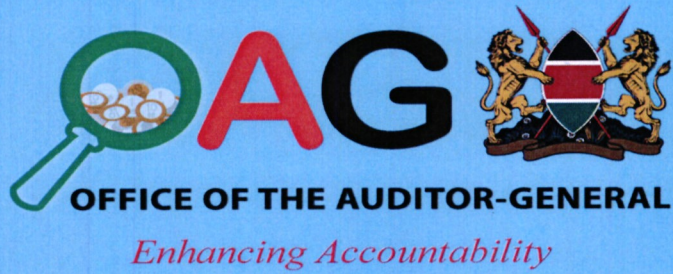


REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY

DATE: 08 AUG 2023

TUESDAY

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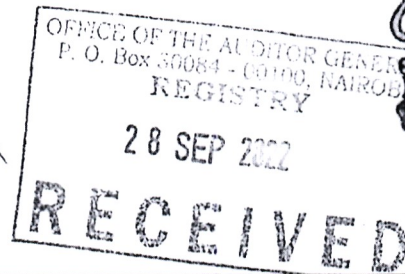
Hon. Owen Bala, MP
Deputy Leader, Majority
Anne Shubiko

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2022**



KIHARU 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)



*Kiharu Constituency
National Government Constituencies Development Fund (NGCDF)
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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 Kiharu Constituency NGCDF day-to-day management is under the following key organs:

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

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(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	Kennedy Kamau
2.	Sub-County Accountant	Lawrence Warui
3.	Chairman NGCDFC	Peter Manyeki
4.	Member NGCDFC	Anthony Warui

(d) Fiduciary Oversight Arrangements

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

(e) Kiharu Constituency NGCDF Headquarters

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

(f) Kiharu Constituency NGCDF Contacts

Telephone: (254) 0720 207810
E-mail: cdkkihuru@ngcdf.go.ke
Website: www.ngcdf.go.ke

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(g) Kiharu Constituency NGCDF Bankers

Family Bank
Murang'a Branch
Account No. 006000020013

(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



I am pleased to present the unaudited financial statements of NG-CDF Kiharu Constituency for the financial year ended 30 June 2022. The allocation to the constituency for the said year was a total of Kshs. 137,088,879 out of which Kshs. 117,088,879 was disbursed to the constituency by the NG-CDF Board in six tranches of Kshs. 44,000,000 disbursed on 8/11/2021, Kshs. 22,000,000 disbursed on 9/12/2021, Kshs. 5,000,000 disbursed on 15/2/2022, Kshs. 12,000,000 disbursed on 7/3/2022, Kshs. 12,000,000 disbursed on 14/3/2022 and Kshs. 22,088,879 disbursed on 8/4/2022.

The balance of Kshs. 20,000,000 for 2021/2022 financial year and Kshs. 12,088,879 for 2020/2021 financial year all totalling to Kshs. 32,088,879 had not been disbursed to the constituency by the NG-CDF Board as at closure of the financial year on 30 June 2022.

On receipt of the funds referred here in above, Kiharu National Government Constituency Development Fund Committee (NG-CDFC) prioritized funding of infrastructure for education projects with major renovation works being implemented in primary and secondary schools completely changing the face of the respective institutions.

During the year, Kshs. 33,000,000 was also disbursed to the constituency by the NG-CDF Board being the balance which rolled over from the previous financial year and with these funds added up to the balance brought forward from 2020/2021 financial year of Kshs. 37,085,819, Kiharu NG-CDFC was able to fund additional infrastructure projects in security sector especially new Chiefs offices, establishment of new secondary schools as well as award of bursary to bright students from humble backgrounds and students living with disabilities.

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Below are some of the projects implemented during the financial year:-



GIKUU SECONDARY SCHOOL CLASSROOMS



GITHANGA SECONDARY SCHOOL HALL

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MUKURWE WA NYAGATHANGA SECONDARY SCHOOL NEW CLASSROOMS



GITUI ASSISTANT CHIEF'S OFFICE

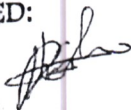
Kiharu National Government Constituency Development Fund Committee however noted various challenges in projects implementation and management during the 2021/2022 financial year. The challenges were: - disruptions of programs by the global COVID-19 pandemic, inadequate record keeping by project management committees, lack of knowledge especially by new project management committees on provisions of Public Procurement and Assets Disposal Act 2015 as well as delayed submission of the required returns for funds disbursed. Another notable challenge is the limited numbers of technical officers needed to provide the requisite technical advice in project implementation and management. To mitigate the above, the committee during the financial year scaled up its capacity building programmes for NG-CDF Committee, Project Management Committees and staff on various aspects of NG-CDF projects management.

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These programmes contributed to minimizing the challenges hence improving overall performance by Project Management Committees. The NG-CDFC plans to intensify capacity building as well as monitoring and evaluation programmes during the 2022/2023 financial year.

I wish to sincerely thank the NG-CDF Committee, NG-CDFC staff, Project Management Committees and other stakeholders for the co-operation and support that resulted in achievement of the said milestones. Going forward, the Committee envisions performing even better and attaining better assessments in its performance targets for 2022/2023 financial year.

SIGNED:



PETER MANYEKI, CHAIRMAN
KIHARU NG-CDF COMMITTEE

III. Statement of Performance Against Predetermined Objectives for 2021/2022 Financial Year

Introduction

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

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

Strategic Area One: Education

- Objective:** Become a national model for education by improving schools infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.
- Initiative:** Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children.
- Initiative:** Enhance and develop social programmes that support education within the constituency.

Strategic Area Two: Security

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

Strategic Area Three: Environment

- Objective:** Sustainable and conserved environment in Kiharu through natural resources conservation initiatives
- Initiative:** Initiate and enhance conservation programs within the constituency

Strategic Area Four: Sports

- Objective:** Empower and develop youth and special groups to reduce dependence and spur economic growth through sports
- Initiative:** Develop and empower youth and special groups through sports.

Strategic Area Five: Emergency

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

Progress on attainment of Strategic development objectives

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

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Constituency Sector	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children	116 Classrooms, 7 Administration blocks, 3 Multi-Purpose Halls, 2 Science Laboratories built/ rehabilitated in 48 primary schools, 24 secondary schools 1,123 bursary beneficiaries in Tertiary institutions and 2,818 bursary beneficiaries in Secondary Schools	Number of new/ rehabilitated classrooms increased from 381 to 497 Number of laboratories increased from 10 to 12 Number of multipurpose halls increased from 13 to 16 Number of administration blocks increased from 15 to 20 3,941 bursary beneficiaries in all levels
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	14 physical infrastructure built/ renovated in divisions, locations, sub locations and police stations	Number of constructed/ renovated chiefs' offices increased from 11 to 17 Number of assistant chiefs' offices increased from 4 to 10 Number of police lines increased from 9 to 11
Environment	Sustainable and conserved environment through natural resources conservation initiatives	Equip schools and public facilities with sanitation facilities Provide tree seedlings to public institutions to improve the forest cover	6 sanitation facilities built in security establishments, primary and secondary schools	Number of sanitation facilities increased from 38 to 44

Kiharu Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

Sports	Empower and develop youth and special groups	Reduced dependence and spur economic growth through sports	62 youth groups benefitting from the sports programme	All the 112 teams within the constituency benefited from the sports programme
Emergency	Enhance response to urgent, unforeseen need for expenditure in the constituency within the financial year	Enhanced response to emergencies that arise within the constituency	17 emergency projects implemented	Number of projects implemented under emergency financing increased from 22 to 39

IV. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro 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

- Kiharu NG-CDF had two meetings with bursary beneficiaries, parents, guardians during the financial year and utilized the forums to sensitize the students to carry out environmental conservation activities.
- Kiharu NG-CDF carried out sensitization of youth/ community on the impact of drugs during handing over of cheques to projects as well as during commissioning of complete projects.
- Kiharu NG-CDF carried out a constituency sports tournament bringing together the youth and spectators from area communities and utilized the event to sensitize them on environmental conservation matters.

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Kiharu constituency invests in capacity building

programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

4. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

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Public Participation in Project Identification and Implementation and Monitoring

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

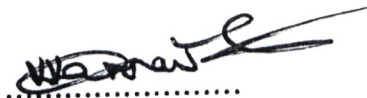
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

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



.....
KENNEDY KAMAU
FUND ACCOUNT MANAGER

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 - Kiharu Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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 - Kiharu Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF - Kiharu Constituency further confirms the completeness of the accounting records maintained for the constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

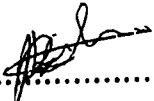
The Accounting Officer in charge of the NGCDF Kiharu Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were

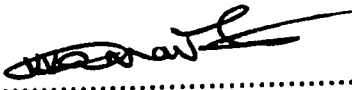
***Kiharu Constituency
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used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the constituency 's financial statements have been prepared in a form that complies with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

Approval of the financial statements

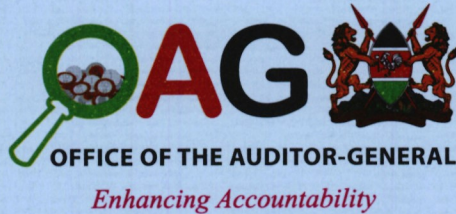
The NGCDF- Kiharu Constituency financial statements were approved and signed by the Accounting Officer on 9/9/2022.


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


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

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KIHARU 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

Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Kiharu Constituency set out on pages 1 to 38, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement

Report of the Auditor-General on National Government Constituencies Development Fund - Kiharu Constituency for the year ended 30 June, 2022

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, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kiharu Constituency as at 30 June, 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 Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Kiharu Constituency Management in accordance with ISSAI 130 on 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 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 final receipts budget and actual on comparable basis amount of Kshs.220,463,578 and Kshs.187,174,698 respectively, resulting to an underfunding of Kshs.33,288,880 or 15% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.220,463,578 and Kshs.135,371,504 respectively, resulting to an underperformance amounting to Kshs.85,092,074 or 39 % of the budget.

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

2. Unresolved Prior Year Matters

The progress on follow up of auditor recommendations section of the financial statements reflects that some of the issues raised in the previous year's audit report remained unresolved as at 30 June, 2022. No satisfactory explanations were provided for not resolving the issues

In the circumstances, the audit issues remained 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. Poorly Done and Unlabelled Projects

During projects inspection done in the month of March, 2023, thirty (30) projects with a total funding of Kshs.21,750,000 were verified. However, nineteen (19) of these projects valued at Kshs.16,850,000 though complete and in use were observed to have unsatisfactory issues, including works not done, poor workmanship as well as all of them not being labelled.

In the circumstances, the constituents did not achieve effective value for money from the projects worth Kshs.16,850,000 that had the unsatisfactory observations.

2. Incomplete Implementation of Projects

Review of project implementation status report as at 30 June, 2022 revealed that the Fund budgeted for ninety-two (92) projects with a total budgeted expenditure of Kshs.137,088,878. However, twenty-four (24) projects with a budget of Kshs.67,702,706 were ongoing and two (2) projects with a budget of Kshs.20,000,000 had not started as at 30 June, 2022.

In the circumstances, the constituents did not receive value for money for the delayed projects amounting to Kshs.87,702,706 for the year under review.

3. Employment of Excess Staff

The statement of receipts and payments reflects compensation of employees amount of Kshs.3,642,860. During the year under review, the Fund had a total of six (6) employees which exceeded the recommended staff establishment number of five employees by one (1). This is contrary to National Government Constituencies Development Fund Board Circular Ref. No. CDF Board/ Circular/ Vol 166 dated 24 June, 2013 that directed the Funds not to employ more than five (5) employees in the constituency offices.

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 governance were not effective.

Basis for conclusion

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

Responsibilities of Management and those Charged with Governance

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

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


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 May, 2023

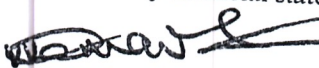
*Kiharu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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			
Proceeds From Sale of Assets	1	150,088,879	160,667,724
Other Receipts	2	-	-
Total Receipts	3	-	-
		150,088,879	160,667,724
Payments			
Compensation Of Employees			
Use Of Goods and Services	4	3,642,860	3,891,299
Transfers To Other Government Units	5	7,121,114	5,084,733
Other Grants and Transfers	6	47,050,000	79,400,000
Acquisition Of Assets	7	77,557,530	38,958,000
Other Payments	8	-	-
	9	-	6,500,000
Total Payments			
Surplus		135,371,504	133,834,032
		<u>14,717,375</u>	<u>26,833,692</u>

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 9/9/2022 and signed by:


Fund Account Manager

Name: Kennedy Kamau


National Sub-County
Accountant

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


Chairman NG-CDF Committee

Name: Peter Manyeki

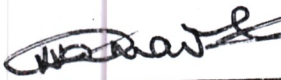
Kiharu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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	51,803,194	37,085,819
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		51,803,194	37,085,819
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		51,803,194	37,085,819
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities			
Net Financial Assets		<u>51,803,194</u>	<u>37,085,819</u>
Represented By			
Fund Balance B/Fwd	13	37,085,819	10,252,127
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		14,717,375	26,833,692
Net Financial Position		<u>51,803,194</u>	<u>37,085,819</u>

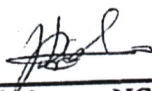
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 9/9/2022 and signed by:


 Fund Account Manager

Name: Kennedy Kamau


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


 Chairman NG-CDF Committee

Name: Peter Manyeki

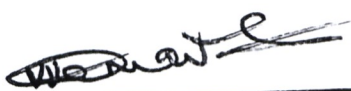
*Kiharu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*


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	150,088,879	160,667,724
Other Receipts	3	-	-
Total Receipts		150,088,879	160,667,724
Payments			
Compensation Of Employees	4	3,642,860	3,891,299
Use Of Goods and Services	5	7,121,114	5,084,733
Transfers To Other Government Units	6	47,050,000	79,400,000
Other Grants and Transfers	7	77,557,530	38,958,000
Other Payments	9	-	6,500,000
Total Payments		135,371,504	133,834,032
Total Receipts Less Total Payments		14,717,375	26,833,692
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		14,717,375	26,833,692
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	-
Net Cash Flows from Investing Activities			
Net Increase In Cash And Cash Equivalent		14,717,375	26,833,692
Cash & Cash Equivalent At Start Of The Year	13	37,085,819	10,252,127
Cash & Cash Equivalent At End Of The Year	10	51,803,194	37,085,819

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 9/9/2022 and signed by:


Fund Account Manager
Name: Kennedy Kamau


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


Chairman NG-CDF Committee
Name: Peter Manyeki

Kiharu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

X. Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipts/Payments	Original Budget a	Adjustments b		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements				
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	137,088,879	37,085,819	46,288,879	220,463,578	187,174,698	33,288,879	85%
Proceeds From Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-
Totals	137,088,879	37,085,819	46,288,879	220,463,578	187,174,698	33,288,879	85%
Payments							
Compensation Of Employees	3,686,920	-	2,586,920	6,273,840	3,642,860	2,630,980	58%
Use Of Goods and Services	8,649,252	1,794,250	4,647,492	15,090,994	7,121,114	7,969,880	47%
Transfers To Other Government Units	40,050,000	3,257,000	3,800,000	47,107,000	47,050,000	57,000	100%
Other Grants and Transfers	64,702,707	31,891,569	35,254,467	131,848,743	77,557,530	54,291,213	59%
Acquisition Of Assets	-	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-	-
Funds Pending Approval***	20,000,000	143,000	-	20,143,000	-	20,143,000	0%
Totals	137,088,879	37,085,819	46,288,879	220,463,578	135,371,504	85,092,074	61%

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

**Kiharu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Explanatory Notes:

- i) The actual on comparable basis receipts are funds available for use during the financial year represented by funds received from the Board totalling to Kshs. 150,088,879 (Note 1) plus the balance b/f in the beginning of the financial year of Kshs. 37,085,819 (Note 13) all totalling to Kshs. 187,174,698.
- ii) The constituency received 85% of the budget from NG-CDF Board with some of the funds received towards the end of the financial year leaving a total balance of Kshs. 20,000,000 which largely contributed to the overall budget utilization of 61%.
- iii) Budget utilization for Compensation of employees and Use of goods and services were at 58% and 47% respectively since NG-CDF resolved to baiance between security and education projects under transfer to other government units and other grants and transfers categories whose utilization were at 100% and 59% respectively.
- iv) There were re-allocation of funds during the financial year from TVET under Transfers to Other Government Units to Secondary Schools Bursary, from Environment, Administration, Monitoring and Evaluation under Other Grants and Transfers to Primary and Secondary Schools under Transfers to Other Government Units.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	85,092,074
Less undisbursed funds receivable from the Board as at 30 th June 2022	33,288,879
	51,803,194
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	51,803,194

The Constituency financial statements were approved on 9/9/2022 and signed by:



Fund Account Manager
Name: Kennedy Kamau



National Sub-County Accountant
Name: Lawrence K. Wartui
ICPAK M/No: 13451



Chairman NG-CDF Committee
Name: Peter Manyeki

Kiharu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/B/A) and ALA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,686,920		2,586,920	6,273,840	3,642,860	2,630,980
1.2 Committee allowances	2,453,020	950,971	651,260	4,055,251	982,176	3,073,075
1.3 Use of goods and services	2,083,592		996,920	3,080,512	1,838,364	1,242,148
2.0 Monitoring and evaluation						
2.1 Capacity building	1,100,000	743,279	1,100,000	2,943,279	1,476,324	1,466,955
2.2 Committee allowances	2,012,640	-	1,012,640	3,025,280	1,915,250	1,110,030
2.3 Use of goods and services	1,000,000	100,000	886,672	1,986,672	909,000	1,077,672
3.0 Emergency						
Emergency 2021/2022 unutilized	1,672,207			1,672,207		1,672,207
Emergency b/f		608,241		608,241		608,241
Emergency 2020/2021			92,207	92,207		92,207
Gikandu primary school	250,000			250,000	250,000	-
Muranga East Sub County Treasury Office	500,000			500,000	500,000	-
Mukumu Secondary School	520,000			520,000	520,000	-
Gikindu Secondary School	500,000			500,000	500,000	-
Kongoini Primary School	300,000			300,000	300,000	-
Mirira Primary School	100,000			100,000	100,000	-
Kiumu Primary School	500,000			500,000	500,000	-
Gitungano Primary School	100,000			100,000	100,000	-
Matithi Primary School	100,000			100,000	100,000	-
Gikandu Primary School	150,000			150,000	150,000	-
Marago Primary School	200,000			200,000	200,000	-
Kairichi Primary School	100,000			100,000	100,000	-
Karemainsi Secondary School	500,000			500,000	500,000	-
Marewa Primary School	400,000			400,000	400,000	-
Githweku Primary School	400,000			400,000	400,000	-
Upendo Primary School	200,000			200,000	200,000	-
Githanga Secondary School	700,000			700,000	700,000	-

**Kiharu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022**

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
4.0 Bursary and Social Security						
Bursary Secondary schools	40,000,000	18,730,473	22,480,000	81,210,473	56,547,770	24,662,703
Bursary Secondary schools (Re-allocation from Kenneth Matiba Technical Training College)		10,000,000		10,000,000		10,000,000
Bursary Tertiary Institutions	7,000,000	1,524,759	5,000,000	13,524,759	7,398,000	6,126,759
Bursary Special Schools	980,000	1,020,000	1,000,000	3,000,000	1,300,000	1,700,000
5.0 Sports						
Sports 2021/2022	2,740,000			2,740,000		2,740,000
Sports 2020/2021			2,741,760	2,741,760	2,741,760	-
6.0 Environment						
Environment 2021/2022	2,740,500			2,740,500		2,740,500
Environment 2020/21			2,740,500	2,740,500		2,740,500
Environment 2019/2020			700,000	700,000		700,000
Environment b/f		8,096		8,096		8,096
7.0 Primary Schools Projects						
Technology Primary School	1,000,000			1,000,000	1,000,000	-
Vidhu Ramji Primary School	600,000			600,000	600,000	-
Mbiri Primary School	1,200,000			1,200,000	1,200,000	-
Kiangage Primary School	1,000,000			1,000,000	1,000,000	-
Mjini Primary School	1,500,000			1,500,000	1,500,000	-
Konguini Primary School	850,000			850,000	850,000	-
Muchungucha Primary School	800,000			800,000	800,000	-
Maragi Primary School	800,000			800,000	800,000	-
Kiangochi Primary School	100,000			100,000	100,000	-
Gaitega Primary School	100,000			100,000	100,000	-
Upendo Primary School	200,000			200,000	200,000	-
Kambirwa Primary School	400,000			400,000	400,000	-
Matithi Primary School	300,000			300,000	300,000	-
Gitungano Primary School	200,000			200,000	200,000	-
Thangathi Primary School	600,000			600,000	600,000	-
Kaigwa Primary School	200,000			200,000	200,000	-
Gathukeini Primary School	1,000,000			1,000,000	1,000,000	-
Gakurwe Primary School	400,000			400,000	400,000	-
Kiamuri Primary School	200,000			200,000	200,000	-
Githanga Primary School	100,000			100,000	100,000	-

Kiharu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 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	
Gaturi Primary School	700,000			700,000	700,000	-
Muringa Primary School	100,000			100,000	100,000	-
Nyakhai Primary School	700,000			700,000	700,000	-
Kangure Primary School	400,000			400,000	400,000	-
Kibuu Primary School	2,000,000			2,000,000	2,000,000	-
Githagara Primary School	700,000			700,000	700,000	-
Kagumo Primary School	500,000			500,000	500,000	-
Kisumu Primary School	600,000			600,000	600,000	-
Kiambu Primary School	500,000			500,000	500,000	-
Mirichu Primary School	700,000			700,000	700,000	-
Murai Primary School	400,000			400,000	400,000	-
Muthira Primary School	400,000			400,000	400,000	-
Gatunguru Primary School	400,000			400,000	400,000	-
Kaganda Primary School	500,000			500,000	500,000	-
Kairichi Primary School	100,000			100,000	100,000	-
Kionjoni Primary School	300,000			300,000	300,000	-
Githige Primary School	300,000			300,000	300,000	-
Ithiki Primary School	200,000			200,000	200,000	-
Kirogo Primary School	400,000			400,000	400,000	-
Mukanganu Primary School	400,000			400,000	400,000	-
Mumabi Primary School	500,000			500,000	500,000	-
Re-Allocation From Administration - Committee Expenses						
Kiangochi Primary School			600,000	600,000	600,000	-
Upendo Primary School			600,000	600,000	600,000	-
Kagumo Primary School			300,000	300,000	300,000	-
Re-Allocation From Administration - Use Of Goods & Services						
Kirogo Primary School			1,000,000	1,000,000	1,000,000	-
Gituto Primary School			300,000	300,000	300,000	-
Re-Allocation From Monitoring & Evaluation - Use Of Goods & Services						
Kambirwa Primary School			600,000	600,000	600,000	-
Thengetini Primary School			400,000	400,000	400,000	-
8.0 Secondary Schools Projects						
Ithiu Secondary School	600,000			600,000	600,000	-

Kiharu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Programme/Sub-programme	Original Budget		Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	2021/2022	Opening Balance (C/Bk) and AIA	Previous Year's Outstanding Disbursements			
Mukurwe Wa Nyagathanga Sec Sch	2,000,000	2,000,000			2,000,000	2,000,000	-
Githanga Secondary School	500,000	500,000			500,000	500,000	-
Gaitheri Secondary School	500,000	500,000			500,000	500,000	-
St. Paul's Boys Sec Sch Gathuki-Ini	1,000,000	1,000,000			1,000,000	1,000,000	-
St. Luke's Gituri Sec School	1,000,000	1,000,000			1,000,000	1,000,000	-
Vidhu Ramji Secondary School	800,000	800,000			800,000	800,000	-
Murang'a High School	500,000	500,000			500,000	500,000	-
Kahuro Secondary School	500,000	500,000			500,000	500,000	-
Yamugwe Secondary School	1,200,000	1,200,000			1,200,000	1,200,000	-
Gitaro Secondary School	1,000,000	1,000,000			1,000,000	1,000,000	-
Mbari Ya Hiti Secondary School	300,000	300,000			300,000	300,000	-
Kaganda Secondary School	1,000,000	1,000,000			1,000,000	1,000,000	-
Theri Secondary School	1,000,000	1,000,000			1,000,000	1,000,000	-
Gitige Secondary School	500,000	500,000			500,000	500,000	-
Gitui Mixed Secondary School	1,000,000	1,000,000			1,000,000	1,000,000	-
Gitweku Mixed Secondary School	800,000	800,000			800,000	800,000	-
Kahuhia Mixed Secondary School	800,000	800,000			800,000	800,000	-
Karingu Mixed Secondary School	700,000	700,000			700,000	700,000	-
Weithaga Mixed Secondary School	2,000,000	2,000,000			2,000,000	2,000,000	-
Gakurwe Mixed Day Secondary School			857,000		857,000	800,000	57,000
Kambirwa Secondary School			400,000		400,000	400,000	-
Re-allocation from Environment 2019/2020							
Gikuu secondary school			1,000,000		1,000,000	1,000,000	-
Kambirwa secondary school			1,000,000		1,000,000	1,000,000	-
10.0 Security Projects							
Yamugwe Police Post	200,000	200,000			200,000	200,000	-
Kahatia Chief's Office	100,000	100,000			100,000	100,000	-
Theri Chief's Office	300,000	300,000			300,000	300,000	-
Matharite Chief's Office	250,000	250,000			250,000	250,000	-
Gitui Chief's Office	100,000	100,000			100,000	100,000	-
Ngaru Chief's Office	100,000	100,000			100,000	100,000	-
Gikindu D O's Office	300,000	300,000			300,000	300,000	-
Gaitega Chief's Office	200,000	200,000			200,000	200,000	-
Gacharu Chief's Office	100,000	100,000			100,000	100,000	-

Kiharu Constituency
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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	
Nigouini Chief's Office	300,000			300,000	300,000	-
Mugeka AP's Camp	300,000			300,000	300,000	-
11.0 Acquisition of assets						-
11.1 Motor Vehicles (including motorbikes)						-
11.2 Construction of CDF office						-
11.3 Purchase of furniture and equipment						-
11.4 Purchase of computers						-
11.5 Purchase of land						-
12.0 Others						-
12.1 Strategic Plan						-
12.2 Innovation Hub						-
Gaturu Education Office	600,000		500,000	1,100,000	600,000	500,000
Gikindu Division Education Office	700,000			700,000	700,000	-
Wargu Education office	500,000			500,000	500,000	-
Funds pending approval						-
Kenneth Matiba Technical And Vocational College	10,000,000			10,000,000		10,000,000
Constituency Revision Books Project	10,000,000			10,000,000		10,000,000
AIA		143,000		143,000		143,000
Total	137,088,879	37,085,819	46,288,879	220,463,578	135,371,504	85,092,074

(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)

XII. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash 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.

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.

***Kiharu Constituency
National Government Constituencies Development Fund (NGCDF)
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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 xx June 20xx for the period 1st July 2021 to 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.

*Kiharu Constituency
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XIII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board AIE NO.		
B104897		66,667,724
B124720		8,000,000
B128443		7,000,000
B119842		13,000,000
B128131		6,900,000
B124988		8,500,000
B132187		6,000,000
B138855		12,000,000
B126149		7,000,000
B140587		12,000,000
B126442		11,600,000
B105141		2,000,000
B140937	33,000,000	
B105656	44,000,000	
B105808	22,000,000	
B128548	5,000,000	
B128860	12,000,000	
B154056	12,000,000	
B164497	22,088,879	
TOTAL	150,088,879	160,667,724

2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

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

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4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,015,540	1,903,240
Personal allowances paid as part of salary		
House Allowance	304,500	288,000
Transport Allowance	293,000	288,000
Leave allowance		
Gratuity to contractual employees	908,880	1,297,862
Employer Contributions Compulsory national social security schemes	120,940	114,197
Total	3,642,860	3,891,299

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses		
Utilities, supplies and services	4,790	
Communication, supplies and services	227,555	83,470
Domestic travel and subsistence	154,000	22,400
Printing, advertising and information supplies & services	152,076	125,190
Rentals of produced assets	754,020	747,520
Training expenses	1,039,300	1,134,900
Hospitality supplies and services	190,116	89,940
Other committee expenses	994,024	2,339,619
Committee allowance	2,915,000	270,000
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	212,919	11,370
Other operating expenses	246,920	248,224
Routine maintenance – vehicles and other transport equipment	230,394	12,100
Routine maintenance – other assets	-	-
Total	7,121,114	5,084,733

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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)	26,150,000	72,800,000
Transfers To Secondary Schools (See Attached List)	20,900,000	6,600,000
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	47,050,000	79,400,000

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	56,547,770	140,000
Bursary – tertiary institutions (see attached list)	7,398,000	27,818,000
Bursary – special schools (see attached list)	1,300,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	2,250,000	2,900,000
Sports projects (see attached list)	2,741,760	-
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	5,520,000	8,100,000
Other projects	1,800,000	-
Total	77,557,530	38,958,000

8. Acquisition Of Assets

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

Kiharu Constituency
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Notes To the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Constituency Revision Books Project	-	6,000,000
Murang'a East Education Office	-	500,000
	-	6,500,000

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)	51,803,194	37,085,819
Family Bank, Murang'a Branch - Kiharu NG-CDF Account Number 006000020013		
Total	51,803,194	37,085,819
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

11: Outstanding Imprests

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
-	-	-	-	-
Total	-	-	-	-

12A. Retention

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

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Notes to the Financial Statement Continued*

12B. Gratuity

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

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	37,085,819	10,252,127
Cash in hand	-	-
Imprest	-	-
Total	37,085,819	10,252,127

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	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total			

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Notes to the Financial Statements (Continued)

15. Changes in Accounts Receivable – Outstanding Imprests

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

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Changes in Accounts Payable E= D-E	-	-

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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	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
Total	-	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	2,630,980	2,586,920
Use of goods and services	11,769,881	10,241,742
Amounts due to other Government entities (see attached list)	4,257,000	11,257,000
Amounts due to other grants and other transfers (see attached list)	45,791,213	58,646,036
Amounts due to others (Gaturi Education Office)	500,000	500,000
Acquisition of assets	-	-
Funds pending approval	20,143,000	143,000
Total	85,092,074	83,374,698

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	15,055,989	15,196,519
Total	15,055,989	15,196,519

Kiharu Constituency
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ANNEXES

Annex 1 - Analysis of Pending Accounts Payable

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

**Kiharu Constituency
National Government Constituencies Development Fund (NGCDF)
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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				

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Annex 3 - Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		2,630,980	2,586,920	
Use of goods & services		7,969,881	10,241,742	
Amounts due to other Government entities			11,257,000	
Sub-Total	Gakurwe Mixed Day Secondary School	57,000		
Amounts due to other grants and other transfers			58,646,036	
	Emergency			
	Emergency 2021/2022 unutilized	1,672,207		
	Emergency b/f	608,241		
	Emergency 2020/2021	92,207		
	Bursary and Social Security			
	Bursary Secondary schools	24,662,703		
	Bursary Secondary schools (Re-allocation from Kenneth Matha TTC)	10,000,000		
	Bursary Tertiary Institutions	6,126,759		
	Bursary Special Schools	1,700,000		
	Sports			
	Sports 2021/2022	2,740,000		
	Environment			
	Environment 2021/2022	2,740,500		
	Environment 2020/21	2,740,500		
	Environment 2019/2020	700,000		
	Environment b/f	8,096		
Sub-Total		53,791,213		
Acquisition of assets				

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National Government Constituencies Development Fund (NGCCDF)
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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Others (Gatari Education Office)		500,000	500,000	
Sub-Total		500,000	143,000	
Funds pending approval				
	Kenneth Matiba Technical And Vocational College	10,000,000		
	Constituency Revision Books Project	10,000,000		
	AIA	143,000		
Grand Total		85,092,074	83,374,698	

Kiharu Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

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	-	-	-	-
Buildings and structures	9,988,431	-	-	9,988,431
Transport equipment	3,264,238	-	-	3,264,238
Office equipment, furniture and fittings	1,076,296	-	-	1,076,296
ICT Equipment, Software and Other ICT Assets	229,680	-	-	229,680
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	14,558,645	-	-	14,558,645

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

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
PRIMARY SCHOOLS				
Gachiku Primary School	Family Murang'a	006000029365		189
Gaichangere Primary School	Family Murang'a	006000030410	3,960	3,486
Gaitega Primary School	Family Murang'a	006000029856	110,782	10,902
Gaitheri Primary School	Family Murang'a	006000029375		2,403
Gakurwe Primary School	Family Murang'a	006000029814	2,022	688
Gakuyu Primary School	Family Murang'a	006000026838		150
Gatara Primary School	Family Murang'a	006000030498		302,982
Gathaithi Lower Primary School	Family Murang'a	006000030361		28,189
Gathaithi Upper Primary School	Family Murang'a	006000029446		525
Gatheru Primary School	Family Murang'a	006000029429		404,608
Gathinja Primary School	Family Murang'a	006000029428		402,816
Gathiru Primary School	Family Murang'a	006000031184		620
Gathukeini Primary School	Family Murang'a	006000030624	1,652	940
Gatitu Primary School	Family Murang'a	006000030649		2,695
Gatundu Primary School	Family Murang'a	006000029374		2,740
Gaturi Primary School	Family Murang'a	006000029877	3,313	1,927
Gatuya Primary School	Family Murang'a	006000029451		9,873
Gikandu primary school	Family Murang'a	006000030778	79,478	69,151
Gitaro Primary School	Family Murang'a	006000030407		562
Githagara Primary School	Family Murang'a	006000030601	4,072	1,785
Githambo Primary School	Family Murang'a	006000031177		667
Githanga Primary School	Family Murang'a	006000029756	2,050	1,890
Githuguya Primary School	Family Murang'a	006000031125		28,960
Githundi Primary School	Family Murang'a	006000029633		7,444
Gitie Primary School	Family Murang'a	006000029433		13,244
Gitige Primary School	Family Murang'a	006000029617	1,161	186
Gitiri Primary School	Family Murang'a	006000031243		103,229
Gitui Primary School	Family Murang'a	006000031183		3,227
Gitungano Primary School	Family Murang'a	006000029401	12,559	11,079
Gituri Primary School	Family Murang'a	006000029632		195,531

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Gituto Primary School	Family Murang'a	006000029639	1,247	517
Gitweku Primary School	Family Murang'a	006000029510	48,312	2,382
Ithi Primary School	Family Murang'a	006000029859		2,300
Ithika Primary School	Family Murang'a	006000030608	110,020	
Kabui Primary School	Family Murang'a	006000029415		1,289
Kaganda Primary School	Family Murang'a	006000031261	97,252	97,237
Kagira Primary School	Family Murang'a	006000028999		4,355
Kagumo Primary School	Family Murang'a	006000030403	303,693	
Kahatia Primary School	Family Murang'a	006000029442		3,274
Kahithe Primary School	Family Murang'a	006000031237		100,011
Kahuhia Primary School	Family Murang'a	006000030600		3,729
Kaigwa Primary School	Family Murang'a	006000030440	3,090	4,301
Kairichi Primary School	Family Murang'a	006000030378	718	438
Kanaguta Primary School	Family Murang'a	006000030411		10,764
Kambirwa Primary School	Family Murang'a	006000029417	15,380	3,700
Kambwe Primary School	Family Murang'a	006000029379		971
Kangure Primary School	Family Murang'a	006000029853	8,831	8,311
Kari Primary School	Family Murang'a	006000030421		16,621
Karungu Primary School	Family Murang'a	006000029879		65,438
Karurini Primary School	Family Murang'a	006000030364		680
Kayuyu Primary School	Family Murang'a	006000029380		1,083
Kiaguthu Primary School	Family Murang'a	006000029418	6,704	5,830
Kiambuigi Primary School	Family Murang'a	006000029908		1,349
Kiamuri Primary School	Family Murang'a	006000030156		140,509
Kianderi Primary School	Family Murang'a	006000030675		385
Kiangage Primary School	Family Murang'a	006000029426	1,864	1,556
Kiangage Primary School Karindundu	Family Murang'a	006000028896		(100)
Kiangatia Primary School	Family Murang'a	006000029158		30,359
Kiangochi Primary School	Family Murang'a	006000030415	17,024	15,369
Kibuu Primary School	Family Murang'a	006000030753	1,980,865	
Kionjoini Primary School	Family Murang'a	006000030365	685	
Kirogo Primary School	Family Murang'a	006000030044	365,329	
Kiumu Primary School	Family Murang'a	006000029369	502,327	

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Kiamuri Primary School	Family Murang'a	006000030156	2,400	293
Kiawambeu Primary School	Family Murang'a	006000030671		2,520
Kiyatta Primary School	Family Murang'a	006000030381		4,840
Kiboi Primary School	Family Murang'a	006000030412		402,385
Kibuu Primary School	Family Murang'a	006000030753		667
Kigongo Primary School	Family Murang'a	006000029643		13,101
Kiguru Primary School	Family Murang'a	006000030406		173
Kimathi Primary School	Family Murang'a	006000029631		533
Kionjoi Primary School	Family Murang'a	006000030365		30,524
Kirogo Primary School	Family Murang'a	006000030044		7,857
Kiumba Primary School	Family Murang'a	006000030402		2,287
Kiumu Primary School	Family Murang'a	006000029369		33,147
Kiyu Primary School	Family Murang'a	006000029403		314,475
Koimbi Primary School	Family Murang'a	006000029947	1,387	243
Konguini Primary School	Family Murang'a	006000029509		119
Mamumbu Primary School	Family Murang'a	006000031233	47,327	365
Maragi Primary School	Family Murang'a	006000031176	4,633	3,753
Marewa Primary School	Family Murang'a	006000029376		135
Mariaini Primary School	Family Murang'a	006000030409		
Matithi Primary School	Family Murang'a	006000030674	31,935	200,015
Matongu Primary School	Family Murang'a	006000030777		833
Mbari Ya Hiti Primary School	Family Murang'a	006000029435	1,698	838
Mbiri Primary School	Family Murang'a	006000031191		3,560
Mbiri Primary School Kandundu	Family Murang'a	006000028870	1,134	377
Mirichu Primary School	Family Murang'a	006000031230	9,757	9,007
Mirira Primary School	Family Murang'a	006000030570	7,808	251,878
Mjini Primary School	Family Murang'a	006000029349		9,556
Muchungucha Primary School	Family Murang'a	006000029430	122,731	46
Mukangu Primary School	Family Murang'a	006000031182		693
Mukumu Primary School	Family Murang'a	006000029449	5,296	2,956
Mumbi Primary School	Family Murang'a	006000029851	14,576	
Munchungucha Primary School	Family Murang'a	006000029430		13,472
Munyutha Primary School	Family Murang'a	006000031236		

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PMC	Bank	Account number	Bank Balance	Bank Balance
			2021/22	2020/21
Murai Primary School	Family Murang'a	006000030408	3,807	2,060
Murandia Primary School	Family Murang'a	006000029596		201,585
Muringa Primary School	Family Murang'a	006000030569	2,052	1,312
Muthigiri Primary School	Family Murang'a	006000030653		1,355
Muthira Primary School	Family Murang'a	006000030405	714	765
Mwara Primary School	Family Murang'a	006000030397		2,077
Mweru Primary School	Family Murang'a	006000029427		1,605
Ndikwe Primary School	Family Murang'a	006000030621		1,645
Ndikwe Primary School	Family Murang'a	006000028973		136
Ndikwe Primary School	Family Murang'a	006000029432		76,481
Ndutumi Primary School	Family Murang'a	006000030377		11,109
Ngaru Primary School	Family Murang'a	006000026884	184	
Nyakihai Primary School	Family Murang'a	006000030006		944
Rurii Primary School	Family Murang'a	006000031175		1,714
St. Mary's Primary School	Family Murang'a	006000029946	1,766	1,615
Technology Primary School	Family Murang'a	006000029852	2,485	5,145
Thangathi Primary School	Family Murang'a	006000030379	701	321
Thengeini Primary School	Family Murang'a	006000031181		287
Upendo Primary School	Family Murang'a	006000030623	4,413	3,623
Vidhuramji Primary School	Family Murang'a	006000030643	1,802	1,428
Wanjengi Primary School	Family Murang'a	006000030673		345
Weithaga Primary School	Family Murang'a	006000030602		515
Yamugwe Primary School	Family Murang'a	006000030391		6,186
SECONDARY SCHOOLS				
Gaitheri Secondary School	Family Murang'a	006000029416	800	
Gakurwe Secondary School	Family Murang'a	006000030793	706,650	500,520
Gatara Secondary School	Family Murang'a	006000030672		700
Giathiya Secondary School	Family Murang'a	006000030845		200,113
Gikindu Secondary School	Family Murang'a	006000029858	3,740	3,740
Gikuu Secondary School	Family Murang'a	006000030727	1,205	1,045
Gitaro Secondary school	Family Murang'a	006000030425	80	24,790
Githanga Secondary School	Family Murang'a	006000035711	533,000	
Gitige Secondary School	Family Murang'a	006000033632	735	

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Gitui Mixed Secondary School	Family Murang'a	006000033681	993,000	
Gitweku Secondary School	Family Murang'a	006000033611	230	
Ihitu Secondary School	Family Murang'a	006000030607	2,395	958
Kagaa Secondary School	Family Murang'a	006000030632		215
Kaganda Secondary School	Family Murang'a	006000030347	2,000,000	1,150
Kagumo Secondary School	Family Murang'a	006000029948		3,055
Kahuhia Mixed Secondary School	Family Murang'a	006000030604	398	30,450
Kahuro Secondary School	Family Murang'a	006000033725	285	
Kambirwa Secondary School	Family Murang'a	006000030780	26,895	1,840
Karemaini Secondary School	Family Murang'a	006000029854	797	797
Karingu Secondary School	Family Murang'a	006000033781	3,825	
Kianderi Girls Secondary School	Family Murang'a	006000031232		498,480
Kiangochi Secondary School	Family Murang'a	006000030568		6,237
Kiboi Secondary School	Family Murang'a	006000030424		13,130
Koimbi Day Secondary School	Family Murang'a	006000030892		529
Maragi Secondary School	Family Murang'a	006000031235		1,855
Mbari ya Hiti Secondary School	Family Murang'a	006000030426	3,646	200,366
Mirichu Secondary School	Family Murang'a	006000030940		1,130
Muchungucha Secondary School	Family Murang'a	006000031208		937
Mugoiri Secondary School.	Family Murang'a	006000031260		20
Mukumu Secondary School	Family Murang'a	006000030603	520,166	166
Mukurwe Wa Nyagathanga Sec sch	Family Murang'a	006000033607	2,395	
Muranga High School	Family Murang'a	006000033738	498,360	
Murarandia Secondary School	Family Murang'a	006000031027		490
Mwirua Secondary School	Family Murang'a	006000031923		465
Nyakahai Secondary School	Family Murang'a	006000023644		182
Rurii Secondary School	Family Murang'a	006000030605		650
St. Luke Gituri Secondary school	Family Murang'a	006000033669	60	
St. Michael Gathuki-ini Sec Sch	Family Murang'a	006000030676		503,114
St.Paul Boys Secondary school	Family Murang'a	006000030046	3,370	
Theri Secondary School	Family Murang'a	006000033751	335,523	
Vidhuramji Secondary School	Family Murang'a	006000030434	73,638	
Weithaga Mixed Secondary School	Family Murang'a	006000033602	1,850,738	

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**National Government Constituencies Development Fund (NGCDF)
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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Yamugwe Secondary School	Family Murang'a	006000028683	79	200,470
SECURITY PROJECTS				
Gacharu Chiefs Office	Family Murang'a	006000031264	27,385	200,049
Gaitega Chiefs Office	Family Murang'a	006000030966	28,322	47
Gathathi Chiefs Office	Family Murang'a	006000030798		31,588
Gatundu Chiefs Office	Family Murang'a	006000032517		298,360
Gikandu Chiefs Office	Family Murang'a	006000029279		92
Gikindu D.O's Office	Family Murang'a	006000029910	22,549	213
Gitui Chiefs Office	Family Murang'a	006000032516	22,660	1,092,860
Kahatia Chiefs Office	Family Murang'a	006000029268	123,331	23,331
Kambirwa Assistant Chief's Office	Family Murang'a	006000031281		12
Kangara Chiefs Office	Family Murang'a	006000029278		42
Karemani Chiefs Office	Family Murang'a	006000032593		400,000
Kaweru Chiefs Office	Family Murang'a	006000030677		3,076
Kayuyu Chiefs Office	Family Murang'a	006000029276		42
Kiawambu Chiefs Office	Family Murang'a	006000030654		364
Kigeltuni Chiefs Office	Family Murang'a	006000030865		23
Kiria Assistant Chiefs Office	Family Murang'a	006000030853		122
Kirogo Assistant Chiefs Office	Family Murang'a	006000032594		200,000
Koimbi Chiefs Office	Family Murang'a	006000029970		512
Matharite Chiefs Office	Family Murang'a	006000029284	259,191	9,191
Mugeka AP CAMP	Family Murang'a	006000030622	2,026	244
Mugeka Chiefs Office	Family Murang'a	006000031152		180
Mummbi Police Post	Family Murang'a	006000029373		16
Mwirua Chiefs Office	Family Murang'a	006000029616		392
Ndikwe Police Post	Family Murang'a	006000028979		1,056
Ngaru Chiefs Office	Family Murang'a	006000029971	30	30
Njoguini Chiefs Office	Family Murang'a	006000031252	79,655	455,810
Theri Chiefs Office	Family Murang'a	006000029317	307,537	7,537
Yamugwe police post	Family Murang'a	006000028867	380	380
OTHER PROJECTS				
Gatari Education Office	Family Murang'a	006000028684	867	117
Gikindu Division Education Office	Family Murang'a	006000033581	2,078	

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EMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Muranga East Education Office	Family Murang'a	006000032592		500,000
Constituency Revision Books project	Family Murang'a	006000032152		6,000,000
Muranga East Sub County Treasury Office	Family Murang'a	006000033123	8,624	
Wangu Education office	Family Murang'a	006000033785	63,730	
SPORTS				
Kiharu NGCDF sports project	Family Murang'a	006000029171	2,592,620	860
ENVIRONMENTAL PROJECTS				
Gathaithi Environmental Project	Family Murang'a	006000030100		422
Gaturi Environmental Project	Family Murang'a	006000030101		215
Kimathi Environmental Project	Family Murang'a	006000030102		302
Lower Mbiri Environmental Project	Family Murang'a	006000030105		422
Lower Mugoiri Environmental Project	Family Murang'a	006000030091		422
Lower Wangu Environmental Project	Family Murang'a	006000030095		422
Murandia Environmental Project	Family Murang'a	006000030099		422
Township Environmental Project	Family Murang'a	006000030093		239
Upper Mbiri Environmental Project	Family Murang'a	006000030104		422
Upper Mugoiri Environmental Project	Family Murang'a	006000030092		422
Upper Wangu Environmental Project	Family Murang'a	006000030094		422
TOTAL			15,055,989	15,196,519

Kiharu Constituency
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Annex 6: Progress On Follow Up of Auditor Recommendations

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


Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	<p>Kiharu NG-CDF received a total of Kshs. 79,306,520 from the NG-CDF Board against a budget of Kshs. 134,091,003 resulting in a shortfall in disbursements by Kshs. 54,784,483, representing 41% of year 2018/2019 budget. Further, out of the total receipts for the year, the NG-CDF incurred total expenditure of Kshs. 31,965,832 equivalent to absorption rate of 40% of the actual receipts. No satisfactory explanation was provided for the failure to utilize the funds received fully, which in turn impacted negatively on service delivery to the residents of Kiharu Constituency.</p>	<p>The 40% absorption rate was a result of:-</p> <ol style="list-style-type: none"> 1. Slowdown in operations over the first half of 2017/2018 financial year with 2017 being an election year which resulted in changes in management 2. New NG-CDF committee appointment, gazetted in December 2017, which slowed down operations over the first half of 2017/2018 financial year. 3. Late disbursement of funds - almost 50% of the funds were released to the constituency by the Board towards closure of the financial year, that is, Kshs. 37,905,172 disbursed on 31 May 2018 out of the 		

**Kiharu Constituency
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>Kshs. 79,306,520 disbursed to the constituency within the financial year.</p> <p>NG-CDF Board released Kshs. 54,984,483 balance for 2017/2018 alongside funds for 2018/2019 financial year which have since been fully absorbed</p>		
2.0	<p>Disclosed in Note 6 to 2017/2018 financial statements under transfer to other government units was an expenditure of Kshs. 7,300,000 on transfers to secondary schools. Included in the expenditure are amounts disbursed to Vidhu Ramji, Yamugwe and Kiaguthu secondary schools comprising Kshs. 3,500,000, Kshs. 500,000 and Kshs. 600,000 for purchase of a bus, construction of a dining hall and construction of a classroom, respectively. However a review of progress on implementation of the approved projects revealed that as of February 2019, the funds had not been utilized nearly eight months after the funds were released to the project management committees. No satisfactory explanation was given by Kiharu NG-CDF management for the delay in utilizing the funds for the intended purposes.</p>	<p>❖ Vidhu Ramji Secondary School The bus project was to be co-funded by Kiharu NG-CDF and the school. Kiharu NG-CDF disbursed its 50% share amounting Kshs. 3,500,000 which remained unutilized in the PMC account awaiting the school to raise the balance. The school has since raised the other half and the bus delivered.</p> <p>❖ Yamugwe Secondary School NGCDF allocated Kshs. 500,000 to the institution for dining hall gambles/roofing but the engineer ruled out roofing with timber since the hall is expansive which made the allocated amount inadequate to cater for steel rafters. Kiharu NG-CDF has since</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>allocated and disbursed an additional Kshs. 1,000,000 to the project in 2018/2019 financial year to top up the amount for roofing works and roofing of the hall with steel rafters and box profile roofing sheets has since been completed.</p> <p>❖ Kiaguthu Secondary School NGCDFC allocated Kshs. 600,000 to the school for construction of a standalone classroom but due to inadequacy of space and sloppiness of the land, the PMC opted to put up a storeyed classrooms block to be co-funded by Kiharu NG-CDF and the school. The project is on-going.</p>		


 Name: Kennedy Karrau
 Fund Account Manager