REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – MUKURWE-INI CONSTITUENCY

FOR THE YEAR ENDED 30 JUNE, 2022

MUKURWE-INI CONSTITUENCY

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30th JUNE 2022

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

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I. 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 2016.The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and

k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The MUKURWE-INI Constituency NGCDF day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	**Edwin Nyamu**
2.	Sub-County Accountant	**Grace Mwangi**
3.	Chairman NGCDFC	**Robert Gachanja**
4.	Member NGCDFC	**Charles Mwangi**

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of MUKURWE-INI 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.

(e) MUKURWE-INI Constituency NGCDF Headquarters

P.O. Box 8-10103
NG-CDF Offices
Near Mukurwe-ini Police Station
Mukurwe-ini, Nyeri

(f) MUKURWE-INI Constituency NGCDF Contacts

Telephone: (254) 720255913
E-mail: mukurweini@cdf.go.ke
Website: mukurwe-iniconstituency.co.ke

(g) MUKURWE-INI Constituency NGCDF Bankers

Equity Bank Ltd
P.O Box 8-10103
Mukurwe-ini Branch
A/C NO. 0830297514775

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II. NG-CDFC Chairman's Report

Robert Gachanja- Chairman

Mukurwe-ini NG-CDF is an institution whose vision is to serve the community with utmost dedication and selflessness. We are also dedicated to be the reference constituency for development where all constituents enjoy decent living standards.

Through the allocation received from NG-CDF Board, Mukurwe-ini NG-CDF has managed to implement education and security projects together with well organised constituency sports tournament.

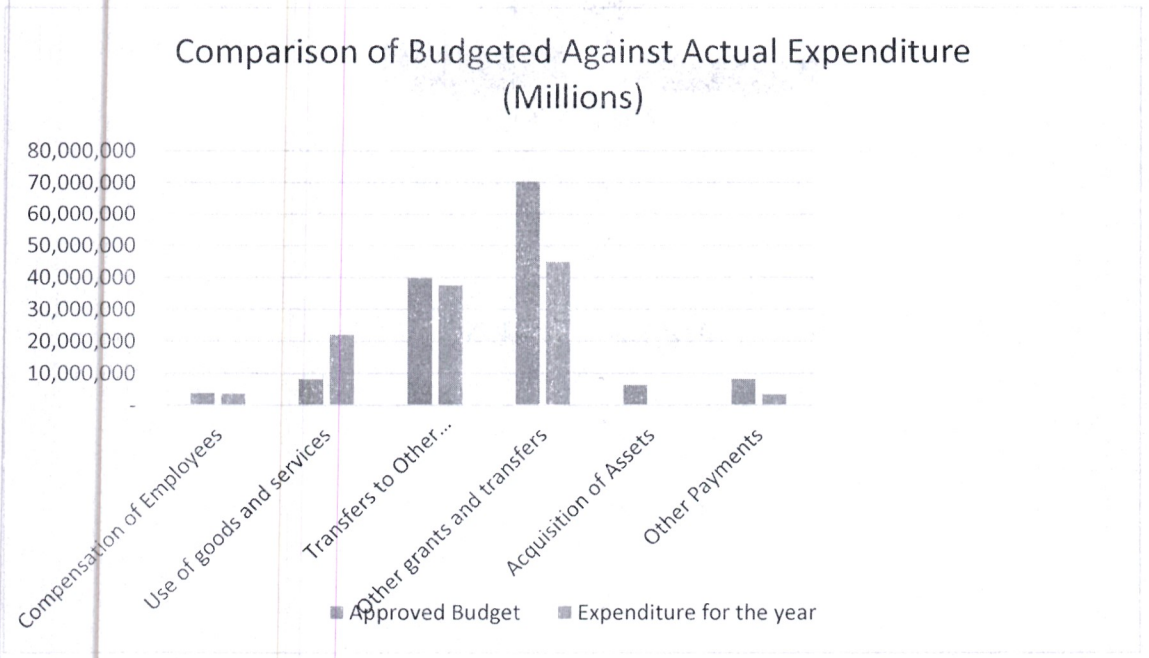
Our primary and secondary schools' infrastructures have been constructed or rehabilitated thus creating a conducive environment to learners and teachers.

The NG-CDFC intensified the monitoring and evaluation exercise and also carried out several capacity building exercises for the NG-CDFC, staff and PMCs.

Our key achievement has been access to quality and equal opportunity in education by giving bursaries to the less fortunate and persons with disabilities both in secondary and tertiary level.

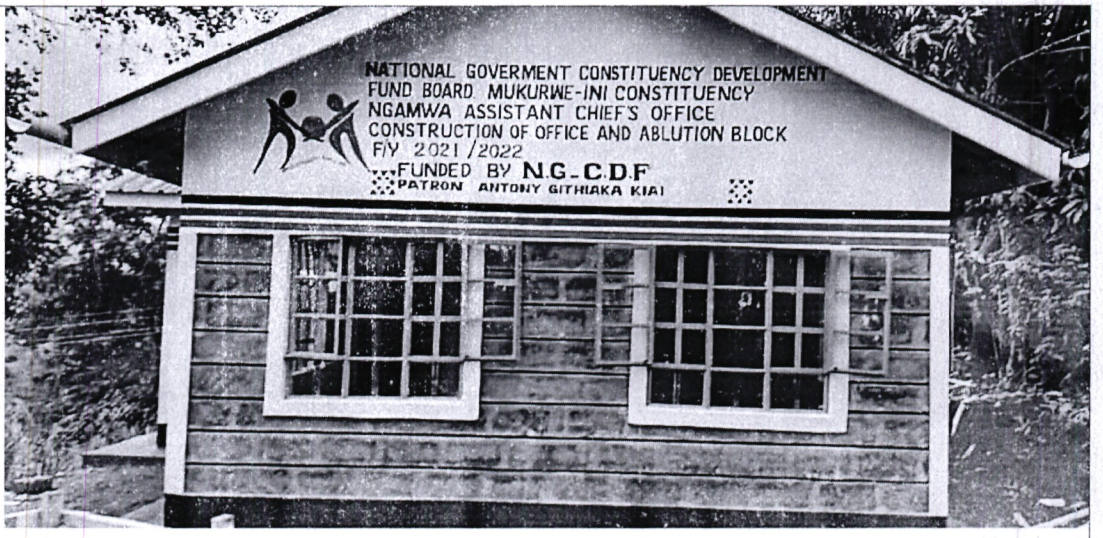
I want to congratulate the NG-CDF fraternity for the utmost support.

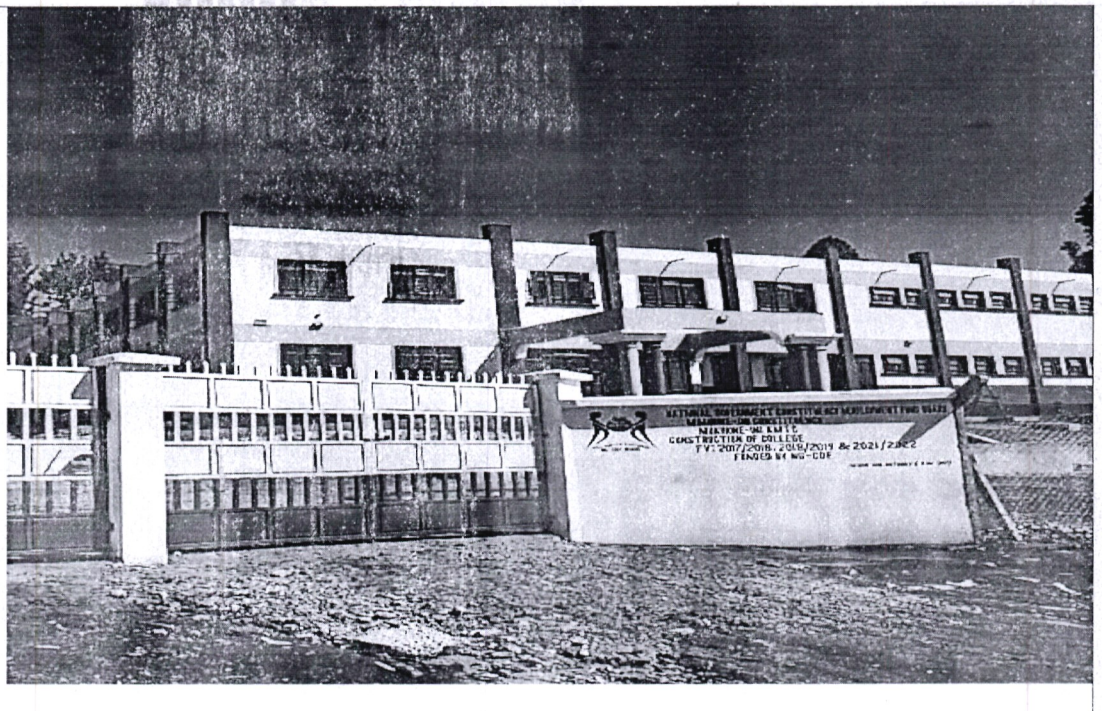
Below is the graphical representation of the total expenditure.



Below are photos of successfully implemented projects during the year.

SECTOR	*NAME OF PROJECT*	*PICTORIAL*
Sports	**Football league**	

Security	*Ngamwa Assitant Chief's Office*	
Security	*Kaharo Assistant Chief's Office*	

Education	*Mukurwe-ini KMTC*	

Signature

NAME: ROBERT GACHANJA
CHAIRMAN NGCDF COMMITTEE

III. Statement Of Performance Against Predetermined Objectives for FY2021/22

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 *Mukurwe-ini Constituency 2018-2022* plan are to:
(Enumerate all the objectives of the constituency as per the Strategic Plan)

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To improve school infrastructure, sanitation and learning environment. To promote PWDs friendly learning environment	Increased enrolment in primary schools and improved transition to secondary schools. To enhance learning environment for PWDs	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	In FY 21/22 Number of classrooms increased by 16 Number of laboratories increased by 4 Number of ablution blocks increased by 8
Security	To provide a robust security system in the constituency that will enhance investment through optimal security infrastructure and personnel	Enhanced security infrastructure, patrols and working environment.	Number of usable physical infrastructure built in every ward and police station.	Number of assistant chief's offices increased by 8

Sports	To initiate and support talent identification and development shows	Enhanced talent identification and nurturing them.	Indoor games have been promoted. FKF Soccer League introduced.	Number of teams increased by 17
ICT	To create a community that embraces technology.	Enhanced development data generation, analysis and dissemination	Number of usable ICT hubs with internet connectivity. Enrolment of youth to Ajira Digital programs	Number of ICT hubs increased from 0 to 2 Number of youth enrolled for Ajira Digital program increase from 89 to 135

IV. Environmental and Sustainability Reporting

MUKURWE-INI 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 MUKURWE-INI NG CDF, the committee funds the following key sectors with the following sustainable priorities.

a. **Education and Training**: MUKURWE-INI NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.

b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

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

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

2. Environmental performance

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*
- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them 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 NGCDF supported projects.*

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to

continually build on their skills and knowledge. Mukurwe-ini 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-**

MUKURWE-INI NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. **Community Engagements-**

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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

FUND ACCOUNT MANAGER
G-CDF MUKURWE-INI
P.O. Box 8 10103
MUKURWE-INI

.....

Name: Edwin Nyamu

Fund Account Manager

V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-MUKURWE-INI 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, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-MUKURWE-INI 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, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- MUKURWE-INI Constituency further confirms the completeness of the accounting records maintained for the *constituency,* which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NGCDF- MUKURWE-INI Constituency financial statements were approved and signed by the Accounting Officer on 02/09/ 2022.

.....	.....
Name: Robert Gachanja	**Name: Edwin Nyamu**
Chairman – NGCDF Committee	**Finance Account Manager**

FUND A
G-CDF MU
P O Box 8
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FUND ACCOUNT MANAGER
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL CONSTITUENCIES DEVELOPMENT FUND - MUKURWE-INI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

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 Constituency Development Fund - Mukurwe-Ini Constituency set out on pages 1 to 49, which comprise

the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Constituencies Development Fund - Mukurwe-Ini Constituency as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Adjustments in the Summary Statement of Appropriation

The summary statement of appropriation for the year ended 30 June, 2022 reflect final expenditure budget in respect of use of goods and services amounting to Kshs.24,766,824 comprising of Kshs.8,026,844 being the original budget for the year and Kshs.16,739,980 being adjustment for previous years' outstanding disbursements. However, review of the previous year audited financial statements revealed that outstanding disbursement in respect of use of goods and services was Kshs.48,449 resulting to an unexplained and unreconciled adjustment of Kshs.16,691,531.

In the circumstances, the accuracy of the amount of Kshs.24,766,824 in respect of use of goods and services could not be confirmed.

2. Unsupported Expenditure for Committee Allowances

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an amount of Ksh.23,859,430 in respect to use of goods and services which includes an amount of Kshs.9,257,000 in respect of committee expenses and Kshs.12,663,000 as other committee expenses all totalling to Kshs.21,920,000. However, an amount of Kshs.8,546,000 was unsupported with payment vouchers. Further, review of payment vouchers in respect of other committee expenditure revealed that an expenditure totalling to Kshs.12,663,000 was incurred in respect of monitoring and evaluation of ongoing projects. However, there were no approved work plan/budget and reports for the monitoring and evaluation as the basis on which the activities were undertaken.

- In the circumstances, the accuracy and propriety of expenditure of Kshs.9,257,000 and Kshs.12,663,000 in respect to committee expenses and other committee expenses respectively, could not be confirmed.

3. Unconfirmed Cash and Cash Equivalents Balance

The statement of assets and liabilities and as disclosed in Note 10A to the financial statements reflects an amount of Kshs.80,682,347 in respect of cash and cash equivalents balance. Review of the bank reconciliation statement for the year ended 30 June, 2022 revealed unpresented cheques totalling Kshs.10,608, 275 out of which cheques totalling to Kshs.825,809 have been outstanding for a long period of time contrary to Regulations 90(3) of Public finance Management (National Government) Regulations, 2015 which require the that Accounting Officers shall ensure any discrepancies noted during bank reconciliation exercise are investigated immediately and appropriate action taken including updating the relevant cash books.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.80,682,347 as at 30 June, 2022 could not be confirmed.

4. Unsupported Expenditure on Bursary

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.94,578,274 in respect to other grants and other transfers which includes Kshs.32,831,684 and Kshs.20,074,670 in respect to bursary for secondary schools and tertiary institutions, respectively. However, the bursary policy, bursary applications, evidence of vetting of the applicants and minutes of the bursary committee were not provided for audit verification. There is a risk that awards may not have benefited the deserving students and target groups of orphans and socially and economically disadvantaged members of the public including vulnerable students.

In the circumstances, propriety of the expenditure of the bursary awards of Kshs.52,906,354 was not confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Constituencies Development Fund - Mukurwe-Ini 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.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation reflects a final receipts budget and actual on comparable basis totalling to Kshs.293,544,791 and Kshs.197,592,063, respectively resulting to an underfunding of Kshs.14,740,153 or 6%. However, the statement reflects a final expenditure budget and actual on comparable basis totalling to Kshs.293,544,791 and Kshs.197,592,063, respectively resulting to under expenditure totalling to Kshs.95,952,728 or 33% of the budget.

The under expenditure adversely affected the planned activities and services delivery to the public.

2. Unresolved Prior year Audit Issues

In the report of the previous year, several issues were raised under Report on Lawfulness and Effectiveness in Use of Public Resources. However, although Management has indicated that all the issues have been resolved, no information was provided indicating if the issues were resolved or not and the matters remain unresolved.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Reallocations of Funds

1.1 Kenya Medical Training College (KMTC) Construction Funds

According to the approved code list/budget the phase II of the KMTC was allocated an amount of Kshs.27,000,000 which was fully funded by the Board and AIE totaling to Kshs.26,999,999 allocated to the project in the financial year 2021/2022.However, the payment reports revealed that Kshs. 16,998,798 relating to the construction of the KMTC was instead reallocated to other areas of expenditure and paid out to merchants, Fund Manager, bursaries and the construction of a laboratory.

1.2 Purchase of Furniture Funds

Review of the vote book revealed that an amount of Kshs.4,250, 000 was allocated for the purchase of furniture. However, the payment reports revealed that Kshs.3,950,000 relating to the purchase of furniture were reallocated to payment of committee expenses and imprest for the Fund Manager despite the fact that furniture had been delivered to the constituency offices and not paid for.

1.3 Laboratories Construction Funds

Review of the code list for the Fund revealed that the Board approved the construction to completion of forty capacity laboratories in seven secondary schools in the constituency at a cost of Kshs.24,500,000 (Kshs.3,500,000 per laboratory). However, the payment reports revealed that an amount of Kshs.13,965,850 allocated for the construction of four (4) laboratories was instead reallocated to payment of bursaries to secondary schools despite the Fund Management having entered in to contracts with various contractors as the projects expected to be completed by December, 2022. Further, audit verification carried out in the month of March, 2023 in respect of the laboratory projects revealed that two laboratory projects have stalled with only super structure and roofing done, one project has stalled at third course with contractor not on site and a further two projects had internal finishing and equipping not done as per the bill of quantities.

The reallocations are contrary to Section 6(2) of the National Government Development Fund Act, 2015 which states that once funds are allocated for a particular project, they shall remain allocated for that project and may only be reallocated for any other purposes during the financial year with the approval of the Board.

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

2. Irregularities in Procurement and Management of Projects

The statement of receipts and payment reflects transfer to other government units balance of Kshs.73,325,000 which, as disclosed in Note 6 to the financial statements includes an amount of Kshs.33,000,000 in respect to construction of phase II of the KMTC at the constituency. The contract for the project was signed with the contractor on 11 February, 2022 for a period of six months with the project expected to be completed in August, 2022. However, review of the procurement documents in respect to the project revealed that there was no evidence of individual score sheet by each member of the evaluation committee and that each member of the evaluation committee did an evaluation independently from the other members prior to sharing evaluation and rating with other members of the technical evaluation committee contrary to Regulation 31(1) of the Public Procurement and Asset Disposal Regulations, 2020 which requires that each member of the evaluation committee shall evaluate independently from the other members prior to sharing his or her analysis questions and evaluation including his or her rating with the other members of the technical evaluation committee.

Further, review of KMTC project bank account revealed that Kshs.5,127,928 was withdrawn in cash from the project account. However, minutes of the Project Management Committee authorizing these withdrawals and returns on how the amounts were utilized were not provided for audit verification contrary to Regulations 15 (1) of the National Government Constituency Development Fund Regulations, 2016 which require that there shall be appointed a project management committee for each project in a Constituency in accordance with section 36 of the Act which shall—(e) account for funds to a Constituency Committee. Further, Regulation (5) provides that every payment out of the project management committee accounts shall be— on the basis of a resolution recorded in the minutes of a meeting of the project management committee; and accompanied by a cheque or a payment confirmation schedule issued in accordance with the guidelines issued by the Board.

In addition, a physical verification conducted on the site in the month of March,2023 revealed that the phase II of the project was complete. However, it was noted that there were major cracks in the foundation and around the veranda, window locks were missing and fallen shutter plaster due to soaking of the slab from rain water.

In the circumstances, value for money in the procurement and construction of KMTC phase II could not be confirmed and Management was in breach of the law.

3. Failure to Utilize Complete Projects

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects a balance of Kshs.94,578,274 in respect to other grants and other transfers. The amount includes an amount of Kshs.27,737,630 in respect of security projects out of which an amount of Kshs.21,773,122 was spent for the construction of eight (8) assistant chief office blocks and an administrative police office blocks. However, physical verification carried out in the month of March, 2023 revealed that the office blocks were complete but remained un-commissioned and unutilized with visible cracks on the walls and the screed floor were noted on some of the projects. This is contrary to Section 68(1) of the Public Finance Management Act, 2015 which requires that an accounting officer for a National Government entity shall be accountable to the National Assembly for ensuring that the resources of the respective entity for which he or she is the accounting officer are used in a way that is-(a) lawful and authorized; and (b) effective, efficient, economical and transparent

In the circumstances, value for money in the implementation of projects totaling to Kshs.21,772,122 could not be confirmed. In addition, Management was in breach of the law.

4. Failure to Return Unutilized PMC Account Balances

The Fund's Management transferred an amount of Kshs.1,000,000 from the constituency account to the project management committee account for the construction of a Door

- abolition block with septic tank and soak pit at Igana Chief's office. The project did not commence since a similar project for the Assistant Chief's Office and abolition block was already completed in the same compound. However, the funds have not been returned to the constituency account contrary to Section 3 of the National Government Constituencies Development Fund Act, 2015 which states that if for any reason a particular project is cancelled or discontinued during the financial year, funds allocated for such a project shall be returned to the Fund and credited to the account of the constituency from which the funds were withdrawn.

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 controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related

to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion.

- My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the 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.

CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 June, 2023

VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022

	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	170,534,758	161,768,542
Proceeds From Sale of Assets	2	0	0
Other Receipts	3	7,000	39,000
Total Receipts		**170,541,758**	**161,807,542**
Payments			
Compensation Of Employees	4	3,490,845	3,679,381
Use Of Goods and Services	5	23,859,430	22,145,835
Transfers To Other Government Units	6	73,325,000	37,603,903
Other Grants and Transfers	7	94,578,274	44,881,413
Acquisition Of Assets	8	0	0
Other Payments	9	2,338,514	3,513,514
Total Payments		**197,592,063**	**111,824,046**
Surplus/(Deficit)		**(27,050,304)**	**49,983,496**

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

The Constituency financial statements were approved on 08/09/2022 and signed by:

Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: Edwinn Nyamu	Name: Grace Mwangi ICPAK M/No:	Name: Robert Gachanja

FUND ACCOUNT MANAGER
NG-CDF MUKURWE-INI
P O Box 8 10103
MUKURWE-INI

THE NATIONAL SUB-COUNTY ACCOUNTANT
MUKURWEINI
P. O. Box 245 - 10103,
MUKURWEINI

VIII. Statement of Assets and Liabilities As At 30th June, 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	80,682,347	108,262,880
Cash Balances (Cash at Hand)	10B	0	0
Total Cash and Cash Equivalents		**80,682,347**	**108,262,880**
Accounts Receivable			
Outstanding Imprests	11	0	0
Total Financial Assets		**80,682,347**	**108,262,880**
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	0	0
Gratuity	12B	1,087,938	1,618,167
Total Financial Liabilities		**1,087,938**	**1,618,167**
Net Financial Assets		**79,594,408**	**106,644,713**
Represented By			
Fund Balance B/Fwd	13	106,644,713	56,661,217
Prior Year Adjustments	14	0	0
Surplus/Deficit for The Year		(27,050,304)	49,983,496
Net Financial Position		**79,594,408**	**106,644,713**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.
The Constituency financial statements were approved on 08/09/ 2022 and signed by:

Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: Edwin Nyamu	Name: Grace Mwangi ICPAK M/No:	Name: Robert Gachanja

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IX. Statement of Cash Flows for the Year Ended 30th June 2022

	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	170,534,758	161,768,542
Other Receipts	3	7,000	39,000
Total Receipts		**170,541,758**	**161,807,542**
Payments			
Compensation Of Employees	4	3,490,845	3,679,381
Use Of Goods and Services	5	23,859,430	22,145,835
Transfers To Other Government Units	6	73,325,000	37,603,903
Other Grants and Transfers	7	94,578,274	44,881,413
Other Payments	9	2,338,514	3,513,514
Total Payments		**197,592,063**	**111,824,046**
Total Receipts Less Total Payments		(27,050,305)	49,983,496
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	0	(0
Increase/(Decrease) In Accounts Payable	16	(530,229)	539,389
Prior Year Adjustments	14	0	0
Net Cash Flow from Operating Activities		**(27,580,533)**	**50,522,885**
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	0	0
Acquisition Of Assets	8	(0)	(0)
Net Cash Flows from Investing Activities		**0**	**0**
Net Increase In Cash And Cash Equivalent		(27,580,533)	50,522,885
Cash & Cash Equivalent At Start Of The Year	**10**	**108,262,880**	**57,739,995**
Cash & Cash Equivalent At End Of The Year	**10**	**80,682,347**	**108,262,880**

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

The Constituency financial statements were approved on 08/09/ 2022 and signed by:

Fund Account Manager	**National Sub-County Accountant**	**Chairman NG-CDF Committee**
Name: Edwin Nyamu	**Name: Grace Mwangi** **ICPAK M/No:**	**Name: Robert Gachanja**

FUND ACCOUNT MANAGER
G-CDF MUKURWE-INI
P O Box 8 10103
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THE NATIONAL SUB-COUNTY ACCOUNTANT
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X. Summary Statement of Appropriation for the Year Ended 30th June 2022

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 %
Receipts	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2021/2022	30/06/2022		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	137,088,879	108,262,880	48,186,032	293,537,791	278,797,638	14,740,153	94.98%
Proceeds From Sale of Assets				-	-	-	0.00%
Other Receipts		7,000		7,000	7,000	-	100.00%
Totals	**137,088,879**	**108,269,880**	**48,186,032**	**293,544,791**	**278,804,638**	**14,740,153**	**94.98%**
Payments							
Compensation Of Employees	3,951,155	-	-	3,951,155	3,490,845	460,310	88.35%
Use Of Goods and Services	8,026,844	-	16,739,980	24,766,824	23,859,430	907,394	96.34%
Transfers To Other Government Units	61,600,000	56,064,000	12,931,710	130,595,710	73,325,000	57,270,710	56.15%
Other Grants and Transfers	56,150,880	49,821,366	4,811,342	110,783,588	94,578,274	16,205,314	85.37%
Acquisition Of Assets	-	-	11,860,000	11,860,000	-	11,860,000	0.00%
Other Payments	7,360,000	2,338,514	1,843,000	11,541,514	2,338,514	9,203,000	20.26%
Funds Pending Approval**(AIA)		46,000		46,000		46,000	
Totals	**137,088,879**	**108,269,880**	**48,186,032**	**293,544,791**	**197,592,063**	**95,952,728**	**67.31%**

i. Compensation of employees', transfer to other government units, other grants and transfers, acquisition of assets and other payments underutilisation was due to delayed disbursement from the Board

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	**Amount**
Budget utilisation difference totals	95,952,728
Less undisbursed funds receivable from the Board as at 30th June 2022	14,740,153
	81,212,576
Add Accounts payable	-530,229
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	80,682,347

The Constituency financial statements were approved on 08/09/ 2022 and signed by:

Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name: Edwin Nyamu	Name: Grace Mwangi ICPAK M/No:	Name: Robert Gachanja

FUND ACCOUNT MANAGER
G-CDF MUKURWE-INI
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MUKURWEINI

X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2021/2022	30/06/2022	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,951,155			3,951,155	3,490,845	460,310
1.2 Committee allowances	2,061,368		5,209,000	7,270,368	7,270,000	368
1.3 Use of goods and services	2,012,810			2,012,810	1,650,000	362,810
Total	**8,025,333**	-	**5,209,000**	**13,234,333**	**12,410,845**	**823,488**
2.0 Monitoring and evaluation						-
2.1 Capacity building	1,840,000		7,110,980	8,950,980	8,950,000	980
2.2 Committee allowances	1,280,000		4,420,000	5,700,000	5,700,000	-
2.3 Use of goods and services	832,666			832,666	289,430	543,236
Total	**3,952,666**	-	**11,530,980**	**15,483,646**	**14,939,430**	**544,216**
3.0 Emergency						-
Emergency	**7,192,207**	1,051,028	2,598,972	10,842,207	7,950,000	2,892,207
				-	-	-
Total	**7,192,207**	**1,051,028**	**2,598,972**	**10,842,207**	**7,950,000**	**2,892,207**
4.0 Bursary and Social Security						

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2021/2022	30/06/2022	
				-		-
4.1 Secondary Schools	19,180,000	13,652,000		32,832,000	32,831,684	316
4.2 Tertiary Institutions	16,505,091	3,570,000		20,075,091	20,074,670	421
4.3 Social Security				-		-
4.4 Special Needs				-	-	-
Total	**35,685,091**	**17,222,000**	**-**	**52,907,091**	**52,906,354**	**737**
5.0 Sports				-		-
5.1 Sports	1,336,791	751,777		2,088,568	2,088,568	(0)
Total	**1,336,791**	**751,777**	**-**	**2,088,568**	**2,088,568**	**(0)**
				-		-
6.0 Environment				-		-
6.1 Environment	836,791	3,058,931		3,895,722	3,895,722	0
Total	**836,791**	**3,058,931**	**-**	**3,895,722**	**3,895,722**	**0**
7.0 Primary Schools Projects				-		-
Kiawamururu Primary school	2,100,000			2,100,000		2,100,000
Kiirungi Primary School		1,000,000.00		1,000,000	1,000,000	-
Kigathi Primary School						

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2021/2022	30/06/2022	
		2,000,000.00		2,000,000	2,000,000	-
Gathukimundu Primary School		1,400,000.00		1,400,000	1,400,000	-
Karaba Primary School		1,500,000.00		1,500,000	1,500,000	-
Kagarii Primary School		2,000,000.00		2,000,000	2,000,000	-
Mutwewathi Primary School		3,300,000.00		3,300,000	3,300,000	-
Gachiriro Primary School		2,300,000.00		2,300,000	2,300,000	-
Nyakahuho Primary School		1,500,000.00		1,500,000	1,500,000	-
Githagara Primary School		2,000,000.00		2,000,000	2,000,000	-
Ningaini Primary School		325,000.00		325,000	325,000	-
Ichamara Primary School		1,000,000.00		1,000,000	1,000,000	-
				-		-
Total	**2,100,000**	**18,325,000**	**-**	**20,425,000**	**18,325,000**	**2,100,000**
8.0 Secondary Schools Projects				-		-
Ndiaini Girls Secondary School	500,000			500,000		500,000
Rutune Secondary	3,500,000.00			3,500,000		3,500,000
Mihuti Secondary School	3,500,000.00			3,500,000		3,500,000

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2021/2022	30/06/2022	
Gaikundo Secondary School	3,500,000.00			3,500,000		3,500,000
Thangathi Secondary School	3,500,000.00			3,500,000		3,500,000
Kihate Orphans Secondary School	3,500,000.00			3,500,000		3,500,000
Kaharo Secondary School	3,500,000.00			3,500,000		3,500,000
Weru Intergrated Secondary School	3,500,000.00			3,500,000		3,500,000
St Augustine Gikondi Boys Secondary School	5,500,000.00			5,500,000		5,500,000
Gathiriti Secondary School	2,000,000.00			2,000,000		2,000,000
St Augustine Gikondi Sec Sch		5,500,000.00		5,500,000	5,500,000	-
Karindi Secondary School		4,500,000.00		4,500,000	4,500,000	-
Ndiaini Secondary School		3,000,000.00		3,000,000	3,000,000	-
St Cecilia Secondary School		3,000,000.00		3,000,000	3,000,000	-
Mukurwe-ini Boys High School		3,000,000.00		3,000,000	3,000,000	-
Njiruini Secondary School		3,000,000.00		3,000,000	3,000,000	-
Rev Muhoro sec sch			2,000,000	2,000,000		2,000,000
						-
Total	**32,500,000**	**22,000,000**	**2,000,000**	**56,500,000**	**22,000,000**	**34,500,000**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2021/2022	30/06/2022	
9.0 Tertiary institutions Projects				-		-
Mukurwe-ini KMTC	27,000,000	15,739,000	10,931,710	53,670,710	33,000,000	20,670,710
Total	**27,000,000**	**15,739,000**	**10,931,710**	**53,670,710**	**33,000,000**	**20,670,710**
10.0 Security Projects				-		-
Rural Electrification Authority	5,000,000	5,000,000		10,000,000	5,000,000	5,000,000
Ngamwa Assistant Chiefs Office	2,500,000.00			2,500,000		2,500,000
Karindi Assistant Chiefs Office	2,500,000.00			2,500,000		2,500,000
Bohero and Gatiki Security Mast	1,100,000.00	5,987,630	12,370	7,100,000	5,987,630	1,112,370
Gikondi Police Post		3,750,000.00		3,750,000	3,750,000	-
Gathea Asst Chief's Office		2,200,000.00		2,200,000	2,200,000	-
Ithanji Asst Chief's Office		2,200,000.00		2,200,000	2,200,000	-
Kaharo Asst Chief's Office		2,200,000.00		2,200,000	2,200,000	-
Igana Chief's Office		1,000,000.00		1,000,000	1,000,000	-
Gatura Asst Chief's Office		2,200,000.00		2,200,000	2,200,000	-
Mbiuini Asst Chief's Office		2,200,000.00		2,200,000	2,200,000	-
Karaba Police Post		1,000,000.00		1,000,000	1,000,000	-

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2021/2022	30/06/2022	
Kiharo Asst Chief's Office			2,200,000	2,200,000		2,200,000
				-		-
Total	**11,100,000**	**27,737,630**	**2,212,370**	**41,050,000**	**27,737,630**	**13,312,370**
11.0 Acquisition of assets				-		-
11.1 Motor Vehicles			6,400,000	6,400,000	-	6,400,000
11.2 Construction of CDF office	-		1,210,000	1,210,000	-	1,210,000
11.3 Purchase of furniture and equipment	-		4,250,000	4,250,000	-	4,250,000
11.4 Purchase of computers	-		-	-	-	-
Total	**-**	**-**	**11,860,000**	**11,860,000**	**-**	**11,860,000**
12.0 Other payments				-		-
Wamutitu Secondary School Bus	7,360,000.00			7,360,000	-	7,360,000
CIH		2,338,514		2,338,514	2,338,514	(0)
covid banners			1,843,000	1,843,000	-	1,843,000
				-	-	-
				-		-
Total	**7,360,000**	**2,338,514**	**1,843,000**	**11,541,514**	**2,338,514**	**9,203,000**

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2021/2022	30/06/2022	
13.0 unallocated fund				-		-
Unapproved projects				-		-
AIA		46,000		46,000		46,000
PMC savings				-		-
Total	-	**46,000**	-	46,000	-	46,000
	137,088,879	**108,269,880**	**48,186,032**	**293,544,791**	**197,592,063**	**95,952,728**

(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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-MUKURWE-INI Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 10th June 2021 for the period 1st July 2021to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

Significant Accounting Policies continued

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.

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO B404761		2,000,818
AIE NO B104946		69,367,724
AIE NO B124773		1,000,000
AIE NO B119584		8,500,000
AIE NO B128217		6,900,000
AIE NO B199976		12,000,000
AIE NO B129179		10,000,000
AIE NO B132273		6,000,000
AIE NO B138942		12,000,000
AIE NO B105029		11,000,000
AIE NO B126234		8,000,000
AIE NO B140672		15,000,000
AIE NO B105224	33,445,879	
AIE NO B105665	44,000,000	
AIE NO B105880	22,000,000	
AIE NO B128635	5,000,000	
AIE NO B164375	18,000,000	
AIE NO B128949	12,000,000	
AIE NO B154145	12,000,000	
AIE NO B155900	10,988,879	
AIE NO A888531	13,100,000	
TOTAL	**170,534,758**	**161,768,542**

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs

Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Others	0	0
Total	**0**	**0**

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from sale of tender documents	7,000	39,000
Hire of plant/equipment/facilities	0	0
Unutilized funds from PMCs	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	**7,000**	**39,000**

Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,757,056	2,932,632
Personal allowances paid as part of salary	0	0
House Allowance	0	0
Transport Allowance	0	0
Leave allowance	0	0
Gratuity to contractual employees	539,389	539,389
Employer Contributions Compulsory national social security schemes	194,400	207,360
Total	**3,490,845**	**3,679,381**

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	9,257,000	7,874,800
Utilities, supplies and services	136,450	130,210
Communication, supplies and services	0	1,213,240
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	0	0
Rentals of produced assets	0	0
Training expenses	0	0
Hospitality supplies and services	0	0
Other committee expenses	12,663,000	10,738,000
Fuel, oil and lubricants	680,000	450,000
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	300,550	953,585
Other operating expenses	156,930	18,900
Routine maintenance – vehicles and other transport equipment	665,500	767,100
Routine maintenance – other assets	0	0
Total	**23,859,430**	**22,145,835**

Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	18,325,000	12,693,164
Transfers To Secondary Schools (See Attached List)	22,000,000	22,910,739
Transfers To Tertiary Institutions (See Attached List)	33,000,000	2,000,000
Total	**73,325,000**	**37,603,903**

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	32,831,684	3,233,795
Bursary – tertiary institutions (see attached list)	20,074,670	12,903,498
Bursary – special schools (see attached list)	0	0
Mock & CAT (see attached list)	0	1,804,120
Social Security programmes (NHIF)	0	0
Security projects (see attached list)	27,737,630	20,450,000
Sports projects (see attached list)	2,088,568	990,000
Environment projects (see attached list)	3,895,722	0
Emergency projects (see attached list)	7,950,000	5,500,000
Total	**94,578,274**	**44,881,413**

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialized Plant, Equipment and Machinery	0	0
Acquisition of Land	0	0
Total	**0**	**0**

Notes To the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	0	0
Furniture	0	1,175,000
ICT Hub	2,338,514	2,338,514
	2,338,514	**3,513,514**

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)		
Equity Bank, Mukurwe-ini 0830297514775	80,682,347	108,262,880
Total	**80,682,347**	**108,262,880**
10 B: Cash on Hand		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations	0	0
Total	0	0

11: Outstanding Imprests

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		Kshs	*Kshs*	*Kshs*
Name of Officer	dd/mm/yy	0	0	0
Name of Officer	dd/mm/yy	0	0	0
Total		**0**	**0**	**0**

Notes to the Financial Statement Continued

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1st July (A)	0	0
Retention held during the year (B)	0	0
Retention paid during the Year (C)	0	0
Closing Retention as at 30th June D= A+B-C	**0**	**0**

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1st July (A)	1,618,167	1,078,778
Gratuity held during the year (B)	539,389	539,389
Gratuity paid during the Year (C)	1,069,618	0
Closing Gratuity as at 30th June D= A+B-C	**1,087,938**	**1,618,167**

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13. Balances Brought Forward

	2021-2022 (1st July 2021)	2020-2021 (1st July 2020)
	Kshs	Kshs
Bank accounts	108,262,880	57,739,995
Cash in hand	0	0
Imprest	0	0
Total	**108,262,880**	**57,739,995**

14. Prior Year Adjustments

Description of the error	Balance b/f FY 2020/2021 as per Audited Financial statements Kshs	Adjustments Kshs	Adjusted Balance** b/f FY 2021/2022 Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others	0	0	0
Total	0	0	0

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022 KShs	2020-2021 KShs
Outstanding Imprest as at 1st July (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
closing accounts in account receivables D= A+B-C	**0**	**0**
Changes in Account Receivables E= D-A	**0**	**0**

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022 KShs	2020 – 2021 KShs
Deposit and Retentions as at 1st July (A)	1,618,167	1,078,778
Deposit and Retentions held during the year (B)	539,389	539,389
Deposit and Retentions paid during the Year (C)	1,069,618	0
closing account payables D= A+B-C	**1,087,938**	**1,618,167**
Changes in Accounts Payable E= D-A	**(530,229)**	**539,389**

Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
Total	0	0

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	0	0
Others	0	0
Total	**0**	**0**

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	460,310	1,793,590
Use of goods and services	907,394	48,449
Amounts due to other Government entities (see attached list)	57,270,710	75,500,000
Amounts due to other grants and other transfers (see attached list)	16,205,214	63,146,971
Acquisition of assets	7,610,000	6,950,000
Others	13,453,000	8,431,513
Funds pending approval	46,000	39,000
Total	**95,952,628**	**155,909,523**

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	18,349,798	**16,824,923**
Total	**18,349,798**	**16,824,923**

Annexes

Annexes: 1Analysis of Pending Accounts Payable

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	a	b	c	d=a-c	
Construction of buildings					
1.	0	0	0	0	
2.	0	0	0	0	
3.	0	0	0	0	
Sub-Total	**0**	**0**	**0**	**0**	
Construction of civil works					
4.	0	0	0	0	
5.	0	0	0	0	
6.	0	0	0	0	
Sub-Total	**0**	**0**	**0**	**0**	
Supply of goods					
7.	0	0	0	0	
8.	0	0	0	0	
9.	0	0	0	0	
Sub-Total	**0**	**0**	**0**	**0**	
Supply of services					
10.	0	0	0	0	
Sub-Total	**0**	**0**	**0**	**0**	
Grand Total	**0**	**0**	**0**	**0**	

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30th June 2022	Comments
NG-CDFC Staff				
1. Julius Wambugu	Clerk of works	1st Oct 2015	161,226	
2. Julia Wangai	Accounts Assistant	17th April 2017	244,579	
3. Martin Kihara	Clerical Officer	1st March 2021	87,625	
4. Joseph Maina	Driver	1st March 2020	149,725	
5. Beuttah Wanjohi	Grader Operator	1st March 2007	160,729	
6. Laban Wachira	Grader Operator Assistant	1st March 2007	79,440	
7. Clement Ruithanga	Watchman	1st March 2007	79,440	
8. Leah Muthoni	Records Management Officer	25th Nov 2019	125,174	
Sub-Total			1,087,938	
Grand Total			**1,087,938**	

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		460,310	1,793,590	
Use of goods & services		907,394	48,449	
Amounts due to other Government entities				
Karaba Primary School			1,500,000	
Nyakahuho Primary School			1,500,000	
Mutwewathi Primary School			3,300,000	
Ichamara Primary School			1,000,000	
Gathukimundu Primary School			1,400,000	
Githagara Primary School			2,000,000	
Gachiriro Primary School			2,300,000	
Kagarii Primary School			2,000,000	
Kiirungi Primary School			1,000,000	
Kigathi Primary School			2,000,000	
Ndiaini Girls Secondary School			3,000,000	
Rev. Muhoro Secondary School for the deaf		2,000,000	2,000,000	
Wamutitu Secondary School				

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
			3,000,000	
St. Augustine Gikondi Secondary School			5,500,000	
Mukurwe-ini Boys High School			3,000,000	
St. Cecilia Kaheti Girls Secondary School			3,000,000	
Mukurwe-ini KMTC		20,670,710	38,000,000	
Kiawamururu Primary School		2,100,000		
Ndiaini Girls Secondary School		500,000		
Rutune Secondary		3,500,000		
Mihuti Secondary School		3,500,000		
Gaikundo Secondary School		3,500,000		
Thangathi Secondary School		3,500,000		
Kihate Orphans Secondary School		3,500,000		
Kaharo Secondary School		3,500,000		
Weru Intergrated Secondary School		3,500,000		
St Augustine Gikondi Boys Secondary School		5,500,000		
Gathiriti Secondary School		2,000,000		
Sub-Total		**57,270,710**	**75,500,000**	

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Amounts due to other grants and other transfers				
Emergency		2,892,207	3,692,207	
Bursary		737	25,694,055	
Sports		-	751,778	
Environment		-	3,058,931	
Security				
Rural Electrification Authority			5,000,000	
Gatura Assistant Chief's Office			2,200,000	
Gikondi Police Post			3,750,000	
Ithanji Assistant Chief's Office			2,200,000	
Kiharo Assistant Chief's Office			2,200,000	
Mbiuini Chief's Office			2,200,000	
Gathea Assistant Chief's Office			2,200,000	
Igana Chief's Office			1,000,000	
Karaba Police Post			1,000,000	
Kaharo Assistant Chief's Ofice			2,200,000	
Bohero, Kibutio, Wamachatha and Gatiki		1,112,370	6,000,000	
Rural Electrification Authority				

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
		5,000,000		
Ngamwa Assistant Chiefs Office		2,500,000		
Karindi Assistant Chiefs Office		2,500,000		
Kiharo Assistant Chief's Ofice		2,200,000		
Sub-Total		**16,205,314**	**63,146,971**	
Sub-Total		**74,843,728**	**140,489,010**	
Acquisition of assets		1,210,000	550,000	
Acquisition of Motor Vehicle		6,400,000	6,400,000	
Others				
Furniture		4,250,000	4,250,000	
CIH			2,338,513	
Covid banners		1,843,000	1,843,000	
Wamutitu sec Sch Bus		7,360,000		
Sub-Total		**21,063,000**	**155,870,523**	
Funds pending approval		46,000	39,000	
Total		**95,952,728**	**155,909,523**	

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

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	0	0	0	0
Buildings and structures	24,272,409	0	0	24,272,409
Transport equipment	21,581,182	0	0	21,581,182
Office equipment, furniture and fittings	3,281,691	0	0	3,281,691
ICT Equipment, Software and Other ICT Assets	1,308,127	0	0	1,308,127
Other Machinery and Equipment	0	0	0	0
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
Total	**50,443,409**	**0**	**0**	**50,443,409**

Annex 5 –PMC Bank Balances As At 30th June 2022

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
ACK KIUU SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830176984205	671,396	2,131,716
GACHIRIRO PRIMARY SCHOOL	Equity Bank	0830181161949	234,330	-
GAIKUNDO A.P POST NG-CDF PMC	Equity Bank	0830180296838	11,300	993,179
GAIKUNDO PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830179898499	55,907	185,773
GAKIRA PRIMARY SCHOOL	Equity Bank	083028272700	500,000	-
GAKIRA PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180048400	190	190
GATHEA ASST CHIEF'S OFFICE	Equity Bank	0830181159966	40,679	-
GATHIRITI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830279571093	381	381
GATHIRITI SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830279557349	8	870,729
GATHITU PRIMARY SCHOOL	Equity Bank	0830282726286	500,000	-
GATHUKIMUNDU PRIMARY SCHOOL	Equity Bank	0830181167222	80	-
GATHUNGURURU GIRLS SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830279557032	262	262
GATURA ASST CHIEF'S OFFICE	Equity Bank	0830181151125	214,470	-
GATURA PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180047637	5,260	200,000
GIATHUGU SECONDARY SCHOOL	Equity Bank	0830180297065	27,995	326,878
GIKONDI AP POST NG-CDF PMC	Equity Bank	0830171870637	98,136	456,545
GIKONDI CHIEF'S OFFICE NG-CDF PMC	Equity Bank	0830180325645	20,837	1,085,342

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
GIKONDI POLICE POST	Equity Bank	0830181161240	44,500	-
GIKONDI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830177172745	4,890	205,130
GITHAGARA PRIMARY SCHOOL	Equity Bank	0830181201787	706,589	-
GITHI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180371245	194	45,414
ICHAMARA AP POST NG-CDF PMC	Equity Bank	0830279531603	242	242
ICHAMARA PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830279575834	56,384	118,864
IGANA CHIEF'S OFFICE	Equity Bank	0830181161261	1,000,000	-
ITHANJI ASST CHIEF'S OFFICE	Equity Bank	083018156710	260,647	-
ITHANJI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	8030180048041	862	368,219
KABUTA POLICE POST NG-CDF PMC	Equity Bank	0830280228525	87,501	296,338
KAGARII PRIMARY SCHOOL	Equity Bank	0830181179120	170,663	-
KAHARO ASST CHIEF'S OFFICE	Equity Bank	0830181161746	224,955	-
KAHARO PRIMARY SCHOOL	Equity Bank	0830181151464	1,395	-
KAHETI BOYS HIGH SCHOOL NG-CDF PMC	Equity Bank	0830177830843	23,620	23,620
KAINI PRIMARY SCHOOL	Equity Bank	0830282582353	100,250	-
KANGURWE PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830179522563	155,330	155,330
KANUNGA PRIMARY SCHOOL	Equity Bank	0830181152045	243	-
KARABA PRIMARY SCHOOL	Equity Bank	0830180978159	156,474	-

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
KARABA SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830180047382	14,884	806,258
KARAGURIRIO PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830177361177	734	59,853
KARIARA ASSISTANT CHIEF OFFICE NG-CDF PMC	Equity Bank	0830177304276	250,034	1,063,574
KARIARA PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830176904778	29,854	449,955
KARINDI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830279588994	360	76,831
KARINDI SECONDARY SCHOOL	Equity Bank	0830180640711	455,229	-
KARUNDU PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830179880165	410	410
KARUNDU SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830180339674	1,548	1,000,000
KIAMURATHE PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830279560142	86,003	86,003
KIANG'ONDU PRIMARY NG-CDF PMC	Equity Bank	0830168569503	540	540
KIANYAGA PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180373099	-	48,274
KIBUTIO PRIMARY SCHOOL	Equity Bank	0830282752498	300,000	-
KIBUTIO SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830180297343	164,070	1,383,185
KIGATHI PRIMARY SCHOOL	Equity Bank	0830181161429	18,634	-
KIIRUNGI PRIMARY SCHOOL	Equity Bank	0830181161439	8,565	-
KINURI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830178885082	815	815
MAGANJO PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180297369	126	90,367
MATUTO PRIMARY SCHOOL	Equity Bank	0830181151302	85,680	-

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
MBIUINI ASST CHIEF'S OFFICE	Equity Bank	0830181151707	270,363	-
MUKUI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830177687679	13,688	501,350
MUKURWE-INI BOYS HIGH SCHOOL	Equity Bank	0830180982984	331,122	-
MUKURWE-INI ENVIRONMENT NG-CDF	Equity Bank	0830173286249	35,058	28,786
MUKURWEINI KMTC NG-CDF PMC	Equity Bank	0830180348066	2,577,095	106,690
MUKURWEINI POLICE HEADQUARTERS NG-CDF PMC	Equity Bank	0830180326251	2,320	210,060
MUKURWE-INI PROJECTS FURNITURE NG-CDF PMC	Equity Bank	0830180505045	514	514
MUKURWE-INI SPORTS TOURNAMENT NG-CDF PMC	Equity Bank	0830170946920	6,985	4,538
MUTHUTHINI PRIMARY SCHOOL	Equity Bank	0830181154395	2,580	-
MUTONGA ASSISTANT CHIEF'S OFFICE NG-CDF PMC	Equity Bank	0830180048329	353,034	373,155
MUTWEWATHI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180375348	330,639	53,014
MWERU PRIMARY SCHOOL	Equity Bank	083028274132	1,000,000	
MWERU SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830178452846	662	662
NDIAINI SECONDARY SCHOOL	Equity Bank	0830181167025	1,283,580	-
NGAMWA PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830177709308	30	30
NGAMWA SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830177223051	1,583	1,583
NGORU ORTHODOX SECONDARY SCHOOL - CDF PROJECT	Equity Bank	0830179842241	260	260
NGUURA PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180372237	59,434	59,434

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
NINGAINI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830176850849	342,425	1,471
NJIRUINI SECONDARY SCHOOL	Equity Bank	0830181156243	235,982	-
NYAKAHUHO PRIMARY SCHOOL	Equity Bank	0830180640711	10,382	-
REV MUHORO SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830171738704	385,498	1,811,452
RUTUNE PRIMARY SCHOOL	Equity Bank	0830182400263	105,054	-
RUTUNE SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830177325501	1,380	1,380
SOUTH TETU GIRLS HIGH SCHOOL NG-CDF PMC	Equity Bank	0830173286249	73,406	33,971
ST ANNE GITHUNGURI SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830176984507	56,539	56,539
ST CECILIA SECONDARY SCHOOL	Equity Bank	0830181162017	1,166,293	-
ST. AUGUSTINE GIKONDI SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830177159257	1,296,791	14,748
ST. JOHN THUNGURI SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830177325501	131,303	131,303
TAMBAYA AP POST NG-CDF PMC	Equity Bank	0830170946920	87,837	87,837
TAMBAYA BOYS HIGH SCHOOL NG-CDF PMC	Equity Bank	0830180296993	102,196	815,467
WATHINJI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830180048700	462	462
DCC OFFICIAL RESIDENCE NG-CDF PMC	KCB Bank	1253636281	-	0
GAKINDU CHIEF'S OFFICE NG-CDF PMC	KCB Bank	1228737371	862	0
KAHARO AP POST NG-CDF PMC	KCB Bank	1228738858	78,398	0

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
KARABA AP POST NG-CDF PMC	KCB Bank	1228737975	1,001,697	0
KIREREMA ASSISTANT CHIEF'S OFFICE NG-CDF PMC	KCB Bank	1228739315	2,614	0
MIHUTI ASSISTANT CHIEF'S OFFICE NG-CDF PMC	KCB Bank	1230072764	954	0
THANGATHI AP POST NG-CDF PMC	KCB Bank	1228738238	13,571	0
WANJITHI CHIEF'S OFFICE NG-CDF PMC	KCB Bank	1230070982	193,751	0
Total			**18,349,798**	**16,824,923**

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
1.1	The statement of assets and liabilities for the year ended June 30 2021 reflects Kshs. 91,644,713 in respect of net financial assets. However, a recast of the net financial assets reflected a balance of Kshs. 106,644,713 resulting into a variance of Kshs 15,000,000 In the circumstances, the accuracy of the net financial asset balance of Kshs. 91,644,713 as at 30 June 2021 could not be ascertained.	***We have amended the financial statements***	Resolved	
1.2	The summary statement of appropriation reflects Kshs 137,088,879 in respect of transfers from NG-CDF board. However, the corresponding figure reflected in the statement of receipts and payments is Kshs 161,768,542 resulting into a variance of Kshs. 24,679,663. In the circumstances, the accuracy and completeness of the transfers from NG-CDF board amount of Kshs. 137,088,879 for the year under review could not be	***The figure in statement of receipts and payments of Kshs. 161,768,542 entails all the disbursement received from the Board. The figure of Kshs 137,088,879 in statement of appropriation is the original budget for the***	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	ascertained	***year 2020-2021. The variance results because the disbursement received during the year 2020-2021 included funds approved in FY 2019/2020. Similarly, the total budget for FY 2020/2021 was not fully funded during the year of audit.***		
2.0	The statement of Assets and liabilities for the year ended June 30 2021 has the column for the current year figures presented as 2019-2020 instead of 2020/2021 and the column for comparative balances presented as 2018/2019 instead of 2019/2020 contrary to the prescribed format for presentation of financial statements by the Public Sector Accounting Standards Board (PSASB) In the circumstances, the Fund's financial statement were not as per the prescribed format by the PSASB	***We have amended the financial statements***	Resolved	
3.0	Note 6 to the financial statements reflects Kshs. 37,603,903 in respect to transfers to other government	***The supporting documents have been***	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	respectivelyresulting to a shortfall of Kshs 63, 186,033 of the approved budget Similarly, the statement reflects final expenditure budget and actual on comparable basis totaling to Kshs.267, 733,569 and Kshs 111, 824,048 respectively, resulting into an underperformance of Kshs 155, 909,521 of the budget mainly in the actual expenditures on transfer to other government units of Kshs 37,603,903 against a budget of Kshs 113,103,903 and other grants and transfers of Kshs 44,881,413 against a budget of 108,028,384 Consequently, the underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the residents of Mukurweini Constituency	***from the board.***		
1	Note 6 to the financial statements reflects Kshs 37,603,903 in respect to transfers to other government entities which includes Kshs. 2,000,000 in respect to tertiary institutions for the proposed phase 1 Ground floor works for construction of tuition block and perimeter fence for Kenya Medical Training College (KMTC) at Mukurweini. The Contract was awarded on 19 March 2021 at a contract sum of Kshs 35,000,000 with a completion date of 30 September 2021.However, a review of tender evaluation report revealed that recommended evaluated tender price	***KMTC had an allocation of Kshs 40,000,000. FY 2017-18 had 20,000,000 and FY 2020-2021 had 20,0000. The bidder who was lowest at Kshs 48,421,928 was thus within the 25% limit permissible by the law, PPAD 2015***	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	entities. However, the examination of bill of quantities for ten (10) projects revealed that provisions relating to eight (8) items totaling to Kshs 2,717,000 were not supported by expenditure returns and reports by the county works officer indicating how the provisions were utilized or accounted for. Consequently, the propriety of expenditures on provision of Kshs 2,717,000 for transfers to other government entities during the year under review could not be confirmed. The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund -Mukurwe-Ini Constituency in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.	***attached for your verification***		
	Additionally, the summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs 267,733,569 and Kshs 204, 547,538	***The underperformance is caused by delayed disbursement of funds***	Not Resolved	Dec 2022

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	was Kshs 48,421,928 and the amount exceeded the contract price and the budget of Kshs. 35,000,000 by Kshs. 13,421,928 or 38.3% contrary to Public Procurement and Assets disposal act, 2015 section 132(2) which require that In the case of tenderers that quoted above the available budget, an accounting officer of a procuring entity shall-(a) reveal its available budget to tenderers; and (b) limit its invitation to tenderers whose evaluated prices are not more than twenty five percent above the available budget Further, the Fund did not provide for audit review evidence of a report of the competitive negotiation submitted to the head of procurement function for professional opinion and onward submission to the accounting officer for approval contrary to requirement of section 100(1) of the Public procurement and asset disposal Regulations, 2020 which require that in using competitive negotiations as provided for under section 131 of the Act and in applying the procedure set out in section 132 of the Act, an accounting officer of a procuring entity shall appoint an ad hoc evaluation committee pursuant to section to 46(4) of the Act to negotiate with the bidder on the recommendation of the head of the procurement function.	***We thereafter entered into negotiation with the lowest bidder and came up with the Kshs 35,000,000 budget to enable us purchase furniture with the remaining sum.*** ***These were within the Public Procurement and asset disposal regulation 202***		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	In the circumstance, the management was in breach of the law.			
2.1	The Fund transferred Kshs 2,500,000 to PMC account for installation of columns, walling. beams, finishes and slab of 2 No storied classrooms (upper floor). The tender for the project was awarded at a contract price of Kshs 2,490,230 with an expected completion date of 31 October 2021. However, it was noted that windows, doors, plastering, floor finishes and paint works worth Kshs 331,380 as per the priced Bill of Quantity had not been done as at the time of audit	***The BQ were done when the VAT rate was 14 %. Subsequently, when the procurement had been done VAT went back to 16% thus materials went up.*** ***We have thus requested from NG-CDF Board for further funding to enable the classrooms to be completed as per the BQ***	Resolved	
2.2	The Fund transferred Kshs 1,500,000 to the PMC payment on 27/11/2020 for renovation of 2 offices, roof repairs, ceiling, painting, replacement of steel door and windows However, it was noted that hacking off of the existing floor screed, plaster to the wall, wall paints, roof paints and purchase of water tank complete with tank base totaling to Kshs 603,700 as per priced bill of quantity had not been done as at the time of audit.	***The offices have now been completed. They can be visited for verification***	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
2.3	The Fund disbursed Kshs 1.021.272 to the PMC account on 08/08/2020 for leveling of playing ground (100m by 50m). However, as at the time of physical verification the playing field was not leveled instead the soil was removed leaving a deep hole in the playing field rendering the playing ground not proper for in use	***The field had initially been leveled but was interrupted with by a road contractor but has been re-leveled. The project can be visited for verification***	Resolved	
2.4	The Fund disbursed Kshs 1.871,892 to the PMC account on 3/06/2021 for renovation of 5 class rooms. However, the removal of the old corrugated roof cover, damaged timber. natural stone walling, roofing with sawn cypress, matching ridges and valleys, UPVC gutters and UPVC down pipes totaling to Kshs 363.420 as per the priced bill of quantity had not been done at the time of the audit verification Further the bill of quantities required that the use of Pre-painted box profile gauge 28 roofing sheets - MRM grade or any other equal. However, the physical verification revealed that the contractor used maishamabati gauge 30 that were not box profile and not pre painted. Consequently, the value for money on the above-mentioned projects implemented and remained incomplete during the year under review was not achieved for the residents of Mukurweini Constituency.	***The pending works worth 363,420 have been completed. The project can be visited for verification. The maisha mabati was used for the roof to be uniform with the existing roofing sheets. They were also painted***	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
2.3	The Fund disbursed Kshs 1.021.272 to the PMC account on 08/08/2020 for leveling of playing ground (100m by 50m). However, as at the time of physical verification the playing field was not leveled instead the soil was removed leaving a deep hole in the playing field rendering the playing ground not proper for in use	*The field had initially been leveled but was interrupted with by a road contractor but has been re-leveled. The project can be visited for verification*	Resolved	
2.4	The Fund disbursed Kshs 1.871,892 to the PMC account on 3/06/2021 for renovation of 5 class rooms. However, the removal of the old corrugated roof cover, damaged timber. natural stone walling, roofing with sawn cypress, matching ridges and valleys, UPVC gutters and UPVC down pipes totaling to Kshs 363.420 as per the priced bill of quantity had not been done at the time of the audit verification Further the bill of quantities required that the use of Pre-painted box profile gauge 28 roofing sheets - MRM grade or any other equal. However, the physical verification revealed that the contractor used maishamabati gauge 30 that were not box profile and not pre painted. Consequently, the value for money on the above-mentioned projects implemented and remained incomplete during the year under review was not	*The pending works worth 363,420 have been completed. The project can be visited for verification. The maisha mabati was used for the roof to be uniform with the existing roofing sheets. They were also painted*	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	achieved for the residents of Mukurweini Constituency. The audit was conducted in accordance with ISSAI 4000. The standard requires that ! 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			

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Name: Edwin Nyamu
Fund Account Manager.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
	The audit was conducted in accordance with ISSAI 4000. The standard requires that ! 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			

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