

REPUBLIC OF KENYA



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THE NATIONAL ASSEMBLY	
REPORT	
DATE:	09 AUG 2023 WED
TABLED BY:	Hon Owen Bayartiny OF Deputy leader majority
CLERK AT THE TABLE:	Miriam Mudo

THE AUDITOR-GENERAL

ON

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

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



KANGEMA CONSTITUENCY

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022**

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

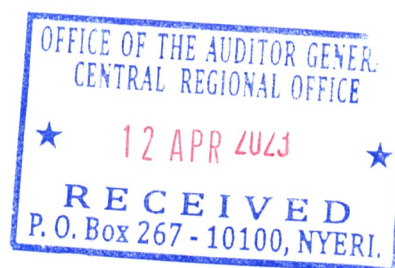




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I. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

- i. National Government Constituencies Development Fund Board (NGCDFB)



ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Caroline Kiama
2.	Sub-County Accountant	John Wambugu
3.	Chairman NGCDFC	Samuel Muchunu
4.	Member NGCDFC	Emmah Wanjiru Irungu

(d) Fiduciary Oversight Arrangements

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

P.O. Box 22-10202
Kangema NGCDF Office
Kangema DCC's Compound
Kangema, KENYA
E-mail: cdfkangema@ngcdf.go.ke

(f) Kangema Constituency NGCDF Contacts

Telephone: (254)
E-mail: cdfkangema@ngcdf.go.ke
Website: www.kangema.ngcdf.go.ke



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

(g) Kangema Constituency NGCDF Bankers

Equity Bank
Kangema Branch
P.O Box Private Bag -10202
Kangema, Kenya

(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 delighted to present the Kangema NG-CDF report for the year ended 30th June 2022. I am proud of the strides that we have realized in the year under review despite the setbacks and challenges occasioned by the Covid -19 Pandemic. The report presents yet another milestone encapsulating our achievements throughout the transformative path the constituency had embarked on.

As the NG-CDF Committee, we have strived to implement the objectives we had envisioned in the strategic plan faithfully and diligently and in furtherance of our mandate as stipulated by the National Government Constituency Development Board under the NG-CDF Act, 2015. As summed

up in this Report, I am pleased to report that the expected performance of Kangema NG-CDF for the year ended 30th June 2022 has been achieved.

Budget performance in the financial year 2021/2022

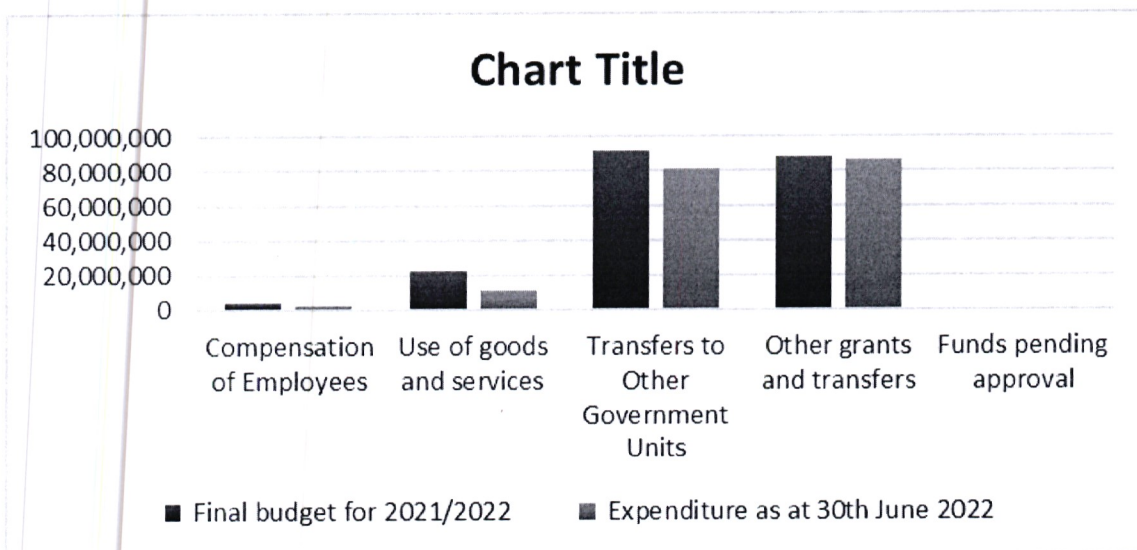
We were able to achieve 88% utilization of the fund as shown below:

Table 1 overview of expenditure (Kshs.)

	Final budget for 2020/2021	Expenditure as at 30th June 2021	% Budget Spent
Compensation of Employees	3,862,607	2,413,350	62
Use of goods and services	22,182,803	11,043,813	50

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Transfers to Other Government Units	91,372,898	81,002,898	89
Other grants and transfers	87,981,704	86,693,770	99
Funds pending approval	76,000		0
Total	205,476,012	181,153,831	88



Achievements

Education Sector

Our key objective in this sector is to improve schools' infrastructure and learning environment and the following are some of our achievements:

- Renovations of 34 classrooms in eight primary schools
- Construction of 4 classrooms in two schools
- Construction of a perimeter wall on 6-acre land at Kiangunyi Girls Secondary School
- Construction of two Laboratories at Dr. Kiano Secondary School and Kihoya Secondary School

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In the sector of security, we have constructed of two ablution blocks at Gatang'ara Assistance Chief's office and Gitugu Assistant Chief's Office. To improve the quality of education in the Constituency, we have ensured atleast 100% retention and transition rates of our students from primary schools to secondary schools by awarding bursary to over **ten thousand (10,000)** needy students in various institutions including persons living with disability.

Under Kangema Social Security Programme, we were able support **one thousand two hundred (1,200)** elderly and disadvantaged persons in our community with NHIF to cater for the medical needs.

Below are some of the projects implemented in the 2021/22 financial year:



**St Johns kiruri primary school
Construction of 2NO. classrooms**



**Githima Primary School
Construction of administration block**



Kihoya
Ass/chief's office
Project Activity:
Renovation of
Ass/chief's office

Emerging Issues

- Information on NG-CDF Act 2015 across and within the constituents, is still patchy. There's need for a continuous sensitization of CDFCs and PMCs on the pertinent Acts (e.g., NGCDF Act, PFM Act, Public Procurement Act, EMCA, Anti-Corruption and Economic Crimes Act, etc).

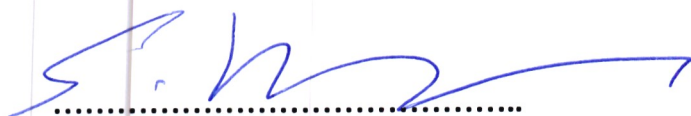
- The committee has realized the need to partner with other developing partners in order to achieve goals set within the five years.
- Under the implementation of Social Security project (NHIF) to older persons (70+) there is the need of establishment of at least one residential home in our constituency could help most of these older persons who lack caregivers, neglected abandoned and lack proper shelter.

Challenges

- Delay in disbursement of the allocated funds for projects to the constituency has led to delay in implementation and completion of projects on time.
- The constituency experienced exit of Constituency staffs to politics that led to back log of work and eventually delay in achieving our intended goals in time.
- The war in Ukraine led to a surge in global and local commodity prices which directly affected implementation cost of projects within the second half of the financial year. However, we were able to pull through with the available budget.

Conclusion

Co-operation from all stakeholders and proper planning of the fund will lead to better management and delivery of timely projects to the expectation of our constituents. We acknowledge the support given by our Patron (Hon Muturi Kigano), NGCDF Board, the technical teams in various Government departments and the constituents at large.



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**MR. SAMUEL MUCHUNU MURAGURI
CHAIRMAN NGCDF COMMITTEE**

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

Introduction

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

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

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels	In FY 21/22 we increased number of classrooms, dormitories, laboratories etc from 750 to 754 in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	To construct offices of chiefs and assistant chiefs as well as police posts	Improved security within and around the constituency	Number of offices and police posts constructed or renovated	Two offices have been renovated two ablution blocks constructed and one office equipped in the financial year 2021/22

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Environment	To provide water harvesting tanks to various institutions of learning.	Improved access to clean water and reduced soil erosion due to run off water	Water tanks purchased and delivered to institutions	Twenty-seven water tanks were supplied to twenty-seven institutions
Sports	Improve and nurture talents among the youth	Improved talents identification	Tournaments held from sub locational level to constituency level and training of referees	Several teams competed in the constituency tournament
Emergency	Mitigate emergency occurrences	Mitigated fire incidences and land slides	Renovated Dormitory and a retention wall	Dormitory renovated after fire outbreak at Kiruri sec school and retention wall put at the proposed kangema KMTC campus

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Kangema 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

- Kangema NGCDF has supported students in 27 primary Schools with the provision and installation of water tanks to carry out conservation activities within the schools.
- NG-CDF sponsored sporting football tournaments bringing communities and sensitizing them on environmental conservation matters.
- Construction of bio aqua toilets in public institutions and places.
- Engage in climate change and disaster risks mainstreaming activities
- Management of emergencies and disasters

3. Employee welfare

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

Kangema 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-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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



FUND ACCOUNT MANAGER
NG - CDF KANGEMA
P.O. BOX 22 - 10202
KANGEMA

.....
Caroline Kiama

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-Kangema 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-Kangema Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF Kangema 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.

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

Approval of the financial statements

The NGCDF Kangema Constituency financial statements were approved and signed by the Accounting Officer on 7th April 2023.



Name: Samuel Muchunu Muraguri
Chairman – NGCDF Committee

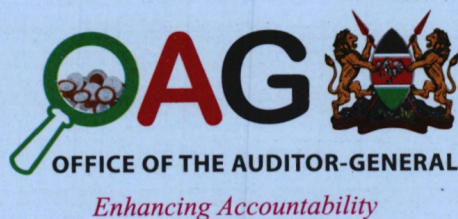


Name: Caroline Kiama
Fund Account Manager

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KANGEMA 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, gazetted 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 National Government Constituencies Development Fund - Kangema Constituency set out on pages 1 to 42, which comprise the statement of the financial assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows, summary statement

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

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 - Kangema 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 Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

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 - Kangema 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

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements. However, the Management has not resolved the issues nor given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates

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. Unsurrendered Bank Balance

The financial statements and as disclosed in Note 17.4 and Annex 5 reflect Project Management Committee (PMC) bank accounts balance of Kshs.4,100,260. which had not been transferred to the Fund. No explanation was given for failure to close the accounts and transfer the balances to the Constituency bank account contrary to the requirements of Section 12(8) of the NGCDF Act, 2015, which requires that all unutilized funds of the project management committee shall be returned to the Constituency account.

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

2. Irregular Staff Salaries

The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects Kshs.2,413,350 in respect of compensation of employees. However, the scales were different from the remuneration and salary scale for the employees as per the National Government Constituencies Development Fund Board Circular reference No. CDF Board/ Circular/ Vol/1.1/166 of 24 June, 2013 thereby resulting to over payment of salaries by Kshs.1,051,452.

In the circumstances value for money was not realised on the Kshs.1,051,572 overpayment for the year ended.

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, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Information and communication Technology Policy

Review of the operations for the year revealed that the Fund did not have Information and communication Technology Policy (ICT) Policy in place which posed a threat to data availability, security and integrity.

In the circumstances, the existence and functioning of the IT Internal controls could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and 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 controls 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 controls would not necessarily disclose all matters in the internal controls 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 controls 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 controls.
- 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

14 June, 2023

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

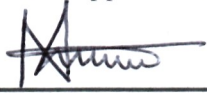
VII. Statement of Receipts and Payments for the Year Ended 30th June 2022

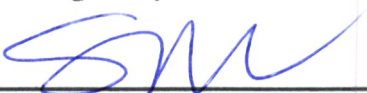
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	170,088,879	175,367,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	28,500	47,500
Total Receipts		170,117,379	175,415,224
Payments			
Compensation Of Employees	4	2,413,350	2,728,600
Use Of Goods and Services	5	11,043,813	9,192,285
Transfers To Other Government Units	6	81,002,898	118,545,027
Other Grants and Transfers	7	86,693,770	23,963,203
Acquisition Of Assets	8	-	187,758
Other Payments	9	-	48,000
Total Payments		181,153,831	154,664,873
Surplus/(Deficit)		(11,036,452)	20,750,351

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 7th April 2023 and signed by:


 Fund Account Manager

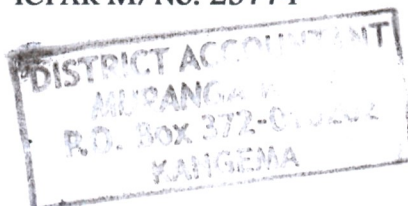

 National Sub-County
 Accountant


 Chairman
 Committee
 NG-CDF

Name: Caroline Kiama

Name: Nicholas Kariuki
 ICPAK M/No: 25774

Name: Samuel Muchunu



Kangema 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	12,233,302	23,269,755
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		12,233,302	23,269,755
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		12,233,302	23,269,755
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		12,233,302	23,269,755
Represented By			
Fund Balance B/Fwd	13	23,269,755	2,519,404
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(11,036,452)	20,750,351
Net Financial Position		12,233,302	23,269,755

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 7th April 2023 and signed by:


 Fund Account Manager

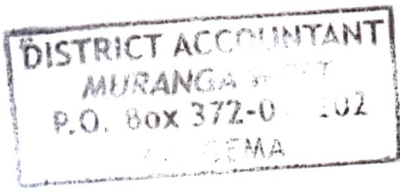

 National Accountant


 Chairman
 Sub-County NG-CDF
 Committee

Name: Caroline Kiama

Name: Nicholas Kariuki
 ICPAK M/No: 25774

Name: Samuel Muchunu



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

Kangema 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	170,088,879	175,367,724
Other Receipts	3	28,500	47,500
Total Receipts		170,117,379	175,415,224
Payments			
Compensation Of Employees	4	2,413,350	2,728,600
Use Of Goods and Services	5	11,043,813	9,192,285
Transfers To Other Government Units	6	81,002,898	118,545,027
Other Grants and Transfers	7	86,693,770	23,963,203
Other Payments	9	-	48,000
Total Payments		181,153,831	154,477,115
Total Receipts Less Total Payments		(11,036,452)	
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		(11,036,452)	20,938,109
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	(187,758)
Net Cash Flows from Investing Activities		-	(187,758)
Net Increase In Cash And Cash Equivalent		(11,036,452)	20,750,351
Cash & Cash Equivalent At Start Of The Year	10	23,269,755	2,519,404
Cash & Cash Equivalent At End Of The Year	10	12,233,302	23,269,755

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

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 1st April 2023 and signed by:

			
<hr/>	<hr/>	<hr/>	
Fund Account Manager	National Accountant	Sub-County Chairman Committee	NG-CDF

Name: Caroline Kiama

Name: Nicholas Kariuki
ICPAK M/No: 25774

Name: Samuel Muchunu

DISTRICT ACCOUNTANT
MURANGA DISTRICT
P.O. BOX 372-010202
KANGEMA

Kangema 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		Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b	b		c=a+b	d	e=c-d	f=d/c %
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements		2021/2022	30/06/2022		
Receipts	Kshs	Kshs	Kshs		Kshs	Kshs	Kshs	
Transfers From NGCDF Board	137,088,879	23,269,755	45,088,879		205,447,513	193,358,634	12,088,879	94.1%
Proceeds From Sale of Assets		28,500			28,500	-	28,500	
Other Receipts								0.0%
Totals	137,088,879	23,298,255	45,088,879		205,476,013	193,358,634	12,117,379	94.1%
Payments								
Compensation Of Employees	2,809,080		1,053,527		3,862,607	2,413,350	1,449,257	62.5%
Use Of Goods and Services	9,528,919		12,653,884		22,182,803	11,043,813	11,138,990	49.8%
Transfers To Other Government Units	64,497,898	8,400,000	18,475,000		91,372,898	81,002,898	10,370,000	88.7%
Other Grants and Transfers	60,252,982	14,822,255	12,906,468		87,981,704	86,693,770	1,287,934	98.5%
Acquisition Of Assets		-			0	-	-	0.0%
Other Payments								
Funds Pending Approval**	0	76,000			76,000	-	76,000	0.0%
Totals	137,088,879	23,298,255	45,088,879		205,476,013	181,153,831	24,322,181	88.2%

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



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

(b) The underutilization of below 90% are as follows

- Transfers From NGCDF Board 82.8% - This is due to funds yet to be received from NGCDF Board
- Compensation Of Employees 62.5% - This is staff gratuity
- Use Of Goods and Services – 49.8% - Funds yet to be disbursed from NGCDF board
- Transfers To Other Government Units 88.7% - Funds yet to be disbursed from NGCDF board

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IFSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	24,322,181
Less undisbursed funds receivable from the Board as at 30 th June 2022	12,088,879
Add Accounts payable	12,233,302
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	12,233,302

The Constituency financial statements were approved on 7th April 2023 and signed by:


Fund Account Manager

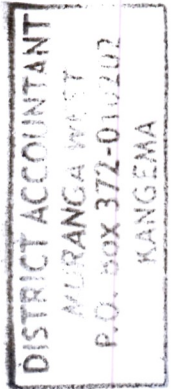

Chairman NG-CDF Committee

National Sub-County Accountant

Name: Caroline Kiama

Name: Nicholas Kariuki
ICPAK M/No: 25774

Name: Samuel Muchunu



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

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual comparable basis(d)	Budget utilization difference (e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2021/2022			2021/2022	30/06/2022	
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,809,080		1,053,527	3,862,607	2,413,350	1,449,257
1.2 Committee allowances	2,376,378		2,026,378	4,402,755	1,425,500	2,977,255
1.3 Use of goods and services	3,039,875		4,713,385	7,753,260	3,332,168	4,421,092
2.0 Monitoring and evaluation						
2.1 Capacity building	1,236,310		2,336,310	3,572,619	2,352,000	1,220,619
2.2 Committee allowances	1,729,378		1,930,833	3,660,212	2,560,420	1,099,792
2.3 Use of goods and services	1,146,979		1,646,979	2,793,957	1,373,725	1,420,232
3.0 Emergency						
3.1 Primary Schools	7,192,207	2,518,000	-	-	2,100,000	-
3.2 Secondary schools			-	-	2,350,000	-
3.3 Tertiary institutions			-	-	3,200,000	-
3.4 Security projects			-	-	2,000,000	-
3.5 Unutilised			-	-	-	-
4.0 Bursary and Social Security						
4.1 Secondary Schools	20,000,000	7,500,000	5,380,879	32,880,879	32,229,000	651,879
4.2 Tertiary Institutions	14,100,000	4,022,255	1,508,000	19,630,255	19,159,000	471,255



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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c - d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2021/2022			2021/2022	30/06/2022	
4.3 Social Security	7,200,000	155,373	989,873	8,345,246	8,265,000	80,246
4.4 Special Needs	172,220	26,627	-	198,847	174,500	24,347
5.0 Sports						
5.1	2,741,778		1,942,748	4,684,525	4,684,525	-
6.0 Environment						
Ichichi Secondary School	121,000		-	121,000	121,000	-
Nyagatugu Primary School	120,778		-	120,778	120,777	1
Kihoya Primary School	100,000		-	100,000	100,000	-
Kayu Primary School	100,000		-	100,000	100,000	-
Wanjerere Secondary School	100,000		-	100,000	100,000	-
Nyagatugu Secondary School	100,000		-	100,000	100,000	-
Kiawambogo Primary School	100,000		-	100,000	100,000	-
Rwathia Girls Secondary School	100,000		-	100,000	100,000	-
Kanguru Pry School	100,000		-	100,000	100,000	-
Kenya-Njeru Pry School	100,000		-	100,000	100,000	-
Ihiga Pry school	100,000		-	100,000	100,000	-
Mugechi Kaboro Pry School	100,000		-	100,000	100,000	-
Kanorero Sec School	100,000		-	100,000	100,000	-
Kiangunyi Pry School	100,000		-	100,000	100,000	-
Gacharaigu Sec School	100,000		-	100,000	100,000	-



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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2021/2022			2021/2022	30/06/2022	
Iyego Secondary School	100,000			100,000	100,000	-
Muguru chief's Office	100,000			100,000	100,000	-
Watuha Primary School	100,000			100,000	100,000	-
Watuha Secondary School	100,000			100,000	100,000	-
Kiawairegi Pry Sch	100,000			100,000	100,000	-
Gatang'ara AP Camp	100,000			100,000	100,000	-
Githiga Chief's Office	100,000			100,000	100,000	-
Kanyenyaini Pry School	100,000			100,000	100,000	-
Kibutha Girls Sec School	100,000			100,000	100,000	-
Kiruri Sec School	100,000			100,000	100,000	-
Githiga Pry School	100,000			100,000	100,000	-
Kibutha pry School	100,000			100,000	100,000	-
7.0 Primary Schools Projects						
Mugechi Kaboro Primary School	1,500,000			1,500,000	1,500,000	-
Nyakahura Primary School	1,875,000			1,875,000	1,875,000	-
Gatundui Primary School	1,500,000		0.00	1,500,000	1,500,000	-
Thirikwa Primary School	1,500,000		0.00	1,500,000	1,500,000	-
Gacharaigu Primary School	1,500,000		0.00	1,500,000	1,500,000	-
Nji-Ithatu Primary School	1,875,000		0.00	1,875,000	1,875,000	-
Githima Primary School	3,365,968		0.00	3,365,968	3,365,968	-

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual comparable basis(d)	Budget utilization difference (e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2021/2022			2021/2022	30/06/2022	
Kanguru Primary School	1,500,000		0.00	1,500,000	1,500,000	-
St.John's Kiruri Primary School	200,000		0.00	200,000	200,000	-
Nyagatugu Primary School	1,640,965		0.00	1,640,965	1,640,965	-
kiawambogo pry school-			1,500,000.00	1,500,000	1,500,000	-
Ngoeini pry school-			1,500,000.00	1,500,000	1,500,000	-
kibuitha pry school-			1,500,000.00	1,500,000	1,500,000	-
kayu pry school-Renovation			1,500,000.00	1,500,000	1,500,000	-
mukarara pry school			1,875,000.00	1,875,000	1,875,000	-
Tuthu Primary School		3,000,000.00	0.00	3,000,000	3,000,000	-
Kiruri Primary School		3,000,000.00	0.00	3,000,000	3,000,000	-
Ichichi Primary School		1,600,000.00	0.00	1,600,000	1,600,000	-
8.0 Secondary Schools Projects						
Kiangunyi Girls Secondary School	5,000,000		-	5,000,000	5,000,000	-
Gatundiini Secondary School	1,875,000		-	1,875,000	1,875,000	-
Dr.Kiano Secondary School	4,500,000		-	4,500,000	4,500,000	-
Kibuitha Mixed Secondary School	4,500,000		-	4,500,000	4,500,000	-
Kihoya Secondary School	4,500,000		-	4,500,000	4,500,000	-
Rwathia Girls Secondary School	2,500,000		-	2,500,000	2,500,000	-

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2021/2022			2021/2022	30/06/2022	
Kiawambogo Secondary school	2,700,000			2,700,000	2,700,000	-
Karuri Gakure Secondary school	4,240,965			4,240,965	4,240,965	-
Muguru Secondary School	1,800,000			1,800,000	1,800,000	-
Nyagatugu Secondary School	1,800,000			1,800,000	1,800,000	-
kangema high school-			5,000,000	5,000,000	5,000,000	-
Ichichi sec sch-			1,600,000	1,600,000	1,600,000	-
Njii-Ithatu Secondary School		800,000.00		800,000	800,000	-
Kanorero Sec School			4,000,000	4,000,000	-	4,000,000
9.0 Tertiary institutions Projects						
Kenya Medical Training College	750,000			750,000	750,000	-
Kenya Medical Training College	6,370,000			6,370,000		6,370,000
Kenya Medical Training College	5,630,000			5,630,000	5,630,000	-
Kenya Medical Training College	1,875,000			1,875,000	1,875,000	-
10.0 Security Projects						
Gatang'ara Assistant Chief's office	600,000			600,000	600,000	-
Gitugu Assistant Chief's Office	600,000			600,000	600,000	-
Gitugu Chief's Office	700,000			700,000	700,000	-
Kanyenyaimi Chief's Office	300,000			300,000	300,000	-
Kiruri Chief's Office	600,000			600,000	600,000	-

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements			
	2021/2022			2021/2022	30/06/2022	
CIPU Office Furniture	375,000		-	375,000	375,000	
Kangema OCPD House	630,000		-	630,000	630,000	
Mamira Ass. Chiefs' Office	2,300,000		-	2,300,000	2,300,000	
Njii Ithatu Asst. chiefs' office			2,200,000	2,200,000	2,200,000	
Kihoya Asst. chiefs' office-			884,968	884,968	884,968	
Karura Ass Chiefs' Office		600,000.00	-	600,000	600,000	
Unapproved projects		47,500.00	-	47,500		47,500
AIA		28,500.00	-	28,500		28,500
PMC savings						
Total	137,088,879	23,298,255	45,088,879	205,476,012	181,153,831	24,322,181

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



XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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



Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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



Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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



Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 10th June 2021 for the period 1st July 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.



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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B 104720		20,000,000
AIE NO. B 823529		35,000,000
AIE NO. B 104802		14,000,000
AIE NO. B 104953		14,367,724
AIE NO. B 124537		9,000,000
AIE NO. B 124967		8,500,000
AIE NO. B 119822		12,000,000
AIE NO. B 128424		7,000,000
AIE NO. B 128112		6,900,000
AIE NO. B 132168		6,000,000
AIE NO. B 138836		12,000,000
AIE NO. B 126131		7,000,000
AIE NO. B 126421		11,600,000
AIE NO. B 140567		12,000,000
AIE NO. B105652	44,000,000	
AIE NO. B105791	22,000,000	
AIE NO. B128528	5,000,000	
AIE NO. B128840	12,000,000	
AIE NO. B154037	12,000,000	
AIE NO. B164479	18,000,000	
AIE NO. B155836	24,088,879	
AIE NO. B140916	33,000,000	
Total	170,088,879	175,367,724

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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	28,500	47,500
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere	-	-
Total	28,500	47,500

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,875,000	1,980,000
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	70,000
Gratuity to contractual employees	478,950	613,800
Employer Contributions Compulsory national social security schemes	59,400	64,800
Total	2,413,350	2,728,600

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Notes To the Financial Statements (Continued)

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	-	7,188
Electricity	90,285	82,064
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	-	203,338
Domestic travel and subsistence	-	198,380
Printing, advertising and information supplies & services	-	451,430
Rentals of produced assets	-	-
Training expenses	-	0
Hospitality supplies and services	-	837,295
Other committee expenses	-	691,800
Committee allowance	7,526,873	5,065,800
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	2,538,529	488,860
Fuel, oil & lubricants	703,886	618,825
Other operating expenses	-	0
Bank service commission and charges	17,500	42,106
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	166,740	275,474
Routine maintenance- other assets	-	229,725
Total	11,043,813	9,192,285



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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	31,931,933	49,375,027
Transfers To Secondary Schools	40,815,965	28,820,000
Transfers To Tertiary Institutions	8,255,000	40,350,000
Total	81,002,898	118,545,027

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools	32,229,000	5,891,000
Bursary – tertiary institutions	19,159,000	476,000
Bursary – special schools	174,500	-
Mock & CAT	-	-
Social Security programmes	8,265,000	2,815,000
Security projects	9,789,968	1,600,000
Sports projects	4,684,525	3,547,355
Environment projects	2,741,777	2,970,334
Emergency projects	9,650,000	6,663,515
Total	86,693,770	23,963,203

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	-	187,758
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
Total	-	187,758



Notes To the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	48,000
ICT Hub	-	-
	-	48,000

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)		
<i>Equity Bank, Kangema Branch. Kangema NG-CDF</i> A/C no.0030294329608	12,233,302	23,269,755
Total	12,233,302	23,269,755
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

11: Outstanding Imprests

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



[Include an annex if the list is longer than 1 page.]
Notes to the Financial Statement Continued

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	-	-

[Provide short appropriate explanations as necessary.]

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	-	-

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	23,269,755	2,519,404
Cash in hand		
Imprest		
Total	23,269,755	2,519,404

[Provide short appropriate explanations as necessary]



14. Prior Year Adjustments

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

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

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	-	-
	-	-

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	-	-
	-	-



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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	1,449,257	1,955,190
Use of goods and services	11,138,990	5,453,884
Amounts due to other Government entities (see attached list)	10,370,000	26,875,000
Amounts due to other grants and other transfers (see attached list)	1,287,934	34,123,059
Acquisition of assets	-	-
Funds pending approval	76,000	-
Total	24,322,181	68,470,133



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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances	4,100,260	17,729,964
Total	4,100,260	17,729,964

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**Annexes
Annexes: 1 Analysis of Pending Accounts Payable**

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

Annex 2 - Analysis of Pending Staff Payables

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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		1,449,257	1,053,527.00	To be Implemented
Use of goods & services		11,138,990	5,453,884.14	To be Implemented
Amounts due to other Government entities				
Kanorero Sec School		4,000,000		To be Implemented
Kenya Medical Training College		6,370,000		To be Implemented
Kiruri Primary School			3,000,000	Complete and in use
Tuthu Primary School			3,000,000	Complete and in use
Ichichi Primary School			1,600,000	Complete and in use
Kayu Primary School			1,500,000	Complete and in use
Kiawambogo Primary School			1,500,000	Complete and in use
Kibutha Primary School			1,500,000	Complete and in use
Mukarara Primary School			1,875,000	Complete and in use
Ngoeini Primary School			1,500,000	Complete and in use
Ichichi Secondary school			1,600,000	Complete and in use
Kangema High School			5,000,000	Complete and in use
Njii-Ithatu Secondary School			800,000	Complete and in use
Kanorero Secondary School			4,000,000	Complete and in use
Sub-Total		10,370,000	26,875,000	
Amounts due to other grants and other transfers				
Emergency		60,207	542,907	To be Implemented
Bursary Secondary Schools		651,879	15,168,092	To be Implemented

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Bursary Tertiary Institutions		471,255	10,600,000	To be Implemented
Social Security		80,246	3,600,000	To be Implemented
Bursary Special Needs		24,347		To be Implemented
Kihoya Assistant Chief's Office			884,968	Complete and in use
Njii-ithatu Assistant Chief's Office			2,200,000	Complete and in use
Constituency Sports Tournament			942,748	Complete and in use
Sub-Total		1,287,934	34,123,059	
Acquisition of assets				
Others (<i>specify</i>)				
Sub-Total				
Funds pending approval		76,000		
Grand Total		24,322,181	68,470,133	

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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	84,017,932	-	-	84,017,932
Transport equipment	6,526,757	-	-	6,526,757
Office equipment, furniture and fittings	1,199,483	-	-	1,199,483
ICT Equipment, Software and Other ICT Assets	844,354	418,850	-	1,263,204
Other Machinery and Equipment	299,995	-	-	299,995
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	92,888,521	-	-	93,307,371

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National Government Constituencies Development Fund (NGCDF)
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Annex 5 –PMC Bank Balances As At 30th June 2022

PMC	Account number	Bank	Bank Balance 2021/2022	Bank Balance 2020/2021
1	30279816118	Equity	2,294	654
2	30279792694	Equity	436	1,153,693
3	30278053199	Equity	22,787	2,930
4	30279904700	Equity	6,598	4,098
5	30299971143	Equity	-	-
6	30279910539	Equity	368	368
7	30299915412	Equity	1,534	151,654
8	30299973358	Equity	148,918	1,590
9	30279889135	Equity	-25.65	(22)
10	30299858709	Equity	376	376
11	30299932007	Equity	1,357	1,357
12	30299796655	Equity	5,695	3,003
13	30260476490	Equity	1,150	1,150
14	30279899035	Equity	2,075	2,075
15	30169908805	Equity	300	300
16	30280578546	Equity	305	8,054,285
17	30260444000	Equity	-	66
18	30299789110	Equity	7,413	7,413
19	30279906974	Equity	420,290	72,786
20	30299797351	Equity	1,366	1,366
21	30279011037	Equity	98,360	98,360
22	30260424839	Equity	6,677	6,679
23	30299796654	Equity	73,893	3,893

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24	Karuri Primary School Pmc	30277716302	Equity	2,015	2,015
25	Karurumo Primary School pmc	30279780169	Equity	2,047	2,048
26	karurumo Secondary School	30279795477	Equity	1,135	135
27	Kayu Ass.chief's office pmc	30299943578	Equity	-	138
28	Kayu Primary School Pmc	30264380371	Equity	4,095	325
29	Kenya-Njeru Ass.chief's Office Pmc	30299789126	Equity	913	913
30	Kiairathe secondary School pmc	30299824939	Equity	24,525	24,525
31	Kiangunyi Primary School pmc	30261706532	Equity	7,655	7,655
32	Kiawairegi Primary School	30299794045	Equity	1,022	1,500,782
33	Kiawambogo Police post Pmc	30279429147	Equity	210	210
34	Kiawambogo Primary School Pmc	30279883732	Equity	128	1,668
35	Kiawambogo Secondary School Pmc	30260487616	Equity	1,020,285	285
36	Kibutha Ass.Chief's Office Pmc	30277436610	Equity	30,892	30,892
37	Kibutha Primary School	30299903747	Equity	9,149	4,119
38	Kihoya Acc's Office Pmc	30278833449	Equity	768	768
39	Kiruri Boys Sec. School Pmc	30296818175	Equity	31,268	31,268
40	Kiruri Chief's offic pmc	30273107648	Equity	600,439	439
41	Kiruri Primary School	30281052473	Equity	3,620	N/A
42	Muguru Primary School pmc	30260521854	Equity	145,816	145,816
43	Muguru Secondary School pmc	30260521677	Equity	12,264	3,681
44	Nduini Primary School Pmc	30292551699	Equity	72,071	2,071
45	Ngoeini Primary School Pmc	30264352670	Equity	12,068	3,948
46	Nyagatugu Ass.chief's Office Pmc	30260510253	Equity	105	105
47	Nyagatugu Primary School Pmc	30269044599	Equity	10,874	8,752
48	Nyagatugu Sec.sch.pmc	30101551487	Equity	51,931	50,031
49	Muruguru Sec School	30299194062	Equity	12,264	N/A
50	Nyakahura Ap.Camp Pmc	30270076811	Equity	550	550
51	Rwathia ACCs Office Pmc	30279799827	Equity	988	988
52	Rwathia Chief's Office Pmc	30299789784	Equity	87,484	87,484

Kangema Constituency
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53	Rwathia Girls secondary School pmc	30261597477	Equity	2,808	2,103
54	Rwathia Mixed Sec.Sch pmc	30260378894	Equity	270	270
55	Rwathia Primary School	30270074204	Equity	3,836	3,836
56	St. John's Kiruri Primary School	30281029538	Equity	2,876	N/A
57	Tuthu Ass.Chief's Office Pmc	30278850959	Equity	23,918	23,918
58	Tuthu chief's Office Pmc	30278347279	Equity	1,668	1,668
59	Tuthu Primary School	30281072657	Equity	230	-
60	Wanjerere Primary School Pmc	30264383678	Equity	1,785	1,785
61	Wanjerere Secondary School Pmc	30262063801	Equity	974,015	986,262
62	Ihiga Primary School	30280795405	Equity	950	950
63	Kenya-Njeru Primary School	30280999742	Equity	10	1,499,550
64	Kiairathe Primary School	30280795876	Equity	1,385	1,385
65	Kiangunyi Girls Secondary School	30281037279	Equity	140	-
66	Ngooro Primary School	30281029286	Equity	(783)	-
67	Thirikwa Primary School	30280877894	Equity	4,050	1,450
68	Watuha Primary School Pmc	30280127613	Equity	2,477	477
69	Mukarara Primary School	9000018475	Family		15
70	Njii-Ithatu Secondary School	9000018488	Family	305	420
71	Kimuri Police post Pmc	9000014265	Family		46,912
72	Gatunduini Secondary School Pmc	9000014340	Family	14,465	14,465
73	Githunguri Ass.chief's Office pmc	9000012106	Family	231	231
74	Gitugu Primary School Pmc	9000015747	Family	-	179
75	Ihiga Secondary School pmc	9000014342	Family	27,586	420
76	Ihigaini Ass.chief's office pmc	9000018471	Family	5,694	5,694
77	Kahiti Primary School pmc	9000012014	Family	1,381	1,381
78	Kangema K.M.T.C Pmc	9000021661	Family	6,471	1,730,698
79	Kangema KMTC-Classrooms Pmc	9000022007	Family	472	2,872
80	Kanguru Primary School pmc	9000015771	Family	-	(248)

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81	Kiairathe Ass.chiefs' office pmc	9000012256	Family	-	28
82	Kiamara Police Post Pmc	9000014335	Family	46,912.00	46,912
83	Kiangunyi Ass.chief's office pmc	9000016107	Family	-	167
84	Kibutha Girls Sec.School pmc	9000014339	Family	129	129
85	Kihoya Chief's Office Pmc	9000020289	Family	-1.69	(179)
86	Mugechi Kaboro Pry Sch.Pmc	9000017891	Family	37	37
87	Ngoeini Ass.chief's Office Pmc	9000011973	Family	19	19
88	Njii-Ithatu Pry.Sch pmc	9000012095	Family	-	(77)
89	Nyakahura Ass.chief's office pmc	9000014334	Family	-	182
90	Nyakahura Police Post Pmc	9000015772	Family	-	598
91	Nyakahura Primary School pmc	9000015957	Family	0	0
92	Nyakahura Sec School Pmc	9000020062	Family	18	18
93	St,John's Kiruri Primary Sch.Pmc	9000012076	Family	3,391	3,391
94	Watuha Primary School Pmc	9000018469	Family	-	8
95	Watuha Secondary School pmc	9000014365	Family	24,767	24,767
96	Gikui AP Camp PMC	1141822089100	COOPERATIVE	-	792
97	Gikui Chief's Office Pmc	1141822089000	COOPERATIVE	-	1,570
98	Kanyenyaini Acc's Office Pmc	1141822090200	COOPERATIVE	-	845
99	Dr.Kiano Sec.School pmc	1171431848	KCB	-	3,350
100	Gacharaigu Primary School pmc	1138879517	KCB	-	5,275
101	Gacharaigu Secondary Pmc	1177901218	KCB	-	2,821
102	Gachogi Primary School pmc	1150087714	KCB	-	1,045
103	Gakira Ap camp pmc	1178150933	KCB	-	594
104	Gakira Day Sec.Sch. Pmc	1137812753	KCB	-	6,255
105	Gatang'ara Ap Camp Pmc	1205182098	KCB	-	6,910
106	Ichichi Secondary School pmc	1138088439	KCB	-	30,979
107	Karurumo Ass.chief's office pmc	1137787171	KCB	-	9,351
108	Karurumo Primary School pmc	1171426321	KCB	-	-

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109	Kenya-Njeru Primary Sch.pmc	1171603231	KCB	-	1,102
110	Kiamara Chief's Office Pmc	1138000787	KCB	-	7,187
111	Kiawambogo Police post Pmc	1178223523	KCB	-	1,323
112	Kihoya Primary School pmc	1171514298	KCB	-	159,187
113	Kiruri PrimarySchool pmc	1167658825	KCB	-	6,830
114	Marimira Ap camp pmc	1172823154	KCB	-	1,368,524
115	Mununga Ap Post pmc	1171470851	KCB	-	583
116	Mununga Ass.chief's office pmc	1210828081	KCB	-	Closed
117	Muringaini chief's office pmc	1137885688	KCB	-	15,159
118	Ngooro Primary School Pmc	1137612304	KCB	-	153,657
119	Njii-Ithatu Ap line Pmc	1172844135	KCB	-	2,306
120	Thirikwa Primary School pmc	1172936234	KCB	-	40,678
121	Tuthu Ap camp pmc	1173035346	KCB	-	245
122	Tuthu Primary School pmc	1171695020	KCB	-	21,030
	Total			4,100,260	17,729,964

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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)
REF: CEN/HUB/MRG .C/KANGEMA CDF/32/29	<p>Summary of Fixed Asset Register</p> <p>Annex 4 to the financial statements reflects fixed assets balance of Kshs. 92,888,521 as at 30 June 2021. However, there were no valuation reports for motor vehicle, buildings and other non - current assets. In addition, the assets had not been tagged.</p>	<p>The management is in the process of engaging a valuer to get current value of our assets however the all assets have been tagged.</p>	<p>Unresolved</p>	
REF:CEN/HUB/MRG .C/KANGEMA CDF/32/29	<p>Annex 4 to the financial statements reflects fixed assets balance of Kshs. 92,888,521 as at 30 June 2021.However, review of the asset's registers provided revealed that two Laptops and a camera worth Kshs. 258,500 had been lost. There was no evidence of action taken by the Fund's management in respect to the lost assets.</p>	<p>The management has reported to Kangema Police station and investigations are underway.</p>	<p>Resolved</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>In the circumstances, the accuracy and completeness of non-current assets balance of Kshs. 92,888,521 as at 30 June 2021 could not be confirmed.</p>			
	<p>Irregular Staff Salaries Note 4 to the financial statements reflects compensation of employees of Kshs.2,728,600. However, the remuneration and salary scale for the employees as per the National Government Constituencies Development Fund Board Circular reference. No. CDF Board/ Circular/ Vol/1.1/166 dated 24 June 2013 indicated different rates compared to the salary scale provided by management during the audit. This has resulted to over payment of salaries by Kshs.1,051,452 as shown below.</p>	<p>The management is in the process of reviewing the employee salaries and aligning them with NGCDF Board circular.</p>	<p>Resolved</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)
	Designation	Monthly Salary from 1-7-2020 (Kshs)	Monthly Salary as Board's Circular (Kshs)	Monthly Variance/ Overpayment (Kshs)			
	Clerks works	55,000	24,662	30,338			
	Account's clerk	35,000	19,323	15,677			
	Driver	30,000	16,692	13,308			
	Clerical Officer	25,000	16,692	8,308			
	Caretaker- Joined in 2019	20,000	-	20,000			

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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)								
	<table border="1"> <tr> <td>Total</td> <td>165,000</td> <td>77,369</td> <td>87,631</td> </tr> <tr> <td>Total Per Year</td> <td>1,980,000</td> <td>928,428</td> <td>1,051,572</td> </tr> </table>	Total	165,000	77,369	87,631	Total Per Year	1,980,000	928,428	1,051,572			
Total	165,000	77,369	87,631									
Total Per Year	1,980,000	928,428	1,051,572									
	<p>In the circumstances, the propriety of the overpayments of Kshs. 1,051,572 for during the year under review could not be confirmed.</p>											

FUND ACCOUNT MANAGER
 NG - CDF KANGEMA
 P.O. BOX 22
 KANGEMA



Caroline Kiama
Fund Account Manager.