Gichugu 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 NG-CDF-Gichugu 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 NG-CDF-Gichugu 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 NG-CDF Gichugu 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

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

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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 NG-CDF- Gichugu Constituency financial statements were approved and signed by the Accounting Officer on 22/31 2024.



.....  
**Name:** Geoffrey K. Nduru  
**Chairman – NGCDF Committee**



.....  
**Name:** Henry G. Wanjiku  
**Fund Account Manager**

# REPUBLIC OF KENYA



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

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Gichugu Constituency set out on pages 1 to 39, 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 effects matter 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 - Gichugu Constituency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015 (Amended 2022).

### **Basis for Qualified Opinion**

#### **Unsupported Project Management Committee (PMC) Account Balances**

As disclosed in Note 12 to the financial statements, the statement of cash and cash equivalents reflects an amount of Kshs.40,256,958. However, Note 19.4 and Annex 5 to the financial statements reflect Project Management Committees (PMC) account balances of Kshs.3,329,135. The balance of Kshs.3,329,135 ought to be swept to the Fund as unspent balance after the completion of the projects. However, cash books and bank reconciliation statements were not provided for audit.

In the circumstances, the accuracy of the PMC balance could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Gichugu Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

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

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.169,776,357 and Kshs.98,819,875 respectively, resulting to an under-funding of Kshs.70,956,482 or 42% of the budget. Similarly, the Fund spent a balance of Kshs.58,562,917 against actual receipts of Kshs.98,819,875 resulting to an under-utilization of Kshs.40,256,958 or 41% of the actual receipts.



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

My opinion is not modified in respect of this matters.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

The audit report for the previous year highlighted several issues in respect of the financial statements, lawfulness and effectiveness of public resources, and effectiveness of internal controls and governance. Management's report on progress made in resolving the issues, indicates that issues relating to the financial statements had not been resolved as at 30 June, 2023.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **1. Projects Implementation Status Report**

During the year under review, the Fund budgeted to implement sixteen (16) projects with a total budgeted expenditure of Kshs.74,010,000. However, although three (3) projects with a total expenditure of Kshs.4,750,000 were implemented during the year, only one (1) project amounting to Kshs.500,000 related to the financial year under review, hence fifteen (15) projects with a total budget allocation of Kshs.73,510,000 remained unimplemented and which had not commenced at the time of the audit exercise in the month of March 2024.

In the circumstances, the public did not achieve the intended benefits as a result of non-implementation of the projects.

#### **2. Failure to Implement Projects**

Information available indicate that two projects, Mirichi Assistant Chief Office and Kamwana Primary School were allocated Kshs.2,001,262 and Kshs.1,000,000 in the

financial year 2021/2022 for construction of borehole and construction of classrooms, respectively. The funds were disbursed to the project management committees and as at the time of the audit exercise in March, 2024 the money remained unutilized more than two years after the disbursement of the funds.

In the circumstances, the public did not achieve the intended benefits and value for money as a result of non-implementation of the two projects.

### **3. Non-Compliance with the Law on Staff Ethnic Composition**

Review of the personnel records provided for audit revealed that the Fund's staff population was nine (9). However, all staff were from the dominant ethnic community. This was contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness

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


Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of noncompliance. 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 sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

22 May, 2024

**Gichugu Constituency**

**National Government Constituencies Development Fund (NGCDF)**

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

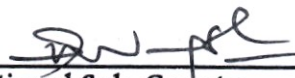
**IX. Statement of Receipts and Payments for the Year Ended 30th June 2023**

	Note	2022 – 2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NG-CDF Board	1	87,000,000	170,088,879
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	165,164	31,000
<b>Total Receipts</b>		<b>87,165,164</b>	<b>170,119,879</b>
<b>Payments</b>			
Compensation Of Employees	4	2,819,311	1,872,972
Committee expenses	5	1,416,000	-
Use Of Goods and Services	6	5,069,306	14,161,944
Transfers To Other Government Units	7	4,750,000	61,670,000
Other Grants and Transfers	8	44,508,300	100,468,300
Acquisition Of Assets	9	-	-
Oversight Committee Expenses	10	-	-
Other Payments	11	-	-
<b>Total Payments</b>		<b>58,562,917</b>	<b>178,173,226</b>
<b>Surplus/ (Deficit)</b>		<b>28,602,247</b>	<b>(8,053,347)</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 NG-CDFC on 22/3/ 2024 and signed by:

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

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

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

**Name:** Henry G. Wanjiku

**Name:** Jamleck M. Mbuba  
ICPAK M/No:17276

**Name:** Geoffrey K. Nduru

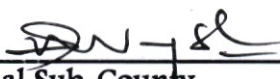
## X. Statement of Assets and Liabilities As At 30th June, 2023

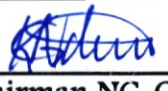
	Note	2022 – 2023	2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	12A	40,256,958	11,654,711
Cash Balances (Cash at Hand)	12B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>40,256,958</b>	<b>11,654,711</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	13	-	-
<b>Total Financial Assets</b>		<b>40,256,958</b>	<b>11,654,711</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	14A	-	-
Gratuity	14B	-	-
<b>Total Financial Liabilities</b>			
<b>Net Financial Assets</b>		<b>40,256,958</b>	<b>11,654,711</b>
<b>Represented By</b>			
Fund Balance B/Fwd	15	11,654,711	19,708,058
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		28,602,247	(8,053,347)
<b>Net Financial Position</b>		<b>40,256,958</b>	<b>11,654,711</b>

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

The Constituency financial statements were approved by NG-CDFC on 22/31 2024 and signed by:

  
Fund Account Manager

  
National Sub-County  
Accountant

  
Chairman NG-CDF  
Committee

**Name:** Henry G. Wanjiku

**Name:** Jamleck M. Mbuba  
**ICPAK M/No:** 17276

**Name:** Geoffrey K. Nduru

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

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

	Notes	2022 – 2023	2021-2022
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	87,000,000	170,088,879
Other Receipts	3	165,164	31,000
<b>Total Receipts</b>		<b>87,165,164</b>	<b>170,119,879</b>
<b>Payments</b>			
Compensation Of Employees	4	2,819,311	1,872,982
Committee Expenses	5	1,416,000	-
Use Of Goods and Services	6	5,069,306	14,161,944
Transfers To Other Government Units	7	4,750,000	61,670,000
Other Grants and Transfers	8	44,508,300	100,468,300
Oversight Committee Expenses	10	-	-
Other Payments	11		
<b>Total Payments</b>		<b>58,562,917</b>	<b>178,173,226</b>
<b>Total Receipts Less Total Payments</b>			
Adjusted For:			
Prior Year Adjustments	16		
Decrease/(Increase) In Accounts Receivable	17		
Increase/(Decrease) In Accounts Payable	18		
<b>Net Cash Flow from Operating Activities</b>		<b>28,602,247</b>	<b>(8,053,347)</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>Net Increase In Cash And Cash Equivalent</b>		<b>28,602,247</b>	<b>(8,053,347)</b>



**Gichugu Constituency**

**National Government Constituencies Development Fund (NGCDF)**

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

<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	<b>12</b>	<b>11,654,711</b>	<b>19,708,058</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	<b>12</b>	<b>40,256,958</b>	<b>11,654,711</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 24/3/ 2024 and signed by:



**Fund Account Manager**

**Name:** Henry G. Wanjiku



**National Sub-County Accountant**

**Name:** Jamleck M. Mbuba  
**ICPAK M/No:** 17276



**Chairman NG-CDF Committee**

**Name:** Geoffrey K. Nduru

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

**XII. 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 %
	FY 2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	FY 2022/2023	FY 2022-2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Receipts</b>							
Transfers From NGCDF Board	145,867,603	11,654,711	12,088,879.00	169,611,193	98,654,711	70,956,482	58.2%
Proceeds From Sale of Assets	-	-		-	-	-	
Other Receipts	-	165,164		165,164	165,164	-	
<b>Totals</b>	<b>145,867,603</b>	<b>11,819,875</b>	<b>12,088,879.00</b>	<b>169,776,357</b>	<b>98,819,875</b>	<b>70,956,482</b>	<b>58.2%</b>
<b>Payments</b>							
Compensation Of Employees	4,073,804	1,850,000	-	5,923,804	2,819,311	3,104,493	47.6%
Committee Expenses	2,918,028	600,000	-	3,518,028.00	1,416,000	2,102,028	28.5%
Use Of Goods and Services	4,678,252	600,000	-	5,278,252	5,069,306	208,946	96.0%
Transfers To Other Government Units	70,850,000	4,200,000	6,000,000	81,050,000	4,750,000	76,300,000	5.9%
Other Grants and Transfers	61,889,519	4,404,711	6,088,879	72,383,109	44,508,300	27,822,959	61.6%
Acquisition of Assets	-	-	-	-	-	-	0.0%
Oversight Committee Expenses	1,458,000		-	1,458,000	-	1,458,000	0.0%
Other Payments	-	-	-	-	-	-	0.0%
Funds Pending Approval**	-	165,164	-	165,164		165,164	0.0%

**Gichugu Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 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 %
	FY 2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	FY 2022/2023	FY 2022-2023		
<b>Receipts</b>							
<b>Totals</b>	<b>145,867,603</b>	<b>11,819,875</b>	<b>12,088,879</b>	<b>169,776,357</b>	<b>58,562,917</b>	<b>111,213,440</b>	<b>34.5%</b>

**Explanatory Notes.**

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

The ksh 165,164 This includes amount received on sale of tenders

(b)

- I. Compensation of Employees-The underutilization is due to amount allocated for payment of staff gratuity. The amount will be paid after the expiry of the contract.
- II. Use of goods and services-The remaining balance was the unspent funds as at 30/06/2023 which will be utilized in the financial year 2023/2024.
- III. Transfers to Other Government Units-This is money due to various projects which had not been disbursed to the PMCs as at 30/06/2023 But it was disbursed in the current financial year 2023/2024.
- IV. Other grants and Transfers-This is money budget for bursary and other projects which had not been disbursed to the PMCS as at 30/06/2023. However, the money has been disbursed in the current financial year 2023/2024
- V. Other receipts-The underutilization is due to appropriation in aid of ksh165,164 which is awaiting the Boards approval.

**Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities**

Description	Amount
Budget utilisation difference totals	111,213,440
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	70,956,482
	40,256,958
Increase/ (decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-


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

Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	40,256,958


The Constituency financial statements were approved by NG-CDFC on 22/3/ 2024 and signed by:

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

**Name:** Henry G. Wanjiku

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

**Name:** Jamleck M. Mbuba  
**ICPAK M/No:** 17276

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

**Name:** Geoffrey K. Nduru

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	4,073,804	1,850,000	-	5,923,804	2,819,311	3,104,493
1.2 Committee allowances	940,000	-	-	940,000	731,000	209,000
1.3 Use of goods and services	3,738,252	944,911	-	4,683,163	3,738,252	944,911
<b>Sub-total</b>	<b>8,752,056</b>	<b>2,794,911</b>	<b>-</b>	<b>11,546,967</b>	<b>7,288,563</b>	<b>4,258,404</b>
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	870,000	-	-	870,000	-	870,000
2.2 Committee allowances	780,000	600,000	-	1,380,000	685,000	695,000
2.3 Use of goods and services	2,726,028	-	-	2,726,028	1,331,054	1,394,974
<b>Sub-total</b>	<b>4,376,028</b>	<b>600,000</b>	<b>-</b>	<b>4,976,028</b>	<b>2,016,054</b>	<b>2,959,974</b>
<b>3.0 Emergency</b>						
3.1 Primary Schools	980,000	-	-	-	980,000	-
3.2 Secondary schools	-	-	-	-	-	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-

**Gichugu Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 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			
3.5 Unutilised	6,656,190	980,000	846,882	8,483,072	980,000	8,483,072
<b>Sub-total</b>	<b>7,636,190</b>	<b>980,000</b>	<b>846,882</b>	<b>9,463,072</b>	<b>980,000</b>	<b>8,483,072</b>
<b>4.0 Bursary and Social Security</b>						
4.1 Primary Schools	-	-	-	-	-	-
4.2 Secondary Schools	29,220,000	1,300,000	-	30,520,000	30,520,000	-
4.3 Tertiary Institutions	14,077,979	-	-	14,077,979	11,778,500	2,299,479
4.4 Universities	-	-	-	-	-	-
4.5 Social Security	780,000	-	-	780,000	-	780,000
<b>Sub-total</b>	<b>44,077,979</b>	<b>1,300,000</b>	<b>-</b>	<b>45,377,979</b>	<b>42,298,500</b>	<b>3,079,479</b>
<b>5.0 Sports</b>						
Constituency Sports activities	2,617,350	1,229,800	2,741,997	6,589,147	1,229,800	5,359,347
Regional Sports activities	300,000	-	-	300,000	-	300,000
<b>Sub-total</b>	<b>2,917,350</b>	<b>1,229,800</b>	<b>2,741,997</b>	<b>6,889,147</b>	<b>1,229,800</b>	<b>5,659,347</b>
<b>6.0 Environment</b>						
Njuku West assistant Chiefs office	660,000	-	-	660,000	-	660,000
Gichugu environmental Project Project	640,000	-	-	640,000	-	640,000

**Gichugu Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 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			
	-	-	-	-	-	-
<b>Sub-total</b>	<b>1,300,000</b>			<b>1,300,000</b>		<b>1,300,000</b>
<b>7.0 Primary Schools Projects (List all the Projects)</b>						
Kianjiru Primary School	9,000,000.00	-		9,000,000	-	9,000,000
Nyanja Primary School	12,900,000	-		12,900,000	-	12,900,000
Kabare Boys Primary School	6,400,000.00	-		6,400,000	-	6,400,000
Kiandai Primary School	5,350,000.00	-		5,350,000	-	5,350,000
Ngariama Primary School	5,000,000.00	-		5,000,000	-	5,000,000
Karucho Primary School	6,000,000.00	-		6,000,000	-	6,000,000
Gatugura Primary School	3,550,000.00	-		3,550,000	-	3,550,000
Raimu Primary School	850,000.00	-		850,000	-	850,000
Kanjuu Primary School	1,600,000.00	-		1,600,000	-	1,600,000
raimu Primary School	-	500,000		500,000	500,000	-
kiathi primary school	-	2,350,000		2,350,000	2,350,000	-
<b>Sub-total</b>	<b>50,650,000</b>	<b>2,850,000</b>		<b>53,500,000</b>	<b>2,850,000</b>	<b>50,650,000</b>

**Gichugu Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 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			
<b>8.0 Secondary Schools Projects (List all the Projects)</b>						
Githage Secondary School	6,700,000.00	-	-	6,700,000	-	6,700,000
Ngungu Secondary School	3,000,000.00	-	-	3,000,000	-	3,000,000
Kiamugumo Secondary School	8,300,000.00	-	-	8,300,000	-	8,300,000
Kiaumbui secondary school	-	1,900,000	-	1,900,000	1,900,000	-
mugumo secondary	-	-	6,000,000	6,000,000	-	-
				-		
<b>Sub-total</b>	<b>18,000,000</b>	<b>1,900,000</b>	<b>6,000,000</b>	<b>25,900,000</b>	<b>1,900,000</b>	<b>24,000,000</b>
<b>9.0 Tertiary institutions Projects (List all the Projects)</b>						
9.1						
9.2						
9.3						
<b>Sub-total</b>						
<b>10.0 Security Projects</b>						
Kianyaga Police Station	1,500,000	-	-	1,500,000	-	1,500,000
Rwathai Chiefs Office	700,000	-	-	700,000	-	-
		-	-		-	-
<b>Sub-total</b>	<b>2,200,000</b>	-	-	<b>2,200,000</b>	-	<b>2,200,000</b>



Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-	-
<b>Sub-total</b>						
<b>12.0 Oversight Committee Expenses</b>						
Accommodation - Domestic Travel	300,000	-	-	300,000	-	300,000
Advertising, awareness and publicity campaigns	243,000	-	-	243,000	-	243,000
committee expenses	300,000	-	-	300,000	-	300,000
Daily Subsistence Allowance	165,000	-	-	165,000	-	165,000
Refined Fuels and Lubricants for Transport	200,000	-	-	200,000	-	200,000
Travel cost(Airlines, railway,bus, mileage allowances etc	250,000	-	-	250,000	-	250,000
<b>Sub-total</b>	<b>1,458,000</b>			<b>1,458,000</b>		<b>1,458,000</b>

*Gichugu Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 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			
<b>13.0 Others</b>						
Gichugu NGCDF Office	2,500,000	-	-	2,500,000	-	2,500,000
Gichugu NG-CDF Strategic Plan	2,000,000	-	-	2,000,000	-	2,000,000
<b>Sub-total</b>	<b>4,500,000</b>	-	-	<b>4,500,000</b>	-	<b>4,500,000</b>
Funds pending approval**	165,164	-	-	165,164	-	165,164
<b>Total</b>	<b>145,867,603</b>	<b>11,819,875</b>	<b>12,088,879</b>	<b>169,776,357</b>	<b>58,562,917</b>	<b>111,213,440</b>

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

#### **XIV. Significant Accounting Policies**

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

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

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits (gratuity and retentions).

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

##### **2. Reporting Entity**

The financial statements are for the NG-CDF-Gichugu 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.

**Compensation of Employees**

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

**Use of Goods and Services**

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

#### **Acquisition of Fixed Assets**

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

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

#### **5. In-kind contributions**

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

#### **6. Cash and Cash Equivalent.**

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

#### **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

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

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is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**8. Accounts Payable**

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

**9. Pending Bills**

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

**10. Unutilized Fund**

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



**Gichugu Constituency**

**National Government Constituencies Development Fund (NGCDF)**

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

**XV. Notes To the Financial Statements**

**1. Transfers from NGCDF Board**

<b>Description</b>	<b>2022 – 2023</b>	<b>2021-2022</b>
<b>NGCDF Board</b>	<b>Kshs</b>	<b>Kshs</b>
AIE NO. B140888		33,000,000
AIE NO. B105436		44,000,000
AIE NO. B105766		22,000,000
AIE NO. B132500		5,000,000
AIE NO. B128811		12,000,000
AIE NO. B154009		12,000,000
AIE NO. B164452		18,000,000
AIE NO. B155814		24,088,879
AIE NO. B185059	7,000,000	
AIE NO. B185336	6,000,000	
AIE NO. B185599	15,000,000	
AIE NO. B185887	5,000,000	
AIE NO. B206344	12,000,000	
AIE NO. B205730	12,000,000	
AIE NO. B205992	15,000,000	
AIE NO. B207857	15,000,000.00	
<b>TOTAL</b>	<b>87,000,000.00</b>	<b>170,088,879</b>

**2. Proceeds From Sale of Assets**

	<b>2022 – 2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
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)	-	-

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

<b>Total</b>	-	-
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**3. Other Receipts**

	<b>2022 – 2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	69,000	31,000
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	96,164	-
<b>Total</b>	<b>165,164</b>	<b>31,000</b>

**Gichugu 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)*

**4. Compensation of Employees**

	<b>2022 – 2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	1,694,551	1,872,972
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,049,040	-
Employer Contributions Compulsory national social security schemes	75,720.00	-
<b>Total</b>	<b>2,819,311</b>	<b>1,872,972</b>

**5. Committee Expenses**

	<b>2022 – 2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Sitting allowance	1,416,000	2,818,400
Other committee expenses	-	4,023,000
<b>Total</b>	<b>1,416,000</b>	<b>6,841,400</b>

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

**6. Use of Goods and services**

	<b>2022 – 2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	90,608.00	57,322
Communication, supplies and services	109,202.00	90,338
Domestic travel and subsistence	185,100.00	434,600
Printing, advertising and information supplies & services	142,680.00	1,444,000
Rentals of produced assets	-	-
Training expenses	-	1,473,600
Hospitality supplies and services	-	-
Insurance costs	148,164.00	197,317
Specialised materials and services	-	712,000
Office and general supplies and services	817,639.00	1,652,085
Fuel , oil & lubricants	846,985.00	850,000
Other operating expenses	2,594,070.00	50,000
Bank Charges		
Security operations		
Routine maintenance - vehicles and other transport equipment	134,858.00	363,282
Routine maintenance- other assets	-	-
<b>Total</b>	<b>5,069,306</b>	<b>7,324,544</b>

**7. Transfer To Other Government Units**

Description	2022 – 2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	2,850,000	43,970,000
Transfers To Secondary Schools (See Attached List)	1,900,000	17,700,000
Transfers To Tertiary Institutions (See Attached List)	-	-
<b>Total</b>	<b>4,750,000</b>	<b>61,670,000</b>

**8. Other Grants and Other transfers**

Description	2022 – 2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	31,868,000	58,746,500
Bursary – tertiary institutions (see attached list)	10,430,500	19,141,000
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	13,350,000
Sports projects (see attached list)	1,229,800	2,180,800
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	980,000	7,050,000
Roads projects (see attached list)	-	-
<b>Total</b>	<b>44,508,300</b>	<b>100,468,300</b>

**9. Acquisition Of Assets**

Description	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	-	-

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

Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
<b>Total</b>	-	-

**10. Oversight Committee Expenses**

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

**11. Other Payments**

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

## 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>	-	-
Family Bank, Kutus Branch. Gichugu NG-CDF,020000002893	40256957.97	11,654,711
<i>Name of Bank, account No. (Deposits account)</i>	-	-
<b>Total</b>	<b>40,256,957.97</b>	<b>11,654,711</b>
	-	-
<b>12 B: Cash on Hand</b>	-	-
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	-	-
<i>[Provide Cash Count Certificates for Each]</i>	-	-

## 13. Outstanding Imprests

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

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

*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 2023)</b>	<b>(1<sup>st</sup> July 2022)</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	40,256,958	11,654,711
Cash in hand	-	-
Imprest	-	-
<b>Total</b>	<b>40,256,958</b>	<b>11,654,711</b>
Less	-	-
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	-	-

*[Provide short appropriate explanations as necessary]*



## 16. Prior Year Adjustments

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

\*\* 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	-	-

**Gichugu 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)**

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

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

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

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

	<b>2022 – 2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	3,156,343	2,563,594
Committee expense	2,102,028	1,205,307
Use of goods and services	208,946	11,150,000
Amounts due to other Government entities (see attached list)	76,300,000	8,755,689
Amounts due to other grants and other transfers (see attached list)	27,822,959	-
Acquisition of assets	-	-
Oversight Committee Expenses	1,458,000	-
Other Payments ( <i>specify</i> )	-	-
Funds pending approval	165,164	69,000
<b>Total</b>	<b>111,213,440</b>	<b>23,743,590</b>

*Gichugu Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

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

	<b>2022 – 2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	3,329,135.36	9,022,550.00
<b>Total</b>	<b>3,329,135.36</b>	<b>9,022,550.00</b>

XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Comments
	a	b	c	d=a-c	
<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
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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

**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Compensation of employees		3,156,343	2,563,594	
Use of goods & services		2,310,974	1,205,307	
Amounts due to other Government entities				
MUGUMO SECONDARY SCHOOL			6,000,000	
Kamwana primary school			3,250,000	
Kiaumbui secondary school			1,900,000	
Kianjiru Primary School		9,000,000		
Nyanja Primary School		12,900,000		
Kabare Boys Primary School		6,400,000		
Kiandai Primary School		5,350,000		
Ngariamia Primary School		5,000,000		
Karucho Primary School		6,000,000		
Gatugura Primary School		3,550,000		
Raimu Primary School		850,000		
Kanjuu Primary School		1,600,000		
Githage Secondary School		6,700,000		
Ngungu Secondary School		3,000,000		
Kiamugumo Secondary School		8,300,000		
mugumo secondary school		6,000,000		
Sub-Total			<b>11,150,000</b>	

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

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
		<b>74,650,000</b>		
Amounts due to other grants and other transfers				
Emergency		8,483,072		
enviroment			3,443,491	
Njuku West assistant Chiefs office		600,000		
Gichugu environmental Project Project		640,000		
Gichugu environment		2,500,000		
sports		5,659,347	2,500,000	
Security projects			2,812,198	
Kianyaga Police Station		1,500,000		
Rwathai Chiefs Office		700,000		
Bursary				
Tertiary Institutions		2,299,479		
Special Needs		780,000		
Sub-Total		23,221,898	<b>8,755,689</b>	
Acquisition of assets				

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

Name	Brief Transaction Description	Outstanding Balance 2022/2023	Outstanding Balance 2021/2022	Comments
Oversight Committee Expenses (itemize )		1,458,000		
Others (specify)				
Gichugu NGCDF Office		2,500,000		
Gichugu NG-CDF Strategic Plan		2,000,000		
Sub-Total		4,500,00		
Funds pending approval		165,164	69,000	
Grand Total		111,213,440	23,743,590	

**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	6,179,329	-	-	6,179,329
Transport equipment	10,493,138	-	-	10,493,138
Office equipment, furniture and fittings	1,406,300	-	-	1,406,300
ICT Equipment, Software and Other ICT Assets	563,000	-	-	563,000
Other Machinery and Equipment	256,100	-	-	256,100
Heritage and cultural assets	-	-	-	-



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

<b>Asset class</b>	<b>Historical Cost b/f (Kshs)</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) At Year End</b>
Intangible assets	-	-	-	-
<b>Total</b>	<b>18,897,867</b>	-	-	<b>18,897,867</b>

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

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2022/23</b>	<b>Bank Balance 2021/22</b>
Nyanja Primary School	Family Bank	020000004717		1,303,550
Githure Primary School	Family Bank	020000003798		2,760
Kianjiru Primary School	Family Bank	020000004736		120
Guama Primary School	Family Bank	020000004745		10,040
Kianguenyi Secondary School	Family Bank	020000004765		4,498
Mucagara Primary School	Equity Bank	0100297364286		1,540
Kamwana Primary School	Family Bank	020000004783		1,000,000
Mugumo Primary School	Equity Bank	0100293477257		81,580
Gaciongo Sec Sch	Equity Bank	0190296322445		200
Kiandai Secondary School	Equity Bank	0100294253443		910
Kianyambo Secondary School	Family Bank	020000004730		300
St Marks Girls Thumaita	Equity Bank	0100293767152		2,580,239
Kavote Secondary School	Equity Bank	0100295456144		15,730
Kavote Primary School	Equity Bank	0100273470257		3,785

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

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2022/23</b>	<b>Bank Balance 2021/22</b>
Kianjiru Asst. Chiefs Office	Family Bank	020000002826		1,820
Karucho Asst. Chiefs Office	Family Bank	020000003270		430
Kiritini Asst. Chief Office	Family Bank	020000004695		1,005
Rungeto Asst. Chief Office	Family Bank	020000004754		1,405
Mutige Asst. Chiefs Office	Family Bank	020000004677		5,970
Kirima Chiefs Office	Family Bank	020000004676		905
Ngerwe Asst. Chief Office	Family Bank	020000004657		1,635
Mirichi Asst. Chief Office	Family Bank	020000004656		2,002,248
Kanjuu Asst. Chief Office	Family Bank	020000004655		1,750
Njukiini North Chiefs Office	Family Bank	020000004654		130
Ngiriambu Primary School	Family Bank	020000003799		700,000
Rukenya Primary School	Equity Bank	0100192689477		1,050,000
Kiamwathi Primary School	Family Bank	020000003301		250,000
Thumaita East Primary School	Family Bank	020000004729		0
Rukenya Secondary School	Equity Bank	0100293737523		0
Gaciongo Primary Sch	Equity Bank	0100291126606		0
Kiaumbui Secondary School	Equity Bank	0190293948598		0
Kiaumbui Primary School	Equity Bank	0190194210400		0
<b>MUGUMO GIRLS HIGH SCHOOL CDF ACCOUNT</b>	Family Bank	,020000003219	4,028.91	

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

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2022/23</b>	<b>Bank Balance 2021/22</b>
GIKUMBO PRIMARY SCHOOL CDF ACCOUNT	Family Bank	,020000003256	2,241.60	
KARUCHO ASSISTANT CHIEFS OFFICE	Family Bank	,020000003270	3,918.25	
GICHUGU SPORTS PROJECT	Family Bank	,020000003632	7,786.00	
GITHURE PRIMARY SCHOOL PMC ACCOUNT	Family Bank	,020000003798	4,765.00	
MIRICHI ASSISTANT CHIEF OFFICE PMC ACCOUNT	Family Bank	,020000004656	2,001,264.80	
KIRITINI ASSISTANT CHIEFS OFFICE	Family Bank	,020000004695	38,186.00	
NYANJA PRIMARY SCHOOL	Family Bank	,020000004717	4,888.60	
GUAMA PRIMARY SCHOOL PMC ACCOUNT	Family Bank	,020000004745	8,840.00	
KIANGUENYI SECONDARY SCHOOL PMC ACCOUNT	Family Bank	,020000004765	4,158.00	
KAMWANA PRIMARY SCHOOL	Family Bank	,020000004783	1,000,000.00	
KAMWETI ASSISTANT CHIEFS OFFICE	Family Bank	,020000006358	36,228.00	
MWANIANJAU SECONDARY SCHOOL	Family Bank	,020000006541	187,076.20	
KIAMUGUMO ASSISTANT CHIEF OFFICE	Family Bank	,020000006578	25,754.00	
<b>Total</b>			<b>3,329,135.36</b>	<b>9,022,550</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:
OAG/CRO/GICHUGU-NGCDF/2021/2022(21)	Unsupported project management committee account balances	The management has provided the cash books and the bank statements for audit verification	Not resolved	30/12/2023
	1.projects implementation status report	The management has updated the project implementation status report to reflect the current status	Not resolved	30/12/2023
	2.projects inspection report	The projects with issues have been rectified and certificate of completion issued	Not resolved	30/12/2023
	3.Non compliance with the law on staff ethnic composition	-The issue will be addressed during recruitment	Not resolved	30/12/2023
	4.Employment of excess staff	There is no limit on the number of staff the committee should employ as per the NGCDF Act	Not resolved	30/12/2023



Henry G. Wanjiku  
Fund Account Manager.