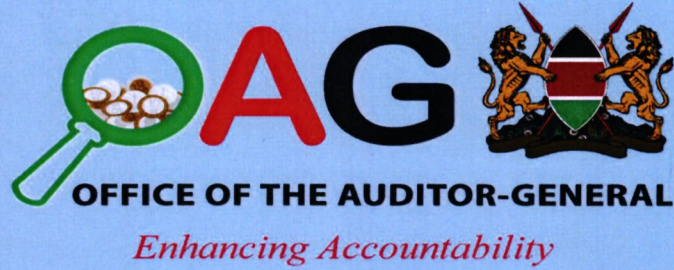


REPUBLIC OF KENYA



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<b>REPORT</b>	
THE NATIONAL ASSEMBLY	
PARTNERSHIP	
DATE: 09 AUG 2023	DAY: WED
TABLED BY: OF Hon Owen Baya, MP Deputy Leader, majority	
CLERK-AT-THE-TABLE: Miriam Mado	

**THE AUDITOR-GENERAL**

**ON**

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

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



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**KIGUMO CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>TH</sup> JUNE 2022**

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



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

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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 Kigumo 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)

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

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**(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Kennedy Kamau
2.	Sub-County Accountant	Jacob Muthami
3.	Chairman NGCDFC	Festus Nyanjui
4.	Member NGCDFC	Jamleck Njoroge

**(d) Fiduciary Oversight Arrangements**

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

P.O Box 10 – 10203  
Kigumo NG-CDF Building  
Kaharati – Kangari Road  
Kigumo, Kenya

**(f) Kigumo Constituency NGCDF Contacts**

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

**(g) Kigumo Constituency NGCDF Bankers**

Equity Bank  
Kangari Branch  
Account No. 0070296246702

**(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

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

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**II. NG-CDFC Chairman's Report**



I am pleased to present the unaudited financial statements of NG-CDF Kigumo 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. 113,000,000 was disbursed to the constituency by the NG-CDF Board in six tranches of Kshs. 34,000,000 disbursed on 8/11/2021, Kshs.30,000,000 disbursed on 9/12/2021, Kshs.6,000,000 disbursed on 15/2/2022, Kshs.12,000,000 disbursed on 7/3/2022, Kshs.13,000,000 disbursed on 14/3/2022 and Kshs.18,000,000 disbursed on 8/4/2022.

The balance of Kshs. 24,088,879 for 2021/2022 financial year as well as Kshs. 14,088,879 for 2020/2021 financial year all totalling to Kshs. 38,177,758 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, Kigumo National Government Constituency Development Fund Committee (NG-CDFC) prioritized funding of infrastructure for education projects with major construction and renovation works being implemented in primary and secondary schools completely changing the face of the respective institutions.

During the year, Kshs. 53,000,000 was also disbursed to the constituency by the NG-CDF Board being the balance which rolled over from the previous financial years and with these funds added up to the balance brought forward from 2020/2021 financial year of Kshs. 45,336,258, Kigumo NG-CDFC was able to fund additional infrastructure projects in security sector especially new Chiefs offices, new dining halls, school buses, dormitories and science laboratories in primary and secondary schools as well as award of bursary to bright students from humble backgrounds and students living with disabilities.

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



RENOVATED KIRERE PRIMARY SCHOOL CLASSROOMS



NEW BUS FOR MAKOMBOKI SECONDARY SCHOOL



NEW BUS FOR NDUGAMANO SECONDARY SCHOOL



NEW AJIRA CENTRE AT MUTHITHI CHIEF'S OFFICE HALL

Kigumo 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

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

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management committees on provisions of Public Procurement and Assets Disposal Act 2015 as well as delayed submission of the required returns for funds disbursed. Another notable challenge is the limited numbers of technical officers needed to provide the requisite technical advice in project implementation and management. To mitigate the above, the committee during the financial year scaled up its capacity building programmes for NG-CDF Committee, Project Management Committees and staff on various aspects of NG-CDF projects management. These programmes contributed to minimizing the challenges hence improving overall performance by Project Management Committees. The NG-CDFC plans to intensify capacity building as well as monitoring and evaluation programmes during the 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 2021/2022 financial year.

**SIGNED:**



**JANE NJERI KANG'ETHE, CHAIRMAN  
KIGUMO NG-CDF COMMITTEE**

***Kigumo Constituency***

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

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

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**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 Kigumo 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 Kigumo 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:

**Kigumo Constituency**

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

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

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	92 Classrooms, 2 Administration blocks, 3 Multi-Purpose Halls, 2 Science Laboratories built/rehabilitated in 15 primary schools, 13 secondary schools and 1 tertiary institution (Kigumo TVET) 1,851 bursary beneficiaries in Tertiary institutions and 6,584 bursary beneficiaries in Secondary Schools	Number of new/rehabilitated classrooms increased from 381 to 473 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 17 1 new TVTI established 6,477 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	4 physical infrastructure built in divisions, locations, sub locations and police stations	Number of constructed/renovated chiefs' offices increased from 11 to 12 Number of assistant chiefs' offices increased from 4 to 5 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

***Kigumo Constituency***

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

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

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Sports	Empower and develop youth and special groups	Reduced dependence and spur economic growth through sports	67 sports teams benefitted from the sports programme	All 67 sports teams benefitted 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	7 emergency projects implemented	Number of projects implemented under emergency financing increased from 22 to 29

#### **IV. Environmental and Sustainability Reporting**

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

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

## ***Kigumo Constituency***

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

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

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- 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**

- Kigumo NG-CDF conducted 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.
- Kigumo 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.
- Kigumo 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. Kigumo 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. Kigumo 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-**

Kigumo 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-**

Kigumo 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.

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

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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.

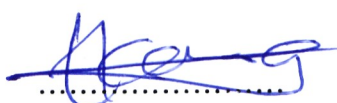
**Public participation** is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



**TIMOTHY KAUNGU  
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 - Kigumo 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 - Kigumo 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 - Kigumo 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 Kigumo 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

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

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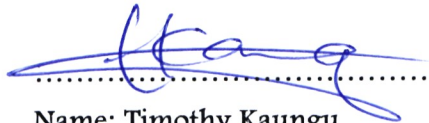
used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the constituency 's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards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

**Approval of the financial statements**

The NGCDF- Kigumo Constituency financial statements were approved and signed by the Accounting Officer on 11/4/2023.



.....  
**Name: Jane Njeri**  
**Chairman – NGCDF Committee**



.....  
**Name: Timothy Kaungu**  
**Fund Account Manager**

# REPUBLIC OF KENYA



*Enhancing Accountability*

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KIGUMO CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022

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### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kigumo Constituency set out on pages 1 to 37, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and summary statement of

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

appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kigumo 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 Qualified Opinion**

#### **1. Unconfirmed Other Grants and other Transfers-Bursary**

The statement of receipts and payments and as disclosed in Note 7 to the financial statement reflects Kshs.59,821,820 in respect of other grants and other transfers. The amount includes bursary to tertiary and secondary schools totalling to Kshs.43,787,105. However, the supporting schedules reflect bursary amount of Kshs.40,584,020, resulting to an unexplained and unreconciled variance of Kshs.3,203,085. Further, bursary award committee minutes approving the bursaries and the complete list of applicants out of which beneficiaries were approved were not provided for audit. In addition, acknowledgement receipts for bursary awards amounting to Kshs.11,233,705 were also not provided.

In the circumstances, the accuracy, completeness and regularity of bursary awards amounting to Kshs.43,787,105 could not be confirmed.

#### **2. Unsupported Project Management Committee (PMC) Bank Balances**

The financial statements reflect Kshs.41,787,639 in respect of PMC bank balances as disclosed under Annex 5 and Note 17.4. However, the balances were not supported by cashbooks, certificates of bank balance and bank reconciliation statements.

In the circumstances, the accuracy, completeness and validity of the PMC bank balances of Kshs.41,787,639 as at 30 June, 2022 could not be confirmed.

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

## **Key Audit Matters**

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

## **Other Matter**

### **1. Budgetary Control and Performance**

The summary statement of appropriation reflects a final receipts budget and actual receipts on comparable basis of Kshs.249,514,016 and Kshs.211,336,258, respectively resulting into an under-funding of Kshs.38,177,758 or 15% of the budget. Similarly, the Fund spent Kshs.140,570,866 against an approved budget of Kshs.249,514,016 resulting into an under-expenditure of Kshs.108,943,150 or 44% 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 audit report for the year ended 30 June, 2021 highlighted several unsatisfactory matters. The Management has indicated that the issues had been resolved as at 30 June, 2022 as disclosed in Annex 6 to the financial statements on progress on follow up of auditor recommendations. However, no information was provided to indicate if the issues were resolved or not as at 30 June, 2022. This is contrary to Section 149(2) (I) of the Public Finance Management Act, 2012, which requires that in carrying out a responsibility imposed by subsection (1), an accounting officer shall, in respect of the entity concerned try to resolve any issues resulting from an audit that remain outstanding.

In the circumstances, the 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. Non-Labeling of Projects**

Project verification exercise carried out in the month of April, 2022 revealed that projects completed as at 30 June, 2022 and prior years were not labelled or tagged as required by the National Government Constituencies Development Fund Regulations, 2016 Regulation 15(1)(f) which states that there shall be appointed a project management

committee for each project in a Constituency in accordance with Section 36 of the Act which shall undertake project closure, labelling and handover upon completion. Further, Regulation 11(1)(cc) provides that the functions of a Constituency Committee shall be to ensure projects are labelled in accordance with the guidelines issued by the Board.

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

## **2. Delay in Projects Implementation**

During the year under review, forty-nine (49) projects were earmarked for implementation with a total budgeted expenditure of Kshs.37,187,360. However as at 30 June, 2022, thirty-two (32) projects with a budget of Kshs.5,841,760 had not started while nine (9) projects with a budget of Kshs.18,500,000 were ongoing.

Delay in implementation of projects may have negatively impacted on service delivery to the public.

## **3. Projects Verification Report**

During the year under review, twenty-one (21) projects with a total funding of Kshs.63,747,354 were physically verified in the month of March, 2023. However, ten (10) projects with a total funding of Kshs.30,547,354 had unsatisfactory issues, including incomplete works, works not done as per bills of quantities and poor workmanship.

In the circumstances, value for money on the expenditure of Kshs.30,547,354 incurred on the above projects may not have been realized.

## **4. Employment of Excess Staff**

The statement of receipts and payments reflects compensation of employees amount of Kshs.2,419,813 and as disclosed in Note 4 to the financial statements. During the year under review, the Fund had a total of nine (9) employees which exceeded the recommended number of five (5) employees by four (4) or 44 % of the staff establishment. 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.

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 controls, 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 controls 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 control 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 controls 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 noncompliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's 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**

**19 May, 2023**

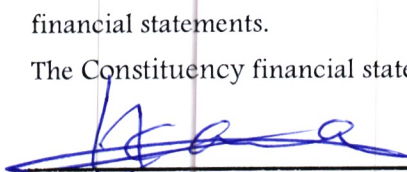
**Kigumo Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

**VII. Statement Of Receipts and Payments for the Year Ended 30<sup>th</sup> June 2022**

	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	166,000,000	139,367,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>166,000,000</b>	<b>139,367,724</b>
<b>Payments</b>			
Compensation Of Employees	4	2,419,813	2,741,874
Use Of Goods and Services	5	6,306,879	8,462,366
Transfers To Other Government Units	6	72,022,354	62,700,000
Other Grants and Transfers	7	59,821,820	46,988,716
Acquisition Of Assets	8	-	-
Other Payments	9	-	-
<b>Total Payments</b>		<b>140,570,866</b>	<b>120,892,956</b>
<b>Surplus</b>		<b><u>25,429,134</u></b>	<b><u>18,474,768</u></b>

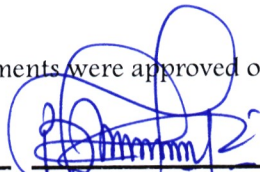
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 11/4/2023 and signed by:



Fund Account Manager

Name: Timothy Kaungu



National Sub-County  
Accountant

Name: Jacob Muthami  
ICPAK M/No: 15333



Chairman NG-CDF Committee

Name: Jane Njeri

**VI. Report Of the Independent Auditors On The NGCDF- Kigumo Constituency**

**Kigumo 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 30<sup>th</sup> June, 2022**

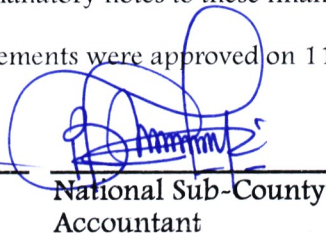
	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	10A	70,765,392	45,336,258
Cash Balances (Cash at Hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>70,765,392</b>	<b>45,336,258</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>Total Financial Assets</b>		<b>70,765,392</b>	<b>45,336,258</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>
<b>Net Financial Assets</b>		<b><u>70,765,392</u></b>	<b><u>45,336,258</u></b>
<b>Represented By</b>			
Fund Balance B/Fwd	13	45,336,258	26,461,490
Prior Year Adjustments	14	-	400,000
Surplus/Deficit for The Year		25,429,134	18,474,768
<b>Net Financial Position</b>		<b><u>70,765,392</u></b>	<b><u>45,336,258</u></b>

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

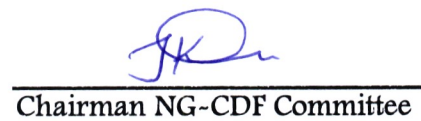
The Constituency financial statements were approved on 11/4/2023 and signed by:

  
 Fund Account Manager

Name: Timothy Kaungu

  
 National Sub-County  
 Accountant

Name: Jacob Muthami  
 ICPAK M/No: 15333

  
 Chairman NG-CDF Committee

Name: Jane Njeri

**Kigumo 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 30<sup>th</sup> June 2022**

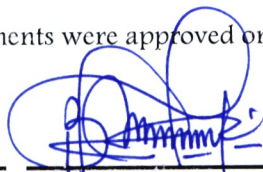
	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	166,000,000	139,367,724
Other Receipts	3	-	-
<b>Total Receipts</b>		<b>166,000,000</b>	<b>139,367,724</b>
<b>Payments</b>			
Compensation Of Employees	4	2,419,813	2,741,874
Use Of Goods and Services	5	6,306,879	8,462,366
Transfers To Other Government Units	6	72,022,354	62,700,000
Other Grants and Transfers	7	59,821,820	46,988,716
Other Payments	9	-	-
<b>Total Payments</b>		<b>140,570,866</b>	<b>120,892,956</b>
<b>Total Receipts Less Total Payments</b>		<b>25,429,134</b>	<b>18,474,768</b>
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	400,000
<b>Net Cash Flow from Operating Activities</b>		<b>25,429,134</b>	<b>18,874,768</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	-
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase In Cash And Cash Equivalent</b>		<b>25,429,134</b>	<b>18,874,768</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	<b>13</b>	<b>45,336,258</b>	<b>26,461,490</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	<b>10</b>	<b>70,765,392</b>	<b>45,336,258</b>

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

The Constituency financial statements were approved on 11/4/2023 and signed by:

  
 Fund Account Manager

Name: Timothy Kaungu



National Sub-County  
 Accountant  
 Name: Jacob Muthami  
 ICPAK M/No: 15333



Chairman NG-CDF Committee

Name: Jane Njeri

**Kigumo 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 30<sup>th</sup> June 2022**

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a	Kshs	b	Kshs				
RECEIPTS	2021/2022		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2021/2022	30/06/2022		
Transfers from NG-CDF Board	137,088,879	Kshs	45,336,258	67,088,879	249,514,016	211,336,258	38,177,758	85%
Proceeds from Sale of Assets	-		-	-	-	-	-	-
Other Receipts	-		-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>		<b>45,336,258</b>	<b>67,088,879</b>	<b>249,514,016</b>	<b>211,336,258</b>	<b>38,177,758</b>	<b>85%</b>
PAYMENTS								
Compensation of Employees	3,393,406		1,729,257	398,480	5,521,143	2,419,813	3,101,330	44%
Use of goods and services	8,939,746		4,598,336	134,672	13,672,754	6,306,879	7,365,875	46%
Transfers to Other Government Units	36,000,000		20,522,354	40,900,000	97,422,354	72,022,354	25,400,000	74%
Other grants and transfers	64,121,327		18,369,311	24,155,727	106,646,365	59,821,820	46,824,545	56%
Acquisition of Assets	-		-	-	-	-	-	-
Other Payments	-		-	-	-	-	-	-
Funds Pending Approval***	24,634,400		117,000	1,500,000	26,251,400	-	26,251,400	0%
<b>TOTAL</b>	<b>137,088,879</b>		<b>45,336,258</b>	<b>67,088,879</b>	<b>249,514,016</b>	<b>140,570,866</b>	<b>108,943,150</b>	<b>56%</b>

\*\*\*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**

- 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. 166,000,000 (Note 1) plus the balance b/f in the beginning of the financial year of Kshs. 45,336,258 (Note 13) all totalling to Kshs. 211,336,258.

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

- 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. 38,177,758 which largely contributed to the overall budget utilization of 56%.
- iii) Budget utilization for Compensation of employees and Use of goods and services were at 44% and 46% respectively since NG-CDFC resolved to balance between security and education projects under transfer to other government units and other grants and transfers categories whose utilization were at 74% and 56% respectively.
- iv) There was a re-allocation from Environment under Other Grants and Transfers to education projects under Transfers To Other Government Units during the financial year.

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
Description	Amount
Budget utilisation difference totals	108,943,150
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2022	(38,177,758)
	70,765,392
Add Accounts payable	0
Less Accounts Receivable	(0)
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	70,765,392

The Constituency financial statements were approved on 11/4/2023 and signed by:



Fund Account Manager

Name: Timothy Kaungu



National Sub-County Accountant

Name: Jacob Muthami  
ICPAK M/No: 15333



Chairman NG-CDF Committee

Name: Jane Njeri

**Kigumo 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 30<sup>th</sup> June 2022**

Programme/Sub-programme	Original Budget		Adjustments		Final Budget	Actual on comparable basis		Budget utilization difference
	2021/2022	Kshs	Opening Balance (C/Bk) and AIA	Kshs		Previous Years' Outstanding Disbursements	2021/2022	
<b>1.0 Administration and Recurrent</b>								
1.1 Compensation of employees	3,393,406		1,729,257		5,521,143		2,419,813	3,101,330
1.2 Committee allowances	2,748,440		44,000		2,840,880		1,395,100	1,445,780
1.3 Use of goods and services	2,078,666		3,175,229		5,337,487		2,397,179	2,940,308
<b>2.0 Monitoring and evaluation</b>								
2.1 Capacity building	1,500,000		771,800		2,271,800		1,471,500	800,300
2.2 Committee allowances	1,600,000		576,532		2,176,532		1,043,100	1,133,432
2.3 Use of goods and services	1,012,640		30,775	2,640	1,046,055			1,046,055
<b>3.0 Emergency</b>								
3.1 Primary Schools	92,207		766,450		6,550,864			6,550,864
Rarakwa Pri School	1,000,000				1,000,000		1,000,000	-
Kaimiri Pri School	800,000				800,000		800,000	-
Kaimiri Pri School	1,800,000				1,800,000		1,800,000	-
Gatia-ini Pri School	1,000,000				1,000,000		1,000,000	-
Kialuti Pri Sch	1,200,000				1,200,000		1,200,000	-
3.2 Secondary schools								
Mumbu Sec Sch	700,000				700,000		700,000	-
3.3 Tertiary institutions								
3.4 Security projects								
Kigumo DCC Office	600,000				600,000		600,000	-
<b>4.0 Bursary and Social Security</b>								
4.1 Primary Schools								
4.2 Secondary Schools	20,000,000		4,001,901		24,001,901		23,081,785	920,116
4.3 Tertiary Institutions	15,000,000		853,605	5,000,000	20,853,605		20,705,320	148,285
4.4 Vocational	10,000,000		8,000,000	7,980,000	25,980,000			25,980,000
4.5 Social Security			1,000,000		1,000,000		1,000,000	-
<b>5.0 Sports</b>								
Kigumo Constituency Sports								
2021/22	2,741,760				2,741,760		2,741,760	-

**Kigumo 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/FK) and ALA	Previous Years' Outstanding Disbursements			
Kigumo Constituency Sports 2019/20		2,747,355		2,747,355	2,747,355	-
Kigumo Constituency Sports 2020/21			2,741,760	2,741,760		2,741,760
<b>6.0 Environment</b>						
Environment 2021/22	2,741,760			2,741,760		2,741,760
Environment 2020/21			2,741,760	2,741,760		2,741,760
<b>7.0 Primary Schools Projects</b>						
Kiugu Primary School	2,000,000			2,000,000	2,000,000	-
Gakarati Primary School	3,500,000			3,500,000	3,500,000	-
Kahariro Primary School	1,000,000			1,000,000	1,000,000	-
Gakuyu Primary School	1,000,000			1,000,000	1,000,000	-
Matandara Primary School	2,000,000			2,000,000	2,000,000	-
Gachocho Primary School	2,000,000			2,000,000	2,000,000	-
Ndugamano Primary School	1,500,000			1,500,000	1,500,000	1,500,000
Kimotho Primary School	1,000,000			1,000,000	1,000,000	-
Gaitu DEB Primary School	1,000,000			1,000,000	1,000,000	-
Gikigie Primary School	1,000,000			1,000,000	1,000,000	-
Kirere Primary School	1,000,000			1,000,000	1,000,000	-
Karia-iri Primary School		2,500,000		2,500,000	2,500,000	-
Marumi Primary School		1,500,000		1,500,000	1,500,000	-
Gikondi Primary School		2,000,000		2,000,000	2,000,000	-
Gikondi Pri sch (Re-allocation from Environment)		2,175,000		2,175,000	2,175,000	-
Githima Pri sch (Re-allocation from Environment)		2,747,354		2,747,354	2,747,354	-
<b>8.0 Secondary Schools Projects</b>						
Kigumo Girls Secondary School	3,000,000			3,000,000	3,000,000	-
Muthithi Secondary School	2,000,000			2,000,000	2,000,000	-
ACK Kahumbu Secondary School	2,000,000			2,000,000	2,000,000	2,000,000
Githima Secondary School	9,500,000			9,500,000	9,500,000	-
Mununga Secondary School	2,500,000			2,500,000	2,500,000	-

**Kigumo Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
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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			
Thamara Secondary School		1,000,000		1,000,000	1,000,000	-
Kiugu Secondary School		-	3,000,000	3,000,000	3,000,000	-
Ikumbi Secondary School		-	3,000,000	3,000,000	1,500,000	1,500,000
Ndagamano Secondary School		7,000,000	700,000	7,700,000	7,700,000	-
Gatumbi Secondary School		-	3,000,000	3,000,000	3,000,000	-
Karinga Secondary School		-	3,000,000	3,000,000	3,000,000	-
Githembe Secondary School		1,200,000		1,200,000	1,200,000	-
Makomboki Secondary School		-	700,000	700,000	700,000	-
Thamara Secondary School (2014/15)		400,000		400,000		400,000
<b>9.0 Tertiary institutions Projects</b>						
Kigumo TVET		-	7,500,000	7,500,000	7,500,000	-
Kigumo Kenya Medical Training College			20,000,000	20,000,000		20,000,000
<b>10.0 Security Projects</b>						
Iriguini Chief's Office	345,600			345,600	345,600.00	-
Kirere Police Post	1,100,000			1,100,000	1,100,000.00	-
Kigumo Police Station	5,000,000			5,000,000		5,000,000
Kanderendu Chief's Office		500,000		500,000	500,000.00	-
Gakuyu Police Post		500,000		500,000	500,000.00	-
<b>11.0 Acquisition of assets</b>						
<b>11.1 Motor Vehicles (including motorbikes)</b>						
11.1.1 Motor Vehicles (including motorbikes)						
11.1.2 Construction of CDF office						
11.1.3 Purchase of furniture and equipment						
11.1.4 Purchase of computers						
11.1.5 Purchase of land						
<b>12.0 Others</b>						
12.1 Strategic Plan						
12.2 Innovation Hub						

**Kigumo Constituency  
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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			
Funds pending approval				-		-
Njoguini Primary School	1,200,000			1,200,000		1,200,000
Githima Primary School	10,000,000			10,000,000		10,000,000
Kenya Medical Training College - Kigumo	10,000,000			10,000,000		10,000,000
Constituency Revision Books Project	3,434,400			3,434,400		3,434,400
Gachochi Police Post			1,500,000	1,500,000		1,500,000
AIA		117,000		117,000		117,000
<b>Total</b>	<b>137,088,879</b>	<b>45,336,258</b>	<b>67,088,879</b>	<b>249,514,016</b>	<b>140,570,866</b>	<b>108,943,150</b>

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

## **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-Kigumo 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.

**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 1<sup>st</sup> July 2021 to 30<sup>th</sup> 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 30<sup>th</sup> June 2022.

***Kigumo Constituency  
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***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.

**Kigumo Constituency****National Government Constituencies Development Fund (NGCDF)****Annual Report and Financial Statements for The Year Ended June 30, 2022****XIII. Notes to the Financial Statements****1. Transfers from NGCDF Board**

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board AIE NO.		
B124748		3,000,000
B124822		49,367,724
B119841		12,000,000
B128130		6,900,000
B128442		10,000,000
B124987		5,000,000
B138854		12,000,000
B126441		12,100,000
B126148		9,000,000
B132186		6,000,000
B140586		14,000,000
B140936	33,000,000	
B105688	34,000,000	
B128547	6,000,000	
B105807	30,000,000	
B128859	12,000,000	
B154055	13,000,000	
B164496	18,000,000	
A89506A	20,000,000	
<b>TOTAL</b>	<b>166,000,000</b>	<b>139,367,724</b>

**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)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

***Kigumo Constituency  
National Government Constituencies Development Fund (NGCDF)  
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**Notes To the Financial Statements (Continued)**

**4. Compensation Of Employees**

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,880,610	1,441,075
Personal allowances paid as part of salary	-	-
House Allowance	255,000	185,200
Transport Allowance	180,000	144,000
Leave allowance	-	-
Gratuity to contractual employees	-	897,539
Employer Contributions Compulsory national social security schemes	104,203	74,060
<b>Total</b>	<b>2,419,813</b>	<b>2,741,874</b>

**5. Use Of Goods and Services**

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	-	-
Utilities, supplies and services	36,669	327,856
Communication, supplies and services	66,000	-
Domestic travel and subsistence	150,000	-
Printing, advertising and information supplies & services	52,860	-
Rentals of produced assets	-	-
Training expenses	1,342,500	2,078,200
Hospitality supplies and services	281,525	-
Other committee expenses	1,434,940	5,770,400
Committee allowance	1,714,000	246,000
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	1,176,255	-
Other operating expenses	-	39,910
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	52,130	-
<b>Total</b>	<b>6,306,879</b>	<b>8,462,366</b>

**Kigumo Constituency**  
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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)	26,422,354	44,600,000
Transfers To Secondary Schools (See Attached List)	38,100,000	18,100,000
Transfers To Tertiary Institutions (See Attached List)	7,500,000	-
<b>Total</b>	<b>72,022,354</b>	<b>62,700,000</b>

**7. Other Grants and Other transfers**

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	23,081,785	16,397,530
Bursary – tertiary institutions (see attached list)	20,705,320	14,659,395
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	1,000,000	-
Security projects (see attached list)	2,445,600	15,198,241
Sports projects (see attached list)	5,489,115	-
Environment projects (see attached list)	-	-
Emergency projects (see attached list)	7,100,000	733,550
<b>Total</b>	<b>59,821,820</b>	<b>46,988,716</b>

**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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Kigumo Constituency**

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**Notes To the Financial Statements (Continued)**

**9. Other Payments**

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

**10: Cash Book Bank Balance**

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
<b>10A: Bank Accounts (Cash Book Bank Balance)</b>	70,765,392	45,336,258
Equity Bank Kangari Branch, Account No. 0070296246702		
<b>Total</b>	<b>70,765,392</b>	<b>45,336,258</b>
<b>10 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**11: Outstanding Imprests**

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

**12A. Retention**

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

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Notes to the Financial Statement Continued

12B. Gratuity

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

13. Balances Brought Forward

	2021-2022 (1 <sup>st</sup> July 2021)	2020-2021 (1 <sup>st</sup> July 2020)
	Kshs	Kshs
Bank accounts	45,336,258	26,461,490
Cash in hand	-	-
Imprest	-	-
Total	45,336,258	26,461,490

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	-	-	-

*Kigumo Constituency*

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

Notes To the Financial Statements (Continued)

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
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 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Changes in Accounts Payable E= D-E	-	-

**Kigumo Constituency**  
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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	3,101,330	2,127,737
Use of goods and services	7,365,875	4,733,008
Amounts due to other Government entities (see attached list)	25,400,000	56,500,000
Amounts due to other grants and other transfers (see attached list)	46,824,545	48,947,392
Acquisition of assets	-	-
Funds pending approval	26,251,400	117,000
Total	108,943,150	112,425,137

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

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	41,787,639	36,956,530
Total	41,787,639	36,956,530

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

**ANNEXES:**

**Annex 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					

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**Annex 2 - Analysis of Pending Staff Payables**

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

**Kigumo Constituency  
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**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		3,101,330	2,127,737	
Use of goods & services		7,365,875	4,733,008	
Amounts due to other Government entities			56,500,000	
	Ndugamano Primary School	1,500,000		
	ACK Kahumbu Secondary School	2,000,000	-	
	Ikumbi Secondary School	1,500,000	-	
	Thamara Secondary School (2014/15)	400,000		
	Kigumo Kenya Medical Training College (2019/2020)	20,000,000		
<b>Sub-Total</b>		<b>25,400,000</b>		
Amounts due to other grants and other transfers			48,947,392	
	<b>Emergency 2020/2021 (Re-allocated to Ajira Centres)</b>	6,550,864		
	<b>Bursary and Social Security</b>			
	Secondary Schools	920,116		
	Tertiary Institutions	148,285		
	Vocational Institutions	25,980,000		
	<b>Sports: Kigumo Constituency Sports 2020/2021</b>	2,741,760		
	<b>Environment</b>			
	Environment 2021/22	2,741,760		
	Environment 2020/21	2,741,760		
	<b>Security Projects</b>			
	Kigumo Police Station	5,000,000		
<b>Sub-Total</b>		<b>46,824,545</b>		
Acquisition of assets				
Others ( <i>specify</i> )				
<b>Sub-Total</b>				

**Kigumo Constituency  
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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Funds pending approval			117,000	
	Njoguini Primary School	1,200,000		
	Githima Primary School	10,000,000		
	Kenya Medical Training College – Kigumo (2021/2022)	10,000,000		
	Constituency Revision Books Project	3,434,400		
	Gachochi Police Post	1,500,000		
	AIA	117,000		
<b>Sub-Total</b>		<b>26,251,400</b>		
<b>Grand Total</b>		<b>108,943,150</b>	<b>112,425,137</b>	

**Kigumo Constituency  
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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	10,483,710	-	-	10,483,710
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	770,850	-	-	770,850
ICT Equipment, Software and Other ICT Assets	860,848	992,050	-	1,852,898
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>12,115,408</b>	<b>992,050</b>	<b>-</b>	<b>13,107,458</b>

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**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2022**

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
<b>PRIMARY-SCHOOLS</b>				
ACK Kahumbu Primary School	Equity Kenol	0890194277107	627.20	807
Gachathiini Primary School	Equity Murang'a	00220193291006	150.65	331
Gachocho Primary School	Equity Kangari	0070190251977	2,001,784.55	
Gakarati Primary School	Equity Kenol	0890199226442	311,914.45	2,003,291
Gakeu Primary School	Equity Kenol	0890294672682	-	1,003,032
Gakoe-ini Primary School	Equity Kangari	0070279857284	-	1,268,813
Gakuyu Primary School	Equity Kangari	0070277912589	2,110,812.50	2,541,148
Gathimaini Primary School	Equity Kenol	00890199849502	-	2,230
Gatia-ini Primary School	Equity Kangari	0070163883251	71,605.75	1,500,483
Gatimu Primary School	Equity Kangari	0070170200123	-	1,000,868
Gatitu DEB Primary School	Equity Kangari	0070170062250	2,025,663.00	2,001,650
Gatumbi Primary School	Equity Kangari	0070294087526	-	1,011,970
Gikigie Primary School	Equity Kangari	0070276916934	1,008,654.80	36,569
Gikondi Primary School	Equity Kenol	0890266596024	1,246,647.00	
Githima Primary School	Equity Kangari	0070197014855	261,068.40	47,372
Irigiro Primary School	Equity Kenol	0890293397584	-	1,003,279
Iriguini Primary School	Equity Kangari	0070163934581	-	1,000,145
Kahariro Primary School	Equity Kenol	0890276004290	1,160,630.00	1,000,340
Kahumbu Primary School	Equity Kangari	0890194277107	-	
Kahuti Primary School	Equity Kangari	0070160541318	-	1,012,458
Kaimiri Primary School	Equity Kangari	0070199840881	403,595.30	
Kairitu Primary School	Equity Kangari	0070278895129	-	1,001,470
Kamukabi Primary School	Equity Kangari	0070190980084	-	47,170
Kamung'ang'a Primary School	Equity Kangari	0070197210725	-	1,000,065
Kanderendu Primary School	Equity Kangari	0070162317989	-	2,082
Karega Primary School	Equity Kangari	0070190183085	-	1,025,102
Karia-ini Primary School	Equity Kangari	0070199815481	144,832.00	
Kiahiti Primary School	Equity Kangari	0070294241629	220,380.35	3,141
Kiamaingi Primary School	Equity Kangari	0070190253446	-	1



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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Matu Secondary School	Equity Kangari	0070278888628	11,615.00	
Mumbu Secondary School	Equity Kenol	0890299872166	2,080.00	3,191,280
Mununga Secondary School	Equity Kangari	0070167920147	2,598,485.00	98,665
Muthithi Secondary School	Equity Kenol	0890193428345	2,498,822.65	2,003,075
Ndugamano Secondary School	Equity Kangari	0070164114794	3,792,620.60	
St. Francis Mukuyu-ini Secondary	Equity Kangari	0070166575487	-	4,643
Thamara Secondary School	Equity Kenol	0890194257986	46,201.05	
Wamahiga Secondary School	Equity Murang'a	0220279845648	210.00	
<b>TERTIARY INSTITUTIONS</b>				
Kigumo TVET	Equity Kangari	0070181746574	4,528,542.00	
<b>SECURITY PROJECTS</b>				
Gatia-ini Chief's Office/ Police Post	Equity Kangari	0070279081396	1,503,760.00	1,538,640
Gakuyu Police Post	Equity Kenol	0890279308594	502,655.00	
Githima Police Post	Equity Kangari	0070279795584	412,487.95	
Muthithi Police Post	Equity Kangari	0070179183366	6,909.50	
Kigumo Police Station	Equity Kangari	0070163927717	325,141.25	
<b>OTHER PROJECTS</b>				
Kigumo Constituency Sports Committee	Equity Kangari	0070277370503	2,898,718.81	
<b>TOTAL</b>			<b>41,787,638.93</b>	<b>36,956,530</b>

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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)
	<p>Unsupported committee allowances</p> <p>The National Government Constituencies Development Fund-Kigumo Constituency incurred an expenditure of Kshs.1, 778,000 on its NGCDF allowances which were not supported by appropriate documentation.</p>	<p>The Supporting documents have been provided for perusal by the Auditor</p>	<p>Resolved</p>	
	<p>Wrong Classification of Social Security Programmes Expenditure reported under the note 7 to the financial statements are expenses relating to CATs ad Mocks amounting to Kshs.326,500. A review of the supporting documentation indicates that the expenditure of Kshs.326, 500 was however incurred on sponsoring NHIF cards for the elderly people in the constituency and not CATs and Mocks as reported in the financial statements. The funding therefore relates to Social Security Programmes as per the provisions of section 48 of National Government Constituencies Development Fund Act 2015.</p>	<p>The expenditure has now been properly classified under Social Security Programs in the amended financial statements for the financial year 2017/2018 submitted to the Auditor</p>	<p>Resolved</p>	
	<p>Wrong Classification of Bursary Expenditure</p> <p>Note 7 to the financial statements reflect payments relating to bursary totalling to</p>	<p>The expenditure of Kshs.370, 000 has since been properly classified under bursary to tertiary</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>Kshs.17,586,250. The figure comprises of Bursary to Secondary Schools of Kshs.13,026,250 and Bursary to Tertiary Institutions Kshs.4,560,000.</p> <p>Included in the amount of Bursary to secondary schools are Bursary awarded to Universities and Tertiary Institutions amounting to Kshs.370,000. The bursaries were disbursed vide payment voucher Number 02 dated 2nd March 2018. This amount should have however been reported under bursary to tertiary institutions.</p>	<p>institutions in the amended financial statements for the financial year 2017/2018 availed to the Auditor</p>		
	<p>Vetting of Applicants and Award of Bursary During the year under review Bursaries amounting to Kshs.17,586,250 were awarded and disbursed in favour of beneficiaries in both secondary schools and tertiary institutions. These disbursements were supported by Bursary committee minutes dated 10th February and 27th April 2018. A review of a sample of bursary application forms revealed that there was no evidence that the forms were evaluated. In addition, there was no record in the minutes of the criteria used to vet, identify and categorize needy students. The criteria used to allocate bursary to applicants is therefore appears unclear.</p>	<p>Kigumo NG-CDF uses the following criteria while awarding bursary to bright and needy students within the constituency:</p> <ul style="list-style-type: none"> <li>An advertisement is made to local churches and other public places including barazas for the whole of the constituency to collect and duly fill the bursary application form from the NG-CDF office with a two week timeline to return the dully filled and stamped form.</li> <li>The bursary committee then evaluates the dully filled forms examining whether an applicant is a resident, has attached fee structure or</li> </ul>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>balance fee from the institution, recommendation by assistant chief on whether he or she is needy and that he warrants the bursary.</p> <ul style="list-style-type: none"> <li>The bursary committee also device a formula as to how much is to be allocated in to either day secondary schools, boarding secondary schools and for university and colleges this is determined by the number of applicants for each cluster and the amount available at their disposal. The whole process is minuted by the bursary committee.</li> </ul> <p>Due to the bulky nature of the exercise some evaluators may fail to indicate there reasons on the forms but instead group the beneficiary in one lot and the rejected forms in another the management takes into consideration of the recommendation to in future record their findings in the official use are marked in the forms.</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>Supported Bursary</p> <p>During the financial year, Kigumo NGCDF disbursed a total of Kshs.12,728,000 to various learning institutions. These disbursements were effected vide payment vouchers numbers 51 of 18th May 2018 for Kshs.4,204,000, 52 of the same date for Kshs.7,729,000 and 69 dated 28th May 2018 for Kshs.795,000. These payments were however not supported by a list of beneficiaries.</p>	<p>The supporting schedules not availed during the audit review period have since been availed for perusal by the Auditor.</p>	Resolved	
	<p>Environment Project</p> <p>The environment project was allocated kshs.1, 535,913 during financial year 2017/2018. The project activity involved purchase and planting of 409 seedlings in 9 selected schools at a cost of Kshs.102, 394.20 for each school. The funds were transferred to a project Management Committee vide payment voucher number 89 dated 20th June 2018. The transfer was supported by NG-CDFC minutes dated 23rd May 2018 authorizing the disbursement to the Project Management Committee Account.</p> <p>A visit to 4 sampled schools on 27th February 2019 revealed that, out of approximately 420 seedlings planted in Irigiro Primary School, only 2 were surviving. The rest had dried up. At Gakeu Primary School, although most of the seedling planted was surviving, some were drying up. At Githima Primary school, most of</p>	<p>The Kigumo NG-CDFC is in a process of devising measures to ensure that the trees planted is taken care of to ensure sustainability of the project. The tree seedlings in question were planted during the month of December which in most cases we anticipate some short rains during this time however, during the financial year under review the short rains did not appear and most of the school do not have piped water to ensure watering of the trees. Therefore the management has resolved to change the tree planting period to the month of June up to August where it is wet to ensure a big number of tree are sustained. The committee also has</p>	Resolved	

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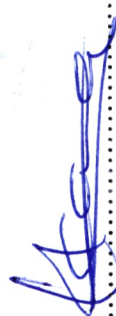
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>the trees planted had dried up. A big number of the seedlings had also not been planted.</p>	<p>resolved to ensure proper capacity building of the beneficiary for them to own the process and eventually take personal responsibility as the management of these schools and ensure sustainability of the project. The committee is also thinking of diversifying to other environmental sustainability projects within the subsequent financial year such as installing gabions to erosive prone areas, water harvesting in some school and unblocking drainage, cleaning of market areas that are health hazard.</p>		
	<p>Delayed Project – Gacathi-ini Primary School Gacatha-ini Primary School was allocated Kshs.1, 000,000 during financial year 2017/2018 for construction of 2 no. classrooms as per the project code list provided for audit. The kshs.1, 000, 000 allocated was disbursed to the project vide cheque number 6328 dated 20th June 2018. A physical verification exercise conducted on 27th February 2019 revealed the project was just starting over seven months since the funds were disbursed. No proper explanation was provided for the delay in the implementation of the project.</p>	<p>At the time of audit the project had just started due to the fact that in this particular school the space where the two no. classrooms were to be built had an old structure that the school needed to demolish owing to the limited space for the growth of the school. The school management therefore differed on whether to demolish or change the activity to have a story classroom instead of construction of 2 no. classrooms. These disagreements delayed the implementation of the project but after further</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>consultations were made, the resolution was to demolish at their cost to pave way for the construction of classroom as earlier proposed. The project is 60% complete awaiting finishes that is flooring, plastering, glazing and painting.</p>		
	<p>Poor Workmanship – Gikondi Primary School Project The project was allocated Kshs.1, 000,000 during financial year 2017/2018 for renovation of 6 no. classrooms. The amount was disbursed to the project vide cheque number 5808 dated 23rd April 2018. The tender for the works was awarded to Tech Sprought Enterprises Ltd at a cost of Kshs.931,250. As at the time of audit in February 2019, the contractor had been paid a total of Kshs.835,930 for the works. However, no certificate from Public Works department was availed to support this payment. A physical verification exercise carried out on 27th February 2019, revealed that although the renovation works had been completed, floors to three classrooms had badly cracked casting doubts on the quality of works carried out by the contractor.</p>	<p>At the time of audit the project was complete but not yet handed over to the user department by the contractor. However, there was still some outstanding work for the project to be fully complete. The certificate for payment are now been availed for your perusal. We have also written to the contractor to remedy the defects in the classrooms as the retention was yet to be paid.</p>	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Funds Absorption Out of the total funds available to the Constituency during financial year 2017/2018 totaling to Kshs.68, 907,344, the constituency had only expended Kshs.49, 180,256 as at 30th June 2018. This translates to an absorption rate of 71%. The low absorption rates impacts negatively on project implementation and completion. The management however cited delay in disbursement of funds as the contributing factor in the low funds absorption.</p>	<p>The shortfall in disbursement relate to additional code list that was yet to be received amounting to ksh 11,379,310 and ksh 18,000,000 from the NG-CDF Board. The fund management made liaison with the board and the funds were received in the subsequent financial year.</p>	Resolved	

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 Name: Timothy Kaungu  
 Fund Account Manager