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THE NATIONAL ASSEMBLY  
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HON. DWEN BANY, MP  
DEPUTY LEADER OF THE  
MAJORITY PARTY

CLERK-AT  
THE-TABLE:

ESTHER NGINYO

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – KANGEMA  
CONSTITUENCY

FOR THE YEAR ENDED  
30 JUNE, 2023

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**KANGEMA CONSTITUENCY**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2023**

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

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

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<b>Table of Content</b>	<b>Page</b>
I. Acronyms and Abbreviations.....	ii
II. Key Constituency Information and Management.....	iii
III. NG-CDFC Chairman’s Report .....	vii
IV. Statement Of Performance Against Predetermined Objectives for FY2022/23 .....	ix
V. Statement of Governance .....	xi
VI. Environmental and Sustainability Reporting.....	xiv
VII. Statement Of Management Responsibilities .....	xviii
VIII. Report Of the Independent Auditors On The NGCDF- Kangema Constituency .....	xx
IX. Statement Of Receipts and Payments for the Year Ended 30 <sup>th</sup> June 2023.....	1
X. Statement Of Assets and Liabilities As At 30 <sup>th</sup> June, 2023 .....	2
XI. Statement Of Cash Flows for The Year Ended 30 <sup>th</sup> June 2023 .....	3
XII. Summary Statement of Appropriation for The Year Ended 30 <sup>th</sup> June 2023 .....	4
XIII. Budget Execution By Sectors And Projects For The Year Ended 30 <sup>th</sup> June 2023 .....	6
XIV. Significant Accounting Policies .....	10
XV. Notes To the Financial Statements .....	16
XVI. Annexes .....	26

**I. Acronyms and Abbreviations**

- i) NGCDF-National Government Constituency Development Fund
- ii) NGCDFC -National Government Constituency Development Fund Committee
- iii) PFM-Public Finance Management
- iv) IPSAS-International Public Sector Accounting Standards.
- v) PMC- Project Management Committee
- vi) ARMC - Audit and Risk Management Committee
- vii) FY-Financial Year

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

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

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

### **Mandate**

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

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

## ***Kangema Constituency***

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

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

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- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

#### **Vision**

Equitable Socio-economic development countrywide

#### **Mission**

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

#### **Core Values**

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

#### **Functions of NG-CDF Committee**

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

#### **(b) Key Management**

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

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

**Kangema Constituency**

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

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

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**Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Caroline Kiama
2.	Sub-County Accountant	Joyce Wambui
3.	Chairman NGCDFC	Grace Wambui Nduati
4.	Member NGCDFC	Samuel Muchunu

**(c) Fiduciary Oversight Arrangements**

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

**(d) Kangema Constituency NGCDF Headquarters**

P.O. Box 22-10202, Kangema  
Kangema Sub County Head Quarters  
Kangema, Kenya

**(e) Kangema Constituency NGCDF Contacts**

Telephone: (254) 0718455797, 0735698857  
E-mail: [cdfkangema@ngcdf.go.ke](mailto:cdfkangema@ngcdf.go.ke)  
Website: [www.kangema.ngcdf.go.ke](http://www.kangema.ngcdf.go.ke)

**(f) Kangema Constituency NGCDF Bankers**

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

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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

### III. NG-CDFC Chairperson's Report



I am pleased to present the unaudited financial statements of NG-CDF Kangema Constituency for the financial year ended 30 June 2023. The allocation to the constituency for the said year was a total of Kshs. 131,342,462 out of which Kshs. 87,000,000 was disbursed to the constituency by the NG-CDF Board in six tranches of Kshs. 7,000,000 received on 30.12.2022, Kshs. 26,000,000 disbursed on 15/02/2023, Kshs. 12,000,000 received on 01/03/2023, Kshs. 12,000,000 received on 06/04/2023, Kshs.15,000,000 received on 15/06/2023 and Kshs. 15,000,000 received on 21/6/2023.

The balance of Kshs. 44,342,462 for 2022-2023 financial year and Kshs. 12,088,879 for 2019-2020 financial year, all totalling to Kshs. 56,431,341 had not been disbursed to the constituency by the NG-CDF Board as at closure of the financial year on 30 June 2023.

On receipt of the funds referred here in above, Kangema National Government Constituency Development Fund Committee (NG-CDFC) prioritized award of bursary to needy students in secondary schools, tertiary, vocational and special institutions and disbursed a total of Kshs. 35,489,500 to needy students within the financial year.

Kangema NG-CDFC also made transfer to other government units as well as other grants and transfers and managed to construct new facilities as well as renovate existing ones by complete face lift at primary, secondary schools, NGCDF office as well as purchase of water tanks for chief's office.

Below are photos of some of the referred projects:-



Storied laboratory completion works at Dr. Kiano Secondary School

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

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**Kangema NG-CDF Office renovation**


Kangema National Government Constituency Development Fund Committee however noted various challenges in projects implementation and management during the 2022-2023 financial year.

The challenges were:- disruptions of programs by the general elections, delay of programs awaiting constitution of new NG-CDF committees, inadequate record keeping by project management committees, lack of knowledge especially by new project management committees on provisions of Public Procurement and Assets Disposal Act 2015 as well as delayed submission of the required returns for funds disbursed. Another notable challenge is the limited numbers of technical officers needed to provide the requisite technical advice in project implementation and management.

To mitigate the above, the committee during the financial year scaled up its capacity building programmes for NG-CDF Committee, Project Management Committees and staff on various aspects of NG-CDF projects management.

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 2023-2024 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 2023-2024 financial year.

SIGNED:   
GRACE WAMBUI, CHAIRPERSON  
KANGEMA NG-CDF COMMITTEE

#### **IV. Statement Of Performance Against Predetermined Objectives for FY 2022/23**

##### **Introduction**

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

The key development objectives of Kangema Constituency 2022-2027 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 Kangema 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:

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions  Number of bursary's beneficiaries at all levels	In 2022-2023 financial year - we allocated funds to increase number of classrooms, dormitories and laboratories from 754 to 761 in the various schools/institutions  Beneficiaries at all levels were awarded bursary
Security	To construct offices of chiefs and assistant chiefs as well as police posts	Improved security within and around the constituency	Number of offices and police posts constructed or renovated	Allocated funds for construction of 1 ablution block at DCC office in the financial year 2022-2023
Environment	To provide water harvesting tanks to various institutions of learning.	Improved access to clean water and reduced soil erosion due to run off water	Water tanks purchased and delivered to institutions	• Allocated funds for tree planting for 21 institutions, purchase of water tanks, construction of tank bases and installation of gutters for 2 institutions
Sports	Improve and nurture talents among the youth	Improved talents identification	Tournaments held from sub locational level to constituency level and training of referees	Initiated a constituency sports tournament where all registered teams within the constituency participated
Emergency	Mitigate emergency occurrences	Mitigated fire incidences and land slides	Renovated Dormitory and a retention wall	Allocated funds for construction of ablution blocks for 2 primary schools, renovation of 1 primary school and 1 ACC office

**V. Statement of Governance**

**a) Appointment of NGCDFC Members**

Kangema NG-CDF Committee comprises of ten members, five recruited by a Selection Panel constituted in accordance with section 5 (1) of the NG-CDF Act Regulations 2016, two nominated by the Constituency Office in accordance with section 43 (2) (e) of the NG-CDF Act 2015, one member co-opted by the NG-CDF Board in accordance with Regulations made by the Board as provided for in section 43 (2) (g) of the NG-CDF Act 2015, the national government official responsible for coordination of national government functions as provided for in section 43 (2) (a) of the NG-CDF Act 2015 and the officer of the Board seconded to the Constituency Committee by the Board who is an ex officio member without a vote as provided for in section 43 (2) (f) of the NG-CDF Act 2015.

**b) Duties and Responsibilities of NGCDF Committee**

The duties and responsibilities of the NG-CDF Committee entail:-

- i) To consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency.
- ii) To ensure that project proposals submitted to the NGCDF Board include detailed budget proposals, procurement plans and work plans.
- iii) To rank projects proposals in order of priority while ensuring that on-going projects take precedence.
- iv) To ensure that all projects receive adequate funding and are completed within three years.
- v) To consult with relevant government departments to ensure that cost estimates for projects are realistic.
- vi) Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies.
- vii) To build the capacity of project management committees and sensitize the community on the operations of National Government Constituency Development Fund.
- viii) To ensure that projects proposed for funding fulfill the requirements provided in the Act and relevant circulars issued by the Board.
- ix) To monitor implementation of projects in accordance with the monitoring and evaluation framework prescribed by the NGCDF Board.
- x) To ensure that project reports are prepared and submitted to the NGCDF Board.

- x) To ensure formation of project management committees, opening of project accounts, project implementation and closure of projects.
- xii) To receive returns from project management committees.
- xiii) To ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund.
- xiv) To ensure financial statements are submitted to the NGCDF Board within sixty days of the end of the financial year.
- xv) To collaborate with the officer of the Board seconded to the Constituency in the management of the Fund, including the keeping of proper records and maintenance of books of account.
- xvi) To recommend to the NGCDF Board the removal of a committee member in accordance with the NGCDF Act.
- xvii) To enter into performance contracting with the NGCDF Board on an annual basis.
- xviii) To maintain a database of project management committees and reports from the respective committees.
- xix) To record the names of all the signatories of the accounts of a project management committee as communicated to a Constituency Committee by the project management committee upon assumption of office.
- xx) Receive and address all complaints concerning the implementation of projects and collectively respond to audit queries concerning the Fund at the Constituency level.
- xxi) Ensure that the NGCDF committee does not enter into commitments for which funding has not been allocated.
- xxii) Ensure projects are labeled in accordance with the guidelines issued by the NGCDF Board;
- xxiii) Perform any other function assigned by the NGCDF Board.

**c) NGCDF Committee Induction**

To be able to perform the duties and responsibilities referred here in above, the NGCDF committee was taken through a five days induction workshop during which they were trained on:-

- i) Overview of NG-CDF
- ii) Strategic planning
- iii) Project cycle management in NG-CDF operations
- iv) Technical aspects of project planning and management
- v) Monitoring and Evaluation of NG-CDF projects
- vi) Overview of public procurement procedures and processes

- vii) Management of NG-CDFCs projects and statutory obligations
- viii) Book keeping, accounting and financial reporting in NG-CDF operations
- ix) Conduct of meetings and minute writing
- x) Management of NG-CDF staff
- xi) Complaints handling mechanism
- xii) Overview of Public officers Ethics Act
- xiii) Risk Management
- xiv) Brand Management
- xv) Introduction to Quality Management System (ISO 9001:2015 requirements)
- xvi) Performance Contracting in NG-CDF

**d) NGCDF Committee Term of Office and Meetings**

The term of office of the members of the NG-CDF Committee is two years renewable but shall expire upon the appointment of a new NG-CDF Committee in the manner provided for in the Act.

The NG-CDF Committee may meet at least six times in a year but the committee shall not hold more than twenty four meetings in the same financial year, including sub-committee meetings. The quorum of the Committee is one half of the total membership. Kiharu NG-CDFC held sixteen meetings during the financial year under review.

**e) Removal and Replacement of NGCDFC Members**

A member of the Constituency Committee may be removed from office on any one or more of the following grounds-

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

Whenever a vacancy occurs in the NG-CDF Committee by reason of resignation, incapacitation or demise of a member, the vacancy should be filled from the same category of persons where the vacancy has occurred within a period of thirty days in accordance with section 43 (10) of the NG-CDF Act 2015.

## VI. Environmental and Sustainability Reporting

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

### 1. Sustainability strategy and profile -

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

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro level 2022-2023 financial year has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

## **2. Environmental performance**

- Allocated funds for tree planting for 21 institutions, purchase of water tanks, construction of tank bases and installation of gutters for 2 institutions
- Initiated a constituency sports tournament where all registered teams within the constituency participated

## **3. Employee welfare**

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Kangema constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

#### 4. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

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

#### 5. Community Engagements-

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

##### **Public Participation in Project Identification and Implementation and Monitoring**

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

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

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

***Kangema Constituency***

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

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

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**Public Awareness**

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

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



.....  
**Caroline Kiama**

**Fund Account Manager**

## VII. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Kangema Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF- Kangema Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Kangema Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Kangema Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted

**Kangema Constituency**

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

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

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for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF- Kangema Constituency financial statements were approved and signed by the Accounting Officer on 8<sup>th</sup> September 2023.



.....  
Name: Grace Wambui

Chairperson – NGCDF Committee



.....  
Name: Caroline Kiama

Fund Account Manager

# REPUBLIC OF KENYA

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



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

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

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kangema Constituency set out on pages 1 to 35, which comprise of the statement of the financial assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows, summary statement

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kangema Constituency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

## **Basis for Qualified Opinion**

### **1. Unsupported Bursary Disbursements**

The statement of receipts and payments reflects other grants and transfers of Kshs.47,319,283 as disclosed in Note 8 to the financial statements. The amount includes bursary disbursements of Kshs.35,489,500 comprising of disbursements of Kshs.24,175,500, Kshs.10,814,000 and Kshs.500,000 to secondary schools, tertiary institutions and special schools respectively. However, the bursaries were not supported with a policy or guidelines for identifying needy students and amounts to be awarded to each beneficiary, vetting reports or minutes, list of beneficiaries showing the name of student, admission number, institution of learning and amount awarded.

In the circumstances, the accuracy and completeness of bursary disbursements of Kshs.35,489,500 could not be confirmed.

### **2. Lack of Ownership Documents for Land**

Annex 4 to the financial statements reflects summary of fixed assets totalling Kshs.93,307,371 which include buildings and structures balance of Kshs.84,017,932. However, the title deed or allotment letters for the land on which buildings and structures were constructed were not provided for audit review.

In the circumstances, ownership, accuracy and completeness of summary of fixed assets balance of Kshs.93,307,371 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 - Kangema Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Emphasis of Matter**

### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.157,468,796 and Kshs.101,037,454 respectively resulting to an under-funding of Kshs.56,431,342 or 36% of the budget. However, the Fund spent Kshs.91,869,538 against actual receipts of Kshs.101,037,454 resulting to an under-utilization of Kshs.9,167,916 or 9% of the actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Although Management has indicated that the issues have been resolved under progress on follow up of auditor's recommendations in Annex 6 to the financial statements, no evidence was provided on how the issues were resolved.

## **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, I confirm that, nothing 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**

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

#### **Lack of Information and Communication Technology Policy**

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

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

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

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

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

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

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

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

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

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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion; forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to 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 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.

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

20 May, 2024

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

**IX. Statement Of Receipts and Payments for the Year Ended 30<sup>th</sup> June 2023**

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts</b>			
Transfers From NGCDF Board	1	87,000,000	170,088,879
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	1,804,153	28,500
<b>Total Receipts</b>		<b>88,804,153</b>	<b>170,117,379</b>
<b>Payments</b>			
Compensation Of Employees	4	3,141,720	2,413,350
Committee expenses	5	5,955,480	-
Use Of Goods and Services	6	2,935,495	11,043,813
Transfers To Other Government Units	7	32,517,560	81,002,898
Other Grants and Transfers	8	47,319,283	86,693,770
Acquisition Of Assets	9	-	-
Constituency Oversight Committee	10	-	-
Other Payments	11	-	-
<b>Total Payments</b>		<b>91,869,538</b>	<b>181,153,831</b>
<b>Surplus/(Deficit)</b>		<b>(3,065,385)</b>	<b>(11,036,452)</b>

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

The Constituency financial statements were approved by the NGCDFC on 8<sup>th</sup> September 2023 and signed by:



Fund Account Manager

Name: Caroline Kiama



National Sub-County  
Accountant

Name: Joyce Wambui  
ICPAK M/No: 20232



Chairperson NG-CDF  
Committee

Name: Grace Wambui

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

**X. Statement Of Assets and Liabilities As At 30<sup>th</sup> June, 2023**

	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Financial Assets</b>			
<b>Cash And Cash Equivalents</b>			
Bank Balances (As Per the Cash Book)	12A	9,170,030	12,233,302
Cash Balances (Cash at Hand)	12B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>9,170,030</b>	<b>12,233,302</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	13	-	-
<b>Total Financial Assets</b>		<b>9,170,030</b>	<b>12,233,302</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	14A	-	-
Gratuity	14B	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>
<b>Net Financial Assets</b>		<b>9,170,030</b>	<b>12,233,302</b>
<b>Represented By</b>			
Fund Balance B/Fwd	15	12,233,302	23,269,755
Prior Year Adjustments	16	2,113	-
Surplus/Deficit for The Year		(3,065,385)	(11,036,452)
<b>Net Financial Position</b>		<b>9,170,030</b>	<b>12,233,302</b>

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

The Constituency financial statements were approved by NG CDFC on 8<sup>th</sup> September 2023 and signed by:



Fund Account Manager

Name: Caroline Kiama



National Sub-County  
Accountant

Name: Joyce Wambui  
ICPAK M/No: 20232



Chairperson NG-CDF  
Committee

Name: Grace Wambui

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

**XI. Statement Of Cash Flows for The Year Ended 30<sup>th</sup> June 2023**

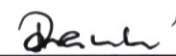
	Notes	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts From Operating Activities</b>			
Transfers From NGCDF Board	1	87,000,000	170,088,879
Other Receipts	3	1,804,153	28,500
<b>Total Receipts</b>		<b>88,804,153</b>	<b>170,117,379</b>
<b>Payments</b>			
Compensation Of Employees	4	3,141,720	2,413,350
Committee Expenses	5	5,955,480	-
Use Of Goods and Services	6	2,935,495	11,043,813
Transfers To Other Government Units	7	32,517,560	81,002,898
Other Grants and Transfers	8	47,319,283	86,693,770
Constituency Oversight Committee	10	-	-
Other Payments	11	-	-
<b>Total Payments</b>		<b>91,869,538</b>	<b>181,153,831</b>
<b>Total Receipts Less Total Payments</b>		<b>(3,065,385)</b>	<b>(11,036,452)</b>
Adjusted For:			
Prior Year Adjustments	16	2,113	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
<b>Net Cash Flow from Operating Activities</b>		<b>(3,063,272)</b>	<b>(11,036,452)</b>
<b>Cashflow From Investing Activities</b>			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	-
<b>Net Cash Flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase In Cash And Cash Equivalent</b>		<b>(3,063,272)</b>	<b>(11,036,452)</b>
<b>Cash &amp; Cash Equivalent At Start Of The Year</b>	15	<b>12,233,302</b>	<b>23,269,755</b>
<b>Cash &amp; Cash Equivalent At End Of The Year</b>	12	<b>9,170,030</b>	<b>12,233,302</b>

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


The Constituency financial statements were approved by NG CDFC on 8<sup>th</sup> September 2023 and signed by:

  
 Fund Account Manager

Name: Caroline Kiama

  
 National Sub-County  
 Accountant

Name: Joyce Wambui  
 ICPAK M/No: 20232

  
 Chairperson NG-CDF  
 Committee

Name: Grace Wambui

**XII. Summary Statement of Appropriation for The Year Ended 30<sup>th</sup> June 2023**

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022-2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022-2023	2022-2023		
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	
<b>Receipts</b>							
Transfers From NGCDF Board	131,342,462	12,233,302	12,088,879	155,664,643	99,233,302	56,431,341	64%
Proceeds From Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	1,804,152	-	1,804,152	1,804,152	-	-
<b>Totals</b>	<b>131,342,462</b>	<b>14,037,454</b>	<b>12,088,879</b>	<b>157,468,796</b>	<b>101,037,454</b>	<b>56,431,341</b>	<b>64%</b>
<b>Payments</b>							
Compensation Of Employees	3,076,231	1,725,257	251,550	5,053,038	3,141,720	1,911,318	62%
Committee Expenses	3,318,400	1,677,047	2,751,776	7,747,223	5,955,480	1,791,743	77%
Use Of Goods and Services	5,426,191	2,033,443	4,196,674	11,656,308	2,935,495	8,720,813	25%
Transfers To Other Government Units	53,383,609	6,370,000	4,000,000	63,753,609	32,517,560	31,236,049	51%
Other Grants and Transfers	49,819,916	399,055	888,879	51,107,850	47,319,283	3,788,567	93%
Constituency Oversight Committee	1,313,425	-	-	1,313,425	-	1,313,425	0%
Acquisition Of Assets	-	-	-	-	-	-	-
Other Payments	11,004,690	-	-	11,004,690	-	11,004,690	0%
Funds Pending Approval**	4,000,000	1,832,652	-	5,832,652	-	5,832,652	0%
<b>Totals</b>	<b>131,342,462</b>	<b>14,037,454</b>	<b>12,088,879</b>	<b>157,468,796</b>	<b>91,869,538</b>	<b>65,599,258</b>	<b>58%</b>

\*\*Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and 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. 87,000,000 (Note 1) plus the balance b/f in the beginning of the financial year of Kshs. 12,233,302 (Note 15) all totalling to Kshs. 99,233,302.

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

- ii) The constituency received 64% 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. 56,431,341 which largely contributed to the overall budget utilization of 58%.
- iii) Budget utilization for Compensation of employees, Committee Expenses and Use of goods and services were at 62%, 77% and 25% respectively since NG-CDF since a significant percentage of funds for projects under transfer to other government units and other grants and transfers categories whose utilization were at 51% and 93% respectively had not been disbursed by the NG-CDF Board as at the end of the financial year hence slowing down activities.
- iv) Budget utilization for Constituency Oversight Committee was at 0% following late formation of the committee after the general election and subsequent re-constitution of the NG-CDF committee.

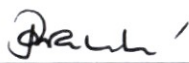
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	65,599,258
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	56,431,341
	9,167,917
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	2,113
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	9,170,030

The Constituency financial statements were approved by NG CDFC on 8<sup>th</sup> September 2023 and signed by:



Fund Account Manager

Name: Caroline Kiama



National Sub-County Accountant

Name: Joyce Wambui  
ICPAK M/No: 20232



Chairperson NG-CDF

Name: Grace Wambui

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

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

	Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
			Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
			Kshs	Kshs			
<b>1.00</b>	<b>Administration and Recurrent</b>						
1.10	Compensation of employees	3,076,231	1,725,257	251,550	5,053,038	3,141,720	1,911,318
1.20	Committee allowances	1,966,400	1,477,255	1,390,198	4,833,853	3,015,980	1,817,873
1.30	Use of goods and services	2,837,917	1,792,592	3,042,785	7,673,294	2,065,495	5,607,799
2.00	Monitoring and evaluation						
2.10	Capacity building	970,000			970,000	870,000	100,000
2.20	Committee allowances	1,352,000	199,792	1,361,578	2,913,370	2,337,300	576,070
2.30	Use of goods and services	1,618,274	240,851	1,153,889	3,013,014	602,200	2,410,814
3.00	Emergency	7,636,190.00					
3.10	Kangema ACC'S House PMC	1,085,955	-	-	1,085,955	1,085,955	-
3.20	Githiga Primary School	2,442,990	-	-	2,442,990	2,442,990	-
3.21	Iyego Primary School	1,573,570	-	-	1,573,570	1,573,570	-
3.22	Kenya Njeru Primary School	1,573,570	-	-	1,573,570	1,573,570	-
3.23	Emergency 2022/2023 unutilized	960,105	-	-	960,105	-	960,105
3.24	Emergency b/f	-	60,207	-	60,207	-	60,207
4.00	Bursary and Social Security						
4.10	Primary Schools						
4.20	Secondary Schools	24,093,446	71,000	580,879	24,745,325	24,175,500	569,825
4.30	Tertiary Institutions	10,769,862	163,255	308,000	11,241,117	10,814,000	427,117
4.40	Special Schools	500,000	24,347	-	524,347	500,000	24,347
4.50	Social Security	-	80,246	-	80,246	-	80,246
5.00	Sports						
5.10	Sports 2022/2023	2,626,849	-	-	2,626,849	2,626,849	-
6.00	Environment						
6.01	Karurumo Primary School	100,000	-	-	100,000	100,000	-
6.02	Tutho Primary School	100,000	-	-	100,000	100,000	-

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

	Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
			Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
6.03	Ichiche Primary School	100,000	-	-	100,000	100,000	-
6.04	Nduini Primary School	100,000	-	-	100,000	100,000	-
6.05	Kiruri Primary School	100,000	-	-	100,000	100,000	-
6.06	Wanjerere Primary School	100,000	-	-	100,000	100,000	-
6.07	Nyagatugu Primary School	100,000	-	-	100,000	100,000	-
6.08	Kihoya Primary School	100,000	-	-	100,000	100,000	-
6.09	Kanyenyaini Secondary School	100,000	-	-	100,000	100,000	-
6.10	Keirathe Secondary School	100,000	-	-	100,000	100,000	-
6.11	Rwathia Primary School	100,000	-	-	100,000	100,000	-
6.12	Muguru Primary School	100,000	-	-	100,000	100,000	-
6.13	Nyakahora Secondary School	100,000	-	-	100,000	100,000	-
6.14	Kiamara - Gatunduini secondary School	100,000	-	-	100,000	100,000	-
6.15	Njii Ithatu Primary School	100,000	-	-	100,000	100,000	-
6.16	Iyego Primary School	100,000	-	-	100,000	100,000	-
6.17	Gacharaigu Primary School	100,000	-	-	100,000	100,000	-
6.18	Watuha Secondary School	100,000	-	-	100,000	100,000	-
6.19	Ihiga Primary School	100,000	-	-	100,000	100,000	-
6.20	Kangema KMTC	100,000	-	-	100,000	100,000	-
6.21	NG-CDF Office	100,000	-	-	100,000		100,000
6.22	Gatangara Assistant Chief Office	263,425	-	-	263,425	263,425	0
6.23	Gakira AP Camp	263,424	-	-	263,424	263,424	0
7.00	Primary Schools Projects						
7.01	Holy Rosary Primary School	5,700,000	-	-	5,700,000	5,700,000	-
7.02	Karurumo Primary School	1,000,000	-	-	1,000,000	1,000,000	-
7.03	Nduini Primary School	1,350,000	-	-	1,350,000		1,350,000
7.04	Kibutha Primary School	1,500,000	-	-	1,500,000		1,500,000
7.05	Tutho Primary School	1,500,000	-	-	1,500,000	1,500,000	-
7.06	Wanjerere Primary School	1,500,000	-	-	1,500,000		1,500,000
7.07	Rwathia Primary School	1,500,000	-	-	1,500,000		1,500,000
7.08	Nyagatugu Primary School	500,000	-	-	500,000		500,000
7.09	Karuri Primary School	3,000,000	-	-	3,000,000	3,000,000	-
7.10	Muguru Primary School	400,000	-	-	400,000	400,000	-
7.11	Kangema Primary School	2,500,000	-	-	2,500,000		2,500,000

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

	Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
			Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.12	Kahiti Primary School	1,350,000	-	-	1,350,000	-	1,350,000
7.13	Ihiga Primary School	1,500,000	-	-	1,500,000	-	1,500,000
7.14	Gatunduini Primary School	1,000,000	-	-	1,000,000	-	1,000,000
7.15	Nyakahura Primary School	1,850,000	-	-	1,850,000	-	1,850,000
7.16	Kihoya Primary School	-	2,650,000	-	2,650,000	2,650,000	-
7.17	Gikui Primary School	-	2,650,000	-	2,650,000	2,650,000	-
8.00	Secondary Schools Projects	-	-	-	-	-	-
8.01	Dr. Kiano Secondary school.	1,448,560	-	-	1,448,560	1,448,560	-
8.02	Iyego Secondary School	7,087,300	-	-	7,087,300	-	7,087,300
8.03	Gakira Secondary School	5,598,749	-	-	5,598,749	-	5,598,749
8.04	Gatunduini Sec School	-	1,070,000	-	1,070,000	1,070,000	-
8.05	Kanoorero Secondary School	-	-	4,000,000	4,000,000	-	4,000,000
9.00	Kangema KMTC	13,099,000	-	-	13,099,000	13,099,000	-
10.00	Security Projects						
10.01	Kangema DCCs Office	1,566,720	-	-	1,566,720	-	1,566,720
11.00	Acquisition of assets						
11.01	Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.02	Construction of CDF office	-	-	-	-	-	-
11.03	Purchase of furniture and equipment	-	-	-	-	-	-
11.04	Purchase of computers	-	-	-	-	-	-
11.05	Purchase of land	-	-	-	-	-	-
12.00	Others						
12.01	Strategic Plan	3,500,000	-	-	3,500,000	-	3,500,000
12.02	Kangema NG-CDF Office	2,504,690	-	-	2,504,690	-	2,504,690
12.03	Kangema Electrification Matching Project	5,000,000	-	-	5,000,000	-	5,000,000
13.00	Constituency Oversight Committee	1,313,425			1,313,425		1,313,425

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

	Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
			Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
14.00	Funds pending approval**						
14.01	Mugechi Kaboro Primary School	4,000,000	-	-	4,000,000	-	4,000,000
14.02	AIA 2021-2022	-	28,500	-	28,500	-	28,500
14.03	AIA 2022-2023	-	37,500	-	37,500	-	37,500
14.04	Transfer of funds by PMCs to Main Account	-	1,766,652	-	1,766,652	-	1,766,652
	<b>Total</b>	<b>131,342,462</b>	<b>14,037,454</b>	<b>12,088,879</b>	<b>157,468,796</b>	<b>91,869,538</b>	<b>65,599,258</b>

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

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

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

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

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

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

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

##### **3. Reporting Currency**

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

##### **4. Significant Accounting Policies**

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

###### **a) Recognition of Receipts**

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

***Kangema Constituency***

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

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

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***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.

***Kangema Constituency***

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

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

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***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 Equivalent.**

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

**7. Accounts Receivable**

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

***Kangema Constituency***

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

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

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***Significant Accounting Policies continued***

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30<sup>th</sup> June 2022 for the period 1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**12. Comparative Figures**

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

***Kangema Constituency***

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

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

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***Significant Accounting Policies Continued***

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2023.

**14. Errors**

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

**15. Related Party Transactions**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

**Kangema Constituency**

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

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

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**XV. Notes To the Financial Statements**

**1. Transfers from NGCDF Board**

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO.		
B185086	7,000,000	
B206256	26,000,000	
B206374	12,000,000	
B205758	12,000,000	
B207520	15,000,000	
B207882	15,000,000	
B105652		44,000,000
B105791		22,000,000
B128528		5,000,000
B128840		12,000,000
B154037		12,000,000
B164479		18,000,000
B155836		24,088,879
B140916		33,000,000
<b>Total</b>	<b>87,000,000</b>	<b>170,088,879</b>

**2. Proceeds From Sale of Assets**

	2022-2023	2021-2022
	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**

	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	20,000	28,500
Hire of plant/equipment/facilities	17,500	-
Other Receipts Not Classified Elsewhere	1,766,652	-
<b>Total</b>	<b>1,804,152</b>	<b>28,500</b>

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

*Notes To the Financial Statements (Continued)*

**4. Compensation Of Employees**

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,942,800	1,875,000
Personal allowances paid as part of salary		-
House Allowance	124,000	-
Transport Allowance	155,000	-
Leave allowance		-
Gratuity to contractual employees	861,800	478,950
Employer Contributions Compulsory national social security schemes	58,120	59,400
<b>Total</b>	<b>3,141,720</b>	<b>2,413,350</b>

**5. Committee Expenses**

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	4,451,300	-
Other committee expenses	1,504,180	-
<b>Total</b>	<b>5,955,480</b>	<b>-</b>

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

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6. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	106,640	90,285
Communication, supplies and services	623,511	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	870,000	-
Hospitality supplies and services	46,300	-
Other committee expenses	-	-
Committee allowance	-	7,526,873
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	523,441	2,538,529
Fuel , oil and lubricants	452,957	703,886
Other operating expenses	-	-
Bank Charges	6,646	17,500
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	306,000	166,740
Routine maintenance- other assets	-	-
<b>Total</b>	<b>2,935,495</b>	<b>11,043,813</b>

**Kangema Constituency**

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

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

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

**7. Transfer To Other Government Units**

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	16,900,000	31,931,933
Transfers To Secondary Schools (See Attached List)	2,518,560	40,815,965
Transfers To Tertiary Institutions (See Attached List)	13,099,000	8,255,000
<b>Total</b>	<b>32,517,560</b>	<b>81,002,898</b>

**8. Other Grants and Other transfers**

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	24,175,500	32,229,000
Bursary – tertiary institutions (see attached list)	10,814,000	19,159,000
Bursary – special schools (see attached list)	500,000	174,500
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	8,265,000
Security projects (see attached list)	-	9,789,968
Sports projects (see attached list)	2,626,849	4,684,525
Environment projects (see attached list)	2,526,849	2,741,777
Emergency projects (see attached list)	6,676,085	9,650,000
Roads projects (see attached list)	-	-
Other projects	-	-
<b>Total</b>	<b>47,319,283</b>	<b>86,693,770</b>

**Kangema Constituency**

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

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

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

**9. Acquisition Of Assets**

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
<b>Total</b>	-	-

**10. Oversight Committee Expenses**

	2022-2023	<i>Insert Previous FY</i>
	Kshs	Kshs
Sitting allowance	-	-
Other committee expenses	-	-
<b>Total</b>	-	-

**11. Other Payments**

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

**Kangema Constituency**

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

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

**12. Cash Book Bank Balance**

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
<b>12A: Bank Accounts (Cash Book Bank Balance)</b>		
Kangema NG-CDF, Equity Bank, Kangema Branch - Account Number 0030294329608	9,170,030	12,233,302
	-	-
<b>Total</b>	<b>9,170,030</b>	<b>12,233,302</b>
<b>12 B: Cash on Hand</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>Specify</i> )	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**13. 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>

**Kangema Constituency**

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

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

**Notes to the Financial Statement Continued**

**14. Retention and Gratuity**

<b>14 A. Retention</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

<b>14 B. Gratuity</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
Gratuity as at 1 <sup>st</sup> July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	-	-

**15. Fund Balance B/F**

	<b>1<sup>st</sup> July 2022</b>	<b>1<sup>st</sup> July 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	12,233,302	23,269,755
Cash in hand	-	-
Imprest	-	-
Total	-	-
Less	-	-
Payables: - Retention	-	-
Payables - Gratuity	-	-
<b>Fund Balance Brought Forward</b>	<b>12,233,302</b>	<b>23,269,755</b>

**Kangema Constituency**

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

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

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**16. Prior Year Adjustments**

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	12,233,302	2,113	12,235,415
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>Total</b>	<b>12,233,302</b>	<b>2,113</b>	<b>12,235,415</b>

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

**17. Changes In Accounts Receivable – Outstanding Imprests**

	2022-2023	2021-2022
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Net changes in accounts Receivables D - A	-	-

**18. Changes In Accounts Payable – Deposits and Retentions**

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Net changes in accounts payables D-A	-	-

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

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

**19. Other Important Disclosures**

**19.1: Pending Accounts Payable (See Annex 1)**

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

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

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

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

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	1,911,318	1,449,257
Committee expense	2,393,943	-
Use of goods and services	8,118,613	11,138,990
Amounts due to other Government entities (see attached list)	31,236,049	10,370,000
Amounts due to other grants and other transfers (see attached list)	3,788,568	1,287,934
Acquisition of assets	-	-
Other Payments ( <i>specify</i> )	11,004,690	76,000
Constituency Oversight Committee	1,313,425	-
Funds pending approval	5,832,652	-
<b>Total</b>	<b>65,599,258</b>	<b>24,322,181</b>

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

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19.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	977,022	4,100,260
<b>Total</b>	<b>977,022</b>	<b>4,100,260</b>

XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2023	Comments
NG-CDFC Staff				
1.	-	-	-	-
2.				
3.				
Sub-Total	-	-	-	-
Grand Total	-	-	-	-

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

**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Compensation of employees		1,911,318	1,449,257	
Committee expense		2,393,943		
Use of goods & services		8,118,613	11,138,990	
Amounts due to other Government entities				
<b>Primary Schools Projects</b>				
Nduini Primary School		1,350,000		
Kibutha Primary School		1,500,000		
Wanjerere Primary School		1,500,000		
Rwathia Primary School		1,500,000		
Nyagatugu Primary School		500,000		
Kangema Primary School		2,500,000		
Kahiti Primary School		1,350,000		
Ihiga Primary School		1,500,000		
Gatunduini Primary School		1,000,000		
Nyakahura Primary School		1,850,000		
<b>Secondary Schools Projects</b>				
Iyego Secondary School		7,087,300		
Gakira Secondary School		5,598,749		
Kanoorero Secondary School		4,000,000	4,000,000	
<b>Tertiary Institutions</b>				
Kenya Medical Training College			6,370,000	
Sub-Total		31,236,049		
Amounts due to other grants and other transfers				
<b>Emergency</b>				
Emergency		1,020,312	60,207	
<b>Bursary and Social Security</b>				
Secondary Schools		569,825	651,879	
Tertiary Institutions		427,117	471,255	

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

Name	Brief Transaction Description	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
Special Schools		24,347	24,347	
Social Security		80,246	80,246	
<b>Environment</b>				
NG-CDF Office		100,000		
Gatangara Assistant Chief Office		-		
Gakira AP Camp		-		
<b>Security Projects</b>				
Kangema DCCs Office		1,566,720		
Sub-Total		<b>3,788,568</b>		
<b>Acquisition of assets</b>		-		
<b>Other Projects</b>				
Strategic Plan		3,500,000		
Kangema NG-CDF Office		2,504,690		
Kangema Electrification Matching Project		5,000,000		
Sub-Total		<b>11,004,690</b>		
Constituency Oversight Committee		1,313,425		
Funds pending approval			76,000	
Mugechi Kaboro Primary School		4,000,000		
Returns by PMCs to Main Account		1,766,652		
AIA				
AIA 2021-2022		28,500		
AIA 2022-2023		37,500		
Sub-Total		<b>5,832,652</b>		
<b>Grand Total</b>		<b>65,599,258</b>	<b>24,322,181</b>	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	84,017,932	-	-	84,017,932
Transport equipment	6,526,757	-	-	6,526,757
Office equipment, furniture and fittings	1,199,483	-	-	1,199,483
ICT Equipment, Software and Other ICT Assets	1,263,204	-	-	1,263,204
Other Machinery and Equipment	299,995	-	-	299,995
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>93,307,371</b>	<b>-</b>	<b>-</b>	<b>93,307,371</b>

**Kangema Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2023**  
**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023**

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Gacharaigu Primary School pmc	Equity, Kangema	0030279816118	-	2,294.00
Gatunduini Primary school	Equity, Kangema	0030279904700	-	6,598.00
Githiga Assistant Chief's Office Pmc	Equity, Kangema	0030279910539	-	368.00
Githiga Primary School pmc	Equity, Kangema	0030299915412	-	1,534.00
Githima Primary School pmc	Equity, Kangema	0030299973358	-	148,918.00
Gitugu Primary School Pmc	Equity, Kangema	0030279889135	-	(25.65)
Gitugu Secondary School Pmc	Equity, Kangema	0030299858709	-	376.00
Holy Rosary primary School pmc	Equity, Kangema	0030299932007	-	1,357.00
Ichichi Primary School pmc	Equity, Kangema	0030299796655	-	5,695.00
Iyego Primary School Pmc	Equity, Kangema	0030260476490	79,367.50	1,150.00
Kahiti Primary School pmc	Equity, Kangema	0030279899035	-	2,075.00
Kangema Adult Education Pmc	Equity, Kangema	0030169908805	-	300.00
Kangema Kenya Medical Training College	Equity, Kangema	0030280578546	-	305.00
Kangema Primary School pmc	Equity, Kangema	0030280531376	90,802.00	-
Kanguru Assistant Chief's Office Pmc	Equity, Kangema	0030299789110	-	7,413.00
Kanguru Primary School pmc	Equity, Kangema	0030279906974	-	420,290.00
Kanorero Secondary school pmc	Equity, Kangema	0030299797351	-	1,366.00
Kanyenyaini Chief's Office Pmc	Equity, Kangema	0030279011037	-	98,360.00
Kanyenyaini Secondary School pmc	Equity, Kangema	0030260424839	-	6,677.00
Karura Primary School Pmc	Equity, Kangema	0030299796654	-	73,893.00
Karuri Primary School Pmc	Equity, Kangema	0030277716302	-	2,015.00
Karurumo Primary School pmc	Equity, Kangema	0030279780169	99,487.50	2,047.00
karurumo Secondary School	Equity, Kangema	0030279795477	-	1,135.00
Kayu Primary School Pmc	Equity, Kangema	0030264380371	-	4,095.00
Kenya Njeru Assistant Chief's Office Pmc	Equity, Kangema	0030299789126	-	913.00
Kiairathe Secondary School pmc	Equity, Kangema	0030299824939	-	24,525.00
Kiangunyi Primary School pmc	Equity, Kangema	0030261706532	-	7,655.00
Kiawairegi Primary School	Equity, Kangema	0030299794045	-	1,022.00
Kiawambogo Police post Pmc	Equity, Kangema	0030279429147	-	210.00
Kiawambogo Primary School Pmc	Equity, Kangema	0030279883732	-	128.00
Kiawambogo Seondary School Pmc	Equity, Kangema	0030260487616	-	1,020,285.00
Kibutha Assistant Chief's Office Pmc	Equity, Kangema	0030277436610	-	30,892.00
Kibutha Primary School	Equity, Kangema	0030299903747	-	9,149.00

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Kihoya Acc's Office Pmc	Equity, Kangema	0030278833449	-	768.00
Kiruri Boys Secondary School Pmc	Equity, Kangema	0030296818175	-	31,268.00
Kiruri Chief's office pmc	Equity, Kangema	0030273107648	-	600,439.00
Kiruri Primary School	Equity, Kangema	0030281052473	-	3,620.00
Muguru Primary School pmc	Equity, Kangema	0030260521854	100,000.00	145,816.00
Muguru Secondary School pmc	Equity, Kangema	0030260521677	-	12,264.00
Nduini Primary School Pmc	Equity, Kangema	0030292551699	100,000.00	72,071.00
Ngoeini Primary School Pmc	Equity, Kangema	0030264352670	-	12,068.00
Nyagatugu Assistant Chief's Office Pmc	Equity, Kangema	0030260510253	-	105.00
Nyagatugu Primary School Pmc	Equity, Kangema	0030269044599	100,000.00	10,874.00
Nyagatugu Secondary School pmc	Equity, Kangema	0030101551487	-	51,931.00
Muruguru Secondary School	Equity, Kangema	0030299194062	-	12,264.00
Nyakahura Ap Camp Pmc	Equity, Kangema	0030270076811	-	550.00
Rwathia ACCs Office Pmc	Equity, Kangema	0030279799827	-	988.00
Rwathia Chief's Office Pmc	Equity, Kangema	0030299789784	-	87,484.00
Rwathia Girls secondary School pmc	Equity, Kangema	0030261597477	-	2,808.00
Rwathia Mixed Secondary Sch pmc	Equity, Kangema	0030260378894	-	270.00
Rwathia Primary School	Equity, Kangema	0030270074204	-	3,836.00
St. John's Kiruri Primary School	Equity, Kangema	0030281029538	-	2,876.00
Tuthu Assistant Chief's Office Pmc	Equity, Kangema	0030278850959	-	23,918.00
Tuthu chief's Office Pmc	Equity, Kangema	0030278347279	-	1,668.00
Tuthu Primary School	Equity, Kangema	0030281072657	-	230.00
Wanjerere Primary School Pmc	Equity, Kangema	0030264383678	79,007.50	1,785.00
Wanjerere Secondary School Pmc	Equity, Kangema	0030262063801	-	974,015.00
Ihiga Primary School	Equity, Kangema	0030280795405	-	950.00
Kenya-Njeru Primary School	Equity, Kangema	0030280999742	-	10.00
Kiairathe Primary School	Equity, Kangema	0030280795876	-	1,385.00
Kiangunyi Girls Secondary School	Equity, Kangema	0030281037279	-	140.00
Ngooro Primary School	Equity, Kangema	0030281029286	-	(783.00)
Thirikwa Primary School	Equity, Kangema	0030280877894	-	4,050.00
Watuha Primary School Pmc	Equity, Kangema	0030280127613	-	2,477.00
Nyakahura Primary School pmc	Equity, Kangema	0030279409175	4,226.50	-
Gakira Ap Camp pmc	Family, Kangema	009000024618	150.00	-
Njii-Ithatu Secondary School	Family, Kangema	009000018488	-	305.00
Gatunduini Secondary School Pmc	Family, Kangema	009000014340	-	14,465.00

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

PMC	Bank	Account number	Bank Balance Current FY	Bank Balance Previous FY
Githunguri Assistant Chief's Office pmc	Family, Kangema	009000012106	-	231.00
Ihiga Secondary School pmc	Family, Kangema	009000014342	-	27,586.00
Ihigaini Assistant Chief's office pmc	Family, Kangema	009000018471	-	5,694.00
Kahiti Primary School pmc	Family, Kangema	009000012014	-	1,381.00
Kangema K.M.T.C Pmc	Family, Kangema	009000021661	-	6,471.00
Kangema KMTC Pmc	Family, Kangema	009000022007	-	472.00
Kiamara Police Post Pmc	Family, Kangema	009000014335	-	46,912.00
Kibutha Girls Secondary School pmc	Family, Kangema	009000014339	-	129.00
Kihoya Chief's Office Pmc	Family, Kangema	009000020289	-	-1.69
Mugechi Kaboro Pry School Pmc	Family, Kangema	009000017891	-	37.00
Ngoeini Assistant Chief's Office Pmc	Family, Kangema	009000011973	-	19.00
Nyakahura Sec School Pmc	Family, Kangema	009000024669	100,000.00	-
Watuha Secondary School pmc	Family, Kangema	009000024615	100,000.00	-
Tuthu Primary School	Family, Kangema	009000024607	100,000.00	-
Iyego secondary school pmc	Family, Kangema	009000014320	23,980.80	-
Karuri primary school pmc	Family, Kangema	009000024764	-	-
<b>Total</b>			<b>977,022</b>	<b>4,100,260</b>

**Annex 6: Progress On Follow Up of Auditor Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	<p><b>Un-surrendered Bank Balance</b></p> <p>The financial statements and as disclosed in Note 17.4 and Annex 5 reflect Project Management Committee (PMC) bank accounts balance of Kshs.4,100,260 which had not been transferred to the Fund. No explanation was given for failure to close the accounts and transfer the balances to the Constituency bank account contrary to the requirements of Section 12(8) of the NGCDF Act, 2015, which requires that all unutilized funds of the project management committee shall be returned to the Constituency account. In the circumstances, Management was in breach of the law.</p>	<p>Kangema NG-CDFC has since written to the respective PMCs regarding transfer of un-utilized funds and a total of Kshs. 1,766,652.30 has been transferred by PMCs to Kangema NG-CDF main account</p>	Resolved	-

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.0	<p><b>Irregular Staff Salaries</b></p> <p>The statement of receipts and payments and as disclosed in Note 4 to the financial statements reflects Kshs. 2,413,350 in respect of compensation of employees. However, the scales were different from the remuneration and salary scale for the employees as per the National Government Constituencies Development Fund Board Circular Reference No. CDF Board/ Circular/ Vol/1.1/166 of 24 June, 2013 thereby resulting to over payment of salaries by Kshs.1,051,452.</p> <p>In the circumstances value for money was not realised on the Kshs.1,051,572 overpayment for the year ended.</p>	<p>Following gazettelement of the new NG-CDF committee and expiry of contract of the former employees, the management has employed new staff as per the NG-CDF Board Circular Ref. No CDF Board/ Circular/ Vol/1.1/166 dated 24 June, 2013 and as per the NG-CDFC resolution vide minutes of 24<sup>th</sup> January 2023</p>	Resolved	-



.....  
**Caroline Kiama**  
**Fund Account Manager**

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