

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY	
DATE: 20 JUL 2020	DAY: WED
TABLED BY:	MDN. NAOMI WAGGAI MP
CLERK-OF-THE-TABLE:	Deputy majority whip Fintayo Muriuki

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OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KIRINYAGA CENTRAL CONSTITUENCY**

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



KIRINYAGA CENTRAL CONSTITUENCY

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th JUNE 2022

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



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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Kenneth Kariuki
2.	Sub-County Accountant	Nahason N. Mathagu
3.	Chairperson NGCDFC	Sylvia Wanja Munyi
4.	Member NGCDFC	Charles Muriithi Munene

(d) Fiduciary Oversight Arrangements

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

(e) Kirinyaga Central Constituency NGCDF Headquarters

P.O. Box 753-10300 Kerugoya
Kerugoya Chief's Compound
Kerugoya Town

(f) Kirinyaga Central Constituency NGCDF Contacts

E-mail: cdfkirinyagacentral@gmail.com
Website: www.kirinyagacentralcdf.org

(g) Kirinyaga Central Constituency NGCDF Bankers

Cooperative Bank (specify the constituency account banker details)

Kerugoya Branch

P.O Box 635-10300

Kerugoya

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

II. NG-CDFC Chairman's Report



Dear Stakeholders,

I am pleased to present to you the annual report and financial statements for Kirinyaga central National Government Constituency Development Fund for the financial year that ended on 30th June 2022.

Introduction

Kirinyaga Central Constituency is one of the four constituencies of Kirinyaga County in the republic of Kenya. The other Constituencies are: Mwea, Gichugu and Ndia. The Constituency has a population of over 200,000 residents, the main economic activity being farming, in all its form, e.g. Subsistence farming, dairy farming, Horticulture, Tea, Coffee and Rice farming in swampy areas of Kanyekiini Ward. Due to the high population, the Constituency has a number of challenges which the National Government Constituency Development fund committee has to deal with. Especially during this period, the country is struggling to recover from the effects of corona virus pandemic and its effects on the country's economy. Despite these effects the Kirinyaga Central NG-CDF committee has performed well as indicated in the budget performance.

BUDGET PERFORMANCE

The Kirinyaga Central NG-CDF committee budgeted for Kshs 137,088,879 with an additional budget roll-over from the previous years of Kshs 47,987,730 giving a total fund available for use in the financial year as Kshs 185,459,609. During the year a total of Kshs 170,088,879 was disbursed from the NG-CDF board to Kirinyaga Central NG-CDF leaving a balance of Kshs 12,088,879. The disbursed amount was spent on the development projects as shown in the table below:

Programme/Sub-programme	Original Budget (a)	Adjustments (b)		Final Budget (c=a+b)	Actual on comparable basis (d)	Budget utilization difference (e=c-d)	% of Utilization (f=d/c)
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2021/2022	30/06/2022	2021/2022	
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Bursary and Social Security Programme							
Bursary Secondary Schools	27,000,000	0	13,000,000	40,000,000	40,000,000	0	100.0
Bursary Tertiary Schools	13,000,000	0	7,000,000	20,000,000	20,000,000	0	100.0

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Bursary Vocational Training	5,450,000			5,450,000	0	5,450,000	0.0
Sub-Total	45,450,000		20,000,000	65,450,000	60,000,000	5,450,000	91.7
2.0 Sports							
Sports	2,740,400	0	2,740,400	5,480,800	5,374,990	105,810	98.1
Sub-Total	2,740,400	0	2,740,400	5,480,800	5,374,990	105,810	98.1
3.0 Environment							
Kiabarikiri Primary School Pupils Toilet	2,250,000	0	0	2,250,000	2,250,000	0	100.0
Kirimunge Primary School			410,000	410,000	410,000	0	100.0
Sub-Total	2,250,000	0	410,000	2,660,000	2,660,000	0	100.0
4.0 Primary School Projects							
Gatuto Primary School	450,000	0	0	450,000	450,000	0	100.0
Gatwe Primary School	3,600,000	0	0	3,600,000	3,600,000	0	100.0
Kagumo CCM Primary School	450,000	0	0	450,000	450,000	0	100.0
Kiamuruga Primary School	2,250,000	0	0	2,250,000	2,250,000	0	100.0
Kamuiru Primary School	450,000	0	0	450,000	450,000	0	100.0
Kiaga Primary School	450,000	0	0	450,000	450,000	0	100.0
Kiandieri Primary School	450,000	0	0	450,000	450,000	0	100.0
Kiangungu Primary School	2,700,000	0	2,814,904	5,514,904	2,700,000	2,814,904	49.0
Kiaritha Primary School	450,000	0	0	450,000	450,000	0	100.0
Kirimunge Primary School	450,000	0	0	450,000	450,000	0	100.0
Mugwandi Primary School	450,000	0	0	450,000	450,000	0	100.0
Mukinduri Primary School	450,000	0	0	450,000	450,000	0	100.0
Mutira Primary School	450,000	0	0	450,000	450,000	0	100.0
Mutitu Primary School	450,000	0	0	450,000	450,000	0	100.0
Mutuma Primary School	450,000	0	0	450,000	450,000	0	100.0
Njega Primary School	450,000		0	450,000	450,000	0	100.0
Thaita Primary School	450,000		0	450,000	450,000	0	100.0

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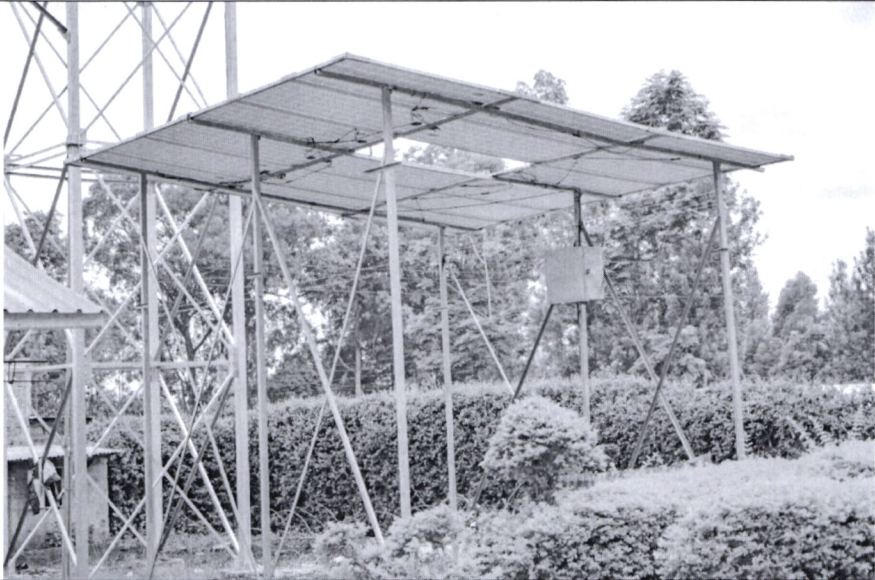
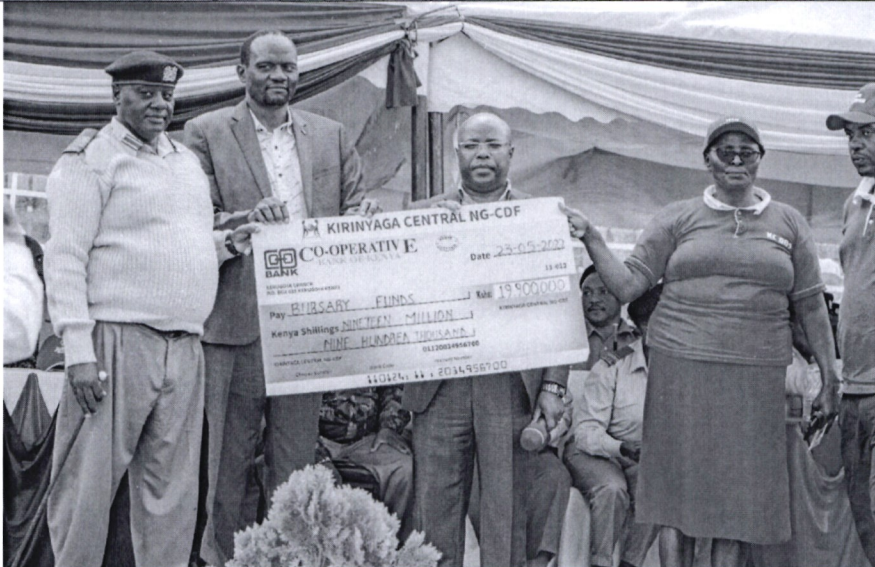

Waigiri Primary School	450,000		0	450,000	450,000	0	100.0
Primary School lockers and Chairs	0	0	4,500,000	4,500,000	0	4,500,000	0.0
Mukinduri Primary School Water project			2,000,000	2,000,000	0	2,000,000	0.0
Kaitheri Primary School			370,000	370,000	370,000	0	100.0
Sub-Total	15,300,000	0	9,684,904	24,984,904	15,670,000	9,314,904	62.7
5.0 Secondary School Projects							
Karaini Secondary School	8,650,000	0		8,650,000	8,650,000	0	100.0
Kiaga Secondary School	8,140,000	0	0	8,140,000	8,140,000	0	100.0
Gitwe Secondary School	9,600,000	0	600,000	10,200,000	10,200,000	0	100.0
Kiandieri Secondary School	2,600,000			2,600,000	2,600,000	0	100.0
Kirigo Secondary School	2,600,000			2,600,000	2,600,000	0	100.0
Mutitu Secondary School	7,990,000			7,990,000	7,990,000	0	100.0
St John Thaita Secondary School	3,501,272			3,501,272	3,501,272	0	100.0
St Joseph Secondary School			4,100,000	4,100,000	4,100,000	0	100.0
Sub-Total	43,081,272	0	4,700,000	47,781,272	47,781,272	0	100.0
6.0 Security Projects							
Kagumo Assistant Chiefs Office	8,500,000	0	0	8,500,000	8,500,000	0	100.0
Kianjege Chiefs Office	350,000	0		350,000	350,000	0	100.0
Mutitu ACC Office		258,355	1,401,735	1,660,090	481,683	1,178,407	29.0
Total	8,850,000	258,355	1,401,735	10,510,090	9,331,683	1,178,407	88.8
7.0 Others							
NG-CDF Office	0	320	1,595,568	1,595,888	0	1,595,888	0.0
Office laptop	150,000			150,000	149,000	1,000	99.3
Sub-Total	0	320	1,595,568	1,745,888	149,000	1,596,888	8.5
8.0 unallocated fund							
Unapproved projects	0	0	0	0	0	.0	0
AIA	383,000	426,000	0	809,000	0	809,000	0.0

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PMC savings	0	0	0	0	0	0	0
Total	383,000	426,000	0	809,000	0	809,000	0.0
GRAND TOTAL	137,321,879	2,898,850	45,088,880	185,459,609	153,748,131	31,711,478	82.9

Kirinyaga Central NG-CDF key achievements

Kirinyaga Central NG-CDF committee has made a lot of achievements through implementation of a number of education, environment, sports, and security among other projects as stated below:


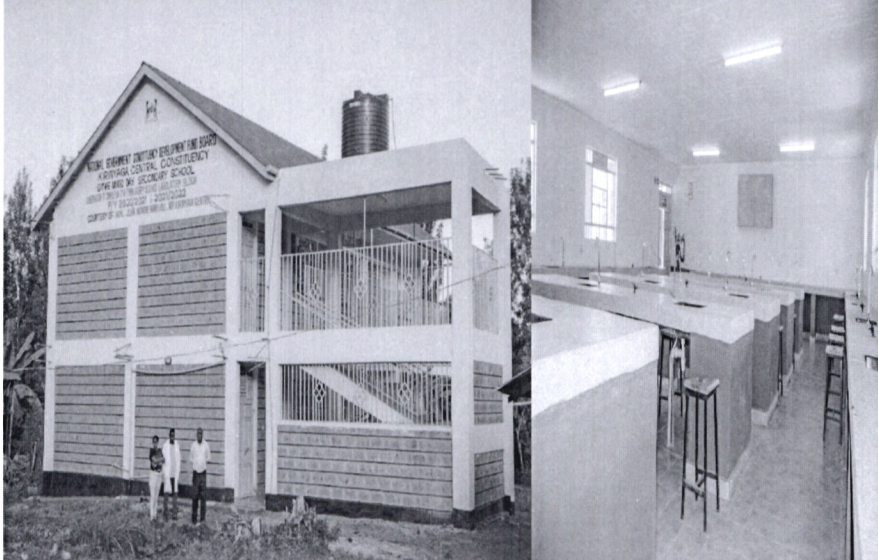

	<p>Drilled and equipped borehole at Mutitu Secondary School</p>
	<p>Supporting Needy Students through bursary funds. A total of Kshs 19,900,000 distributed to needy students from different institutions</p>
	<p>Constructed to completion of Mutitu ACC Office</p>

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**Pupils Ablution Block
constructed to completion at
Kiamuruga Primary school.**

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		<p>Sponsoring the youths from 34 football and 34 Netball clubs With Uniforms and Other Games Equipment</p>
		<p>Kirimunge Secondary School Constructed to completion Twin Story Science Laboratory</p>
		<p>Constructed to completion two classrooms at Kiandieri Secondary School</p>

List of emerging issues related to the Kirinyaga Central NG-CDF

- Inadequate funds: There is need to increase the NG-CDF fund allocation so that the numerous community needs can be met.
- Difficulties in project supervision during implementation due to different command centres: to improve the supervision of the Kirinyaga Central NG-CDF projects being implemented there need to be a common communication from the NG-CDF board to other government ministries involved in these supervisions defining their roles and entitlements, so that there be in turn an official communication from the respective ministry head-quarters to their field officers on their roles during NG-CDF projects implementation especially ministry of infrastructure and public works.

The Projects Implementation Challenges

During the collection of the project proposal meetings from the members of the public a lot of needs were presented to the committee. Unfortunately, only a few needs could be included in this budget proposals to the NG-CDF board due to the funds allocated for the Kirinyaga Central NG-CDF which was kshs 137,088,879. Some of the Major needs presented to the committee were: Renovation of classrooms for Primary and secondary schools, construction of new classrooms due to the increased number of students, Construction of secondary schools' science laboratories and many others, to mention just a few. Given that the needs are very many compared to the allocated funds, this has forced the NG-CDF committee to concentrate on funding a few projects which have high positive impacts on the community livelihoods. The budget utilization has been doing fairly well since we started but due to the effects of corona virus pandemic the government has not been able to release the funds to the constituencies in time resulting to low budget utilization of 82.9% of the total allocation, other challenges are as a result of the NG-CDF board delayed release of constituency budget ceilings, slow rate of processing re-allocation requests and re-submission approvals.

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**Name: Sylvia Wanja Munyi
CHAIRPERSON NGCDF COMMITTEE**

III. Statement of Performance against Predetermined Objectives for FY2021/22

Introduction

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

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

- a) Collaborate in improving learning/educational infrastructure;
- b) Augment the security welfare;
- c) Enhance youth empowerment;
- d) Strengthen governance, operational capacity and institutional development.
- e) Ensure environmental sustainability

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	<p>In FY 20/21 -we increased number of renovated primary schools' classrooms by approximately 90 distributed in five primary schools, school offices by 15 in five primary schools. The five (5) primary Schools includes: (Mutuma, Waigiri, St. Joseph, Gathuthuma and Kiamutaira primary schools)</p> <p>Laboratories by three (3) from 31(thirty one) to 34(thirty-) in four in the following schools/ institutions :(Secondary Schools: St Joseph, Gitwe and Karaini Sec School)</p>

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Security	To have a constituency free of criminal activities	Improved security network in the constituency	Construction and improvement of security facilities in the constituency	In the financial year 2021/2022 one security facility have been renovated(Kianjege assistant chief's office) While one new facilities have been constructed to completion (Mutitu assistant county commissioner's office block)
Environment	To have a constituency with well sustained environment	Reduced environmental degradation	Reduced cases of diseases outbreak in schools and also reduced soil erosion in schools	Three modern septic pupils toilets constructed to completion (Kirimunge, Kaitheri and Kiamuruga pupils' septic toilet blocks) and five primary schools renovated, three science laboratories constructed to completion and fitted with gutters and other water goods to collect and control rain water
Sports	To identify and nurture the youths talents	Reduced youth idleness	Reduced cases of crime	In the financial year 2021/2022 a total of 34 football clubs and 34 netball clubs were issued with sports equipment and kits to enhance their sporting activities.

IV. Environmental and Sustainability Reporting

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 2021/2022 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

The community around the five renovated primary schools and the three completed to completion science laboratories were educated on the important of fitting their houses with gutters to collect rain water, by doing this the community is going to reduce the run-off water which causes soil erosion and hence environmental degradation.

3. Employee welfare

We invest in providing the best working environment for our employees. Kirinyaga Central 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 citizens of Kirinyaga Central, 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. Kirinyaga Central 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-

Kirinyaga Central 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 interests

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and

policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision. The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

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


FUND ACCOUNT MANAGER
NG - GDF KIRINYAGA CENTRAL
02 MAY 2023
P. O. BOX 755 - 10300,
KERUGOYA.

Name: Kenneth Kariuki

Fund Account Manager

V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Kirinyaga Central Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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

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

Approval of the financial statements

The NGCDF- Kirinyaga Central Constituency financial statements were approved and signed by the Accounting Officer on 2/5/ 2023.

.....


Name: Sylvia Wanja Munyi
Chairperson – NGCDF Committee

.....


Name: Kenneth Kariuki
Fund Account Manager



REPUBLIC OF KENYA



Enhancing Accountability

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HEADQUARTERS
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NAIROBI

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kirinyaga Central Constituency set out on pages 1 to 43, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and summary statement of 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kirinyaga Central Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Note 10 to the financial statements, reflects a balance of Kshs.19,622,599 in respect to cash and cash equivalents. However, review of bank reconciliations for the month of June, 2022 revealed reconciling items (un-presented cheques) amounting to Kshs.3,755,469, out of which Kshs.137,000 relate to un-presented cheques which were stale and were still outstanding at the time of audit in the month of March, 2023.

In the circumstances, the validity, completeness and accuracy of the cash and cash equivalents balance of Kshs.19,622,599 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 - Kirinyaga Central Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

The summary statement of appropriation reflects total payments budget of Kshs.185,459,609 against actual payments of Kshs.153,748,131, resulting to under absorption of Kshs.31,711,478 or 17%. This is an indication that some activities and budgeted projects may not have been implemented.

In addition, the bank balance reflected Kshs.19,622,599 in respect to cash released by the Board but not spent by the Fund. Failure to spend funds released by the Board denied the residents of the Constituency equivalent services.

Further, the summary statement of appropriation reflects funds pending approval balance of Kshs.809,000 in respect to other receipts.

In the circumstances, under expenditure may have affected the planned activities and may have impacted negatively on service delivery to the public.

2.0 Unresolved Prior Year Issues

In the report of the previous year, several issues were raised under Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Although the Management has indicated that some of the issues have been resolved as at 30 June, 2022, no documentation was provided indicating if the issues were resolved or not.

In the circumstances, the issues remain unresolved.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Asset Management

Annex 4 to the financial statements reflects summary of fixed assets register amount of Kshs.52,901,324. However, included in this balance is Kshs.461,181 in respect of old and damaged computers/accessories, cameras that have since been stolen and furniture and fittings which are not in use. Further, included in the asset register are seven (7) computers and accessories from the Board of un-known value with five (5) of them being old and not in use (spoilt). In addition, the balance of Kshs.52,901,324 excludes an amount of Kshs.675,540 described as land donation to the ministry of ICT. However, supporting documents and approval for the donation were not provided, contrary to Regulation 143 of the Public Finance Management (National Government) Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his control or possession as prescribed by the relevant laws.

In addition, the following other anomalies were noted in regard to fixed assets management;

- i. Most of the assets were not tagged and asset movement's registers were not appropriately kept.
- ii. The assets were not insured against any risk
- iii. The assets had not been valued to determine the economic value.
- iv. There was no evidence of any disposal having ever been done yet there were several bonded/damaged beyond repair items kept in the respective departments.

In the circumstances, Management was in breach of the law. In addition, the effectiveness of the asset management systems in place at the Fund could not be confirmed.

2.0 Project Implementation Status

Review of project records and field verifications revealed the following;

i. Delayed Projects

The Fund had six projects worth Kshs.35,191,272 whose expected completion period had lapsed. Delay in project completion is an indication that the Fund did not comply with Regulation 11(1)(j) of the National Government Constituencies Development Fund Regulations, 2016 which states that the constituency committee shall ensure that all projects receive adequate funding and are completed within three years.

ii. Under Absorption/Utilization of Funds in Project Execution

Review of the table on budget performance under the chairperson's report revealed six (6) projects with estimated cost of Kshs.20,720,882 had funds utilization below 50% as shown below;

	Project Name	Total Available for the Project (Kshs.)	Project Expenditure as at 30 June, 2022 (Kshs.)	Balance at the End of Financial Year (Kshs.)	% of Funds Utilization (Kshs.)
1.	Bursary Vocational Training	5,450,000	-	5,450,000	0%
2.	Kiangungu Primary School	5,514,904	2,700,000	2,814,904	49%
3.	Primary School lockers and Chairs	4,500,000	-	4,500,000	0%
4.	Mukinduri Primary School Water project	2,000,000	-	2,000,000	0%
5.	Mutitu ACC Office	1,660,090	481,683	1,178,407	29%
6.	NG-CDF Office	1,595,888	-	1,595,888	0%
	Total	20,720,882	3,181,683	17,539,199	

In the circumstances, under-utilization may have affected the planned activities and may have impacted negatively on service delivery to the public.

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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements

are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

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

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

29 May, 2023

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

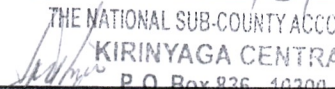
VII. Statement of Receipts and Payments for the Year Ended 30th June 2022

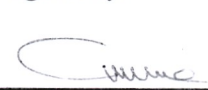
	Note	2021-2022	2020-2021
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	170,088,879	161,367,724
Proceeds from Sale of Assets	2	-	-
Other Receipts (Partial office rent and tender sales)	3	383,000	426,000
TOTAL RECEIPTS		170,471,879	161,793,724
PAYMENTS			
Compensation of employees	4	2,448,128	3,208,307
Use of goods and services	5	10,333,058	8,015,804
Transfers to Other Government Units	6	63,451,272	94,886,015
Other grants and transfers	7	77,366,673	36,003,801
Acquisition of Assets	8	149,000	19,988,526
Other Payments	9	-	-
TOTAL PAYMENTS		153,748,131	162,102,453
SURPLUS/DEFICIT		16,723,748	(308,729)

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

The Constituency financial statements were approved on 2/5/2023 2023 and signed by:


 Fund Account Manager

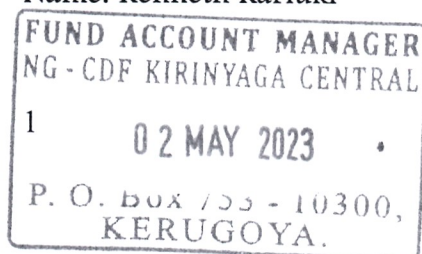

 THE NATIONAL SUB-COUNTY ACCOUNTANT
 KIRINYAGA CENTRAL
 P. O. Box 826 - 10300,
 KERUGOYA
 National Sub-County
 Accountant


 Chairman NG-CDF
 Committee

Name: Kenneth Kariuki

Name: Nahason N. Mathagu
 ICPAK M/No: 20475

Name: Sylvia Wanja Munyi



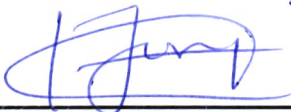
Kirinyaga Central *Constituency*
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

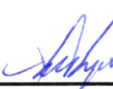
VIII. Statement of Assets and Liabilities as At 30th June, 2022


	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	19,622,599	2,898,850
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		19,622,599	2,898,850
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		19,622,599	2,898,850
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
NET FINANCIAL ASSETS		19,622,599	2,898,850
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	2,898,850	3,206,133
Prior year adjustments	14	-	1,446
Surplus/Deficit for the year		16,723,748	(308,729)
NET FINANCIAL POSITION		19,622,598	2,898,850

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

The Constituency financial statements were approved on 2/5/ 2023 and signed by:


 Fund Account Manager


 THE NATIONAL SUB-COUNTY ACCOUNTANT
 KIRINYAGA CENTRAL
 P. O. Box 836 - 10300,
 KERUGOYA
 National Sub-County
 Accountant


 Chairman NG-CDF
 Committee

Name: Kenneth Kariuki
FUND ACCOUNT MANAGER
NG - CDF KIRINYAGA CENTRAL
02 MAY 2023
 P. O. Box 103 - 10300,
 KERUGOYA.

Name: Nahason N Mathagu
 ICPAK M/No: 20475

Name: Sylvia Wanja Munyi

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

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


		2021-2022	2020-2021
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	170,088,879	161,367,724
Other Receipts	3	383,000	426,000
		170,471,879	161,793,724
Payments for operating activities			
Compensation of Employees	4	2,448,128	3,208,307
Use of goods and services	5	10,333,058	8,015,804
Transfers to Other Government Units	6	63,451,272	94,886,015
Other grants and transfers	7	77,366,673	36,003,801
Other Payments	9	-	-
		153,599,131	142,113,927
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	1,446
Net Adjustments		-	1,446
Net cash flow from operating activities		16,872,748	19,681,243
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(149,000)	(19,988,526)
Net cash flows from Investing Activities		(149,000)	(19,988,526)
NET INCREASE IN CASH AND CASH EQUIVALENT		16,723,748	(307,283)
Cash and cash equivalent at BEGINNING of the year	10	2,898,850	3,206,133
Cash and cash equivalent at END of the year		19,622,598	2,898,850

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

The Constituency financial statements were approved on 2/5/2023 2023 and signed by:


 Fund Account Manager

THE NATIONAL SUB-COUNTY ACCOUNTANT
 KIRINYAGA CENTRAL
 P.O. Box 836 - 10300,
 KERUGOYA
 National Sub-County
 Accountant


 Chairman NG-CDF
 Committee

Name: Kenneth Kariuki

Name: Nahason N. Mathagu
 ICPAK M/No: 20475

Name: Sylvia Wanja Munyi



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

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

Receipt/Expense Item	Original Budget a	Opening Balance (C/Bk) and AIA	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS			Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	2,898,850	45,088,880	185,076,609	172,987,729	12,088,880	93.4%
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts	383000			383,000	383,000	-	100.0%
TOTAL RECEIPTS	137,471,879	2,898,850	45,088,880	185,459,609	173,370,729	12,088,880	93.4%
PAYMENTS							
Compensation of Employees	3,058,574	400,000	890,000	4,348,574	2,448,128	1,900,446	56.3%
Use of goods and services	9,016,426	1,814,175	3,666,272	14,496,873	10,333,058	4,163,815	71.3%
Transfers to Other Government Units	58,381,272	0	14,384,904	72,766,176	63,451,272	9,314,904	87.2%
Other grants and transfers	66,482,607	258,355	24,552,136	91,293,098	77,366,673	13,926,425	84.7%
Acquisition of Assets	150,000	320	1,595,568	1,745,888	149,000	1,596,888	8.5%
Other Payments	0		0	0	-	-	0.0%
Funds pending approval**	383000	426000		809,000	-	809,000	0.0%
TOTAL	137,471,879	2,898,850	45,088,880	185,459,609	153,748,131	31,711,478	82.9%

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

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

Receipt/Expense Item	Original Budget	Opening Balance (C/Bk) and AIA	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS			Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	125,013,879	258,675	40,532,608	165,546,487	153,457,608	12,088,879	92.7%
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts							
TOTAL RECEIPTS	125,013,879	258,675	40,532,608	165,546,487	153,457,608	12,088,879	92.7%
PAYMENTS							
Transfers to Other Government Units	58,381,272	0	14,384,904	72,766,176	63,451,272	9,314,904	87.2%
Other grants and transfers	66,482,607	258,355	24,552,136	91,034,743	77,366,673	13,668,070	85.0%
Acquisition of Assets	150,000	320	1,595,568	1,745,568	149,000	1,596,568	8.5%
Other Payments	0		0	0		-	0.0%
TOTAL	125,013,879	258,675	40,532,608	165,546,487	140,966,945	24,579,542	85.2%

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

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization Difference	% of utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA				
Transfers from NG-CDF Board	12,225,000	4,556,272	16,781,272	16,781,272	-	100.0%
Proceeds from Sale of Assets					-	0.0%
Other Receipts					-	
TOTAL RECEIPTS	12,225,000	4,556,272	16,781,272	16,781,272	-	100.0%
PAYMENTS						
Compensation of Employees	3,058,574	890,000	3,948,574	2,448,128	1,500,446	62.0%
Use of goods and services	9,016,426	3,666,272	12,682,698	10,333,058	2,349,640	81.5%
TOTAL	12,075,000	4,556,272	16,631,272	12,781,186	3,850,086	76.9%

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

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

- A revenue of Kshs 809,000 from the whole of AIA having been collected from partial NG-CDF office rent (Kshs 798,000) and sale of tender documents (Kshs 11,000).

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- The under-expenditure below 90% occurred as a result of delayed fund disbursement by the NG-CDF board, which allowed no enough time to incur expenditure. This delay is from release of budget ceiling to disbursement of project funds.

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

The difference between original and final budget are as a result of the following


Budgetary Item	Original Budget	Cashbook Opening Balance For The Year 2020/2021 In Ng-Cdf Account (Cashbook Balance	Approved Budget Not Yet Disbursed By The Ng-Cdf Board At The Close Of The Year 2019/2020 and disbursed in the year 2020/2021	Final Budget
Compensation of Employees	3,058,574	400,000	890,000	4,348,574
Use of goods and services	9,016,426	1,814,175	3,666,272	14,496,873
Transfers to Other Government Units	58,381,272	0	14,384,904(re-allocation from other grants & transfers)	72,766,176
Other grants and transfers	66,482,607	258,355	24,552,136	91,293,098
Acquisition of Assets	150,000	320	1,595,568 (re-allocation from other grants & transfers except Kshs 320)	1,745,888
Other Payments	0	0	0	0
Funds pending approval**	383000	426000		809,000
TOTAL	137,471,879	2,898,850	45,088,880	185,459,609

**Kirinyaga Central Constituency
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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilization difference totals	31,711,478
Less undisbursed funds receivable from the Board as at 30th June 2022	12,088,880
Add Accounts payable	19,622,599
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	19,622,599

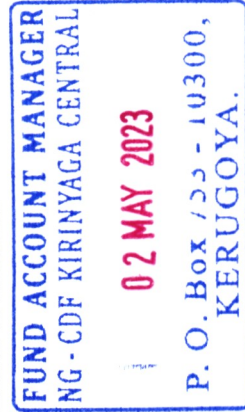
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 27/5/2023 and signed by:



Fund Account Manager

Name: Kenneth Kariuki



THE NATIONAL SUB-COUNTY ACCOUNTANT
KIRINYAGA CENTRAL
P. O. Box 836 - 10300,
KERUGOYA



National Sub-County Accountant

Name: Nahason N. Mathagu
ICPAK M/No: 20475



Chairman NG-CDF Committee

Name: Sylvia Wanja Munyi

*Kirinyaga Central Constituency
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XIII. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget (a)	Adjustments (b)	Previous Years' Outstanding Disbursements	Final Budget (c=a+b)	Actual on comparable basis (d)	Budget utilization difference (e=c-d)	% of Utilization (f=d/c)
	2021/2022	Opening Balance (C/Bk) and AIA	Kshs	2021/2022	30/06/2022	2021/2022	
	Kshs		Kshs	Kshs	Kshs	Kshs	
1.0 Administration							
1.1 Employees' Salaries	3,058,574	400,000	890,000	4,348,574	2,448,128	1,900,446	56.3
1.2 Committee Allowances	2,566,426	1,014,175	900,908	4,481,509	3,439,009	1,042,500	76.7
1.3 Use Goods and Services	2,450,000		638,000	3,088,000	1,760,850	1,327,150	57.0
Sub-Total	8,075,000	1,414,175	2,428,908	11,918,083	7,647,987	4,270,096	64.2
2.0 Monitoring and Evaluation							
Capacity Building of NG-CDFs/PMCs	1,800,000		310,000	2,110,000	494,500	1,615,500	23.4
Committee Expenses	2,000,000	800,000	1,817,365	4,617,365	4,541,701	75,664	98.4
Goods and Services	200,000			200,000	96,998	103,002	48.5
Sub-Total	4,000,000	800,000	2,127,365	6,927,365	5,133,199	1,794,166	74.1
3.0 Emergency							
Emergency	7,192,207	0	0	7,192,207	0	7,192,207	0.0
Sub-Total	7,192,207	0	0	7,192,207	0	7,192,207	0.0
4.0 Bursary and Social Security Programme							
Bursary Secondary Schools	27,000,000	0	13,000,000	40,000,000	40,000,000	0	100.0
Bursary Tertiary Schools	13,000,000	0	7,000,000	20,000,000	20,000,000	0	100.0
Bursary Vocational Training	5,450,000			5,450,000	0	5,450,000	0.0
Sub-Total	45,450,000		20,000,000	65,450,000	60,000,000	5,450,000	91.7

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5.0 Sports													
Sports	2,740,400	0	2,740,400	5,480,800	5,374,990	105,810	98.1						
Sub-Total	2,740,400	0	2,740,400	5,480,800	5,374,990	105,810	98.1						
6.0 Environment													
Kiabarikiri Primary School Pupils Toilet	2,250,000	0	0	2,250,000	2,250,000	0	100.0						
Kirimunge Primary School			410,000	410,000	410,000	0	100.0						
Sub-Total	2,250,000	0	410,000	2,660,000	2,660,000	0	100.0						
7.0 Primary School Projects													
Gatuto Primary School	450,000	0	0	450,000	450,000	0	100.0						
Gatwe Primary School	3,600,000	0	0	3,600,000	3,600,000	0	100.0						
Kagumo CCM Primary School	450,000	0	0	450,000	450,000	0	100.0						
Kiamuruga Primary School	2,250,000	0	0	2,250,000	2,250,000	0	100.0						
Kamuiru Primary School	450,000	0	0	450,000	450,000	0	100.0						
Kiaga Primary School	450,000	0	0	450,000	450,000	0	100.0						
Kiandieri Primary School	450,000	0	0	450,000	450,000	0	100.0						
Kiangungu Primary School	2,700,000	0	2,814,904	5,514,904	2,700,000	2,814,904	49.0						
Kiaritha Primary School	450,000	0	0	450,000	450,000	0	100.0						
Kirimunge Primary School	450,000	0	0	450,000	450,000	0	100.0						
Mugwandi Primary School	450,000	0	0	450,000	450,000	0	100.0						
Mukinduri Primary School	450,000	0	0	450,000	450,000	0	100.0						
Mutira Primary School	450,000	0	0	450,000	450,000	0	100.0						
Mutitu Primary School	450,000	0	0	450,000	450,000	0	100.0						
Mutuma Primary School	450,000	0	0	450,000	450,000	0	100.0						
Njega Primary School	450,000		0	450,000	450,000	0	100.0						
Thaita Primary School	450,000		0	450,000	450,000	0	100.0						
Waigiri Primary School	450,000		0	450,000	450,000	0	100.0						
Primary School lockers and Chairs	0	0	4,500,000	4,500,000	0	4,500,000	0.0						
Mukinduri Primary School Water project			2,000,000	2,000,000	0	2,000,000	0.0						
Kaitheri Primary School			370,000	370,000	370,000	0	100.0						

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Sub-Total	15,300,000	0	9,684,904	24,984,904	15,670,000	9,314,904	62.7
8.0 Secondary School Projects							
Karaimi Secondary School	8,650,000	0		8,650,000	8,650,000	0	100.0
Kiaga Secondary School	8,140,000	0	0	8,140,000	8,140,000	0	100.0
Gitwe Secondary School	9,600,000	0	600,000	10,200,000	10,200,000	0	100.0
Kiandieri Secondary School	2,600,000			2,600,000	2,600,000	0	100.0
Kirigo Secondary School	2,600,000			2,600,000	2,600,000	0	100.0
Mutitu Secondary School	7,990,000			7,990,000	7,990,000	0	100.0
St John Thaita Secondary School	3,501,272			3,501,272	3,501,272	0	100.0
St. Joseph Secondary School			4,100,000	4,100,000	4,100,000	0	100.0
Sub-Total	43,081,272	0	4,700,000	47,781,272	47,781,272	0	100.0
10.0 Security Projects							
Kagumo Assistant Chiefs Office	8,500,000	0	0	8,500,000	8,500,000	0	100.0
Kianjeje Chiefs Office	350,000	0		350,000	350,000	0	100.0
Mutitu ACC Office		258,355	1,401,735	1,660,090	481,683	1,178,407	29.0
Total	8,850,000	258,355	1,401,735	10,510,090	9,331,683	1,178,407	88.8
12.0 Others							
NG-CDF Office	0	320	1,595,568	1,595,888	0	1,595,888	0.0
Office laptop	150,000			150,000	149,000	1,000	99.3
Sub-Total	150,000	320	1,595,568	1,745,888	149,000	1,596,888	8.5
13.0 unallocated fund				0			
Unapproved projects	0	0	0	0	0	0	
AIA	383,000	426,000	0	809,000	0	809,000	0.0
PMC savings	0	0	0	0	0	0	
Total	383,000	426,000	0	809,000	0	809,000	0.0
GRAND TOTAL	137,471,879	2,898,850	45,088,880	185,459,609	153,748,131	31,711,478	82.9

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

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-Kirinyaga Central 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.

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.

Significant Accounting Policies continued

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.

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.

Significant Accounting Policies continued

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.

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

Significant Accounting Policies continued

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.

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 June 2021 for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XV Notes to the Financial Statements

1. Transfers from NGCDF Board

1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES			
Description		2021-2022	2020 - 2021
		Kshs	Kshs
	AIE NO. B140951	33,000,000.00	-
Normal Allocation	AIE NO. B105473	44,000,000.00	-
	AIE NO. B105818	22,000,000.00	-
	AIE NO. B128561	5,000,000.00	-
	AIE NO. B128873	12,000,000.00	-
	AIE NO. B154070	15,000,000.00	-
	AIE NO. B154070	18,000,000.00	-
	AIE NO. B155931	21,088,879.00	
	AIE NO. B 096964	-	15,000,000
	AIE NO. B 104620	-	20,000,000
	AIE NO. B 823546	-	34,367,724
	AIE NO. B 124564	-	9,000,000
	AIE NO. B 119501	-	9,000,000
	AIE NO. B 119903	-	12,000,000
	AIE NO. B 128144	-	6,900,000
	AIE NO. B 128456	-	7,000,000
	AIE NO. B 132200	-	6,000,000
	AIE NO. B 138868	-	13,000,000
	AIE NO. B 126162	-	7,100,000
	AIE NO. B 126456	-	10,000,000
	AIE NO. B 140600	-	12,000,000
Conditional Grants	AIE NO...		
Receipt from other Constituency			
TOTAL		170,088,879	161,367,724

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2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	00	00
Receipts from the Sale of Vehicles and Transport Equipment	00	00
Receipts from sale of office and general equipment	00	00
Receipts from the Sale Plant Machinery and Equipment	00	00
Others (specify)		
Total	00	00

3. Other Receipts

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Interest Received		-
Rents	378,000	420,000
Receipts Sale of Tender Documents	5,000	6,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	383,000	426,000

4. Compensation of Employees

Description	2021-2022	2020 - 2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,567,953	2,047,064
Personal allowances paid as part of salary		
House allowance	202,400	272,100
Transport allowance	214,000	297,000
Leave allowance	91,000	-
Gratuity-contractual employees	307,494	502,503
Employer Contributions Compulsory national social security schemes	65,281	89,640
TOTAL	2,448,128	3,208,307

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5. Use of Goods and Services

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Utilities, supplies and services	0	0
Electricity	419,266	121,766
Water & sewerage charges	31,390	54,125
Office rent		-
Communication, supplies and services	0	0
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	1,500,000	1,162,050
Rentals of produced assets	-	-
Training expenses	294,500	87,200
Hospitality supplies and services	0	0
Other committee expenses	1,595,700	1,212,978
Committee allowance	4,179,500	4,254,500
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	1,944,577	745,033
Fuel , oil & lubricants	0	0
Other operating expenses	73,850	80,472
Bank service commission and charges	66,275	50,680
Other Operating Expenses	-	-
Security operations	228,000	247,000
Routine maintenance - vehicles and other transport equipment	0	0
Routine maintenance- other assets		0
TOTAL	10,333,058	8,015,804

6. Transfer to Other Government Units

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Transfers to Primary Schools	15,670,000	84,556,015
Transfers to Secondary Schools	47,781,272	8,330,000
Transfers to Tertiary Institutions		2,000,000
TOTAL	63,451,272	94,886,015

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7. Other Grants and Other transfers

Description	2021-2022	2020 - 2021
	Kshs	Kshs
Bursary - Secondary (see attached list)	42,627,000	14,958,229
Bursary -Tertiary (see attached list)	17,373,000	4,900,771
Bursary- Special Schools	-	141,000
Mocks & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects (see attached list)	9,331,683	9,680,881
Sports Projects (see attached list)	5,374,990	2,672,920
Environment Projects (see attached list)	2,660,000	3,650,000
Emergency Projects (see attached list)	-	-
TOTAL	77,366,673	36,003,801

8. Acquisition of Assets

<u>Non-Financial Assets</u>	2021-2022	2020 - 2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	13,862,151.00
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of office furniture and General Equipment	0	-
Purchase of computers ,printers and other IT equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	149,000	948,000
Purchase of Specialized Plant, Equipment and Machinery	-	5,178,375
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		
TOTAL	149,000	19,988,526

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	00	00
ICT Hub	00	00
TOTAL	00	00

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10: Cash Book Bank Balance

Name of Bank, Account No. & currency	Account Number	2021-2022	2020 - 2021
10A: Bank Accounts (Cash Book Bank Balance)		Kshs (30/6/2022)	Kshs (30/6/2021)
<i>Co-operative Bank, Kerugoya Branch. Kirinyaga Central NG-CDF</i>	<i>A/C no.01120034956700</i>	19,622,599	2,898,850
TOTAL		19,622,599	2,898,850

10 B: Cash on Hand			
Location 1		00	00
Location 2		00	00
Location 3		00	00
Other Locations (<i>Specify</i>)		00	00
Total		00	00
<i>[Provide Cash Count Certificates for Each]</i>			

11: Outstanding Imprests

<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2022)</i>
	Date imprest taken	Kshs	Kshs	Kshs
<i>Kenneth Kariuki</i>	07/07/2021	50,000	50,000	0.00
<i>Kenneth Kariuki</i>	07/07/2021	73,000	73,000	0.00
<i>Kenneth Kariuki</i>	16/07/2021	75,000	75,000	0.00
<i>Kenneth Kariuki</i>	06/08/2021	198,000	198,000	0.00
<i>Kenneth Kariuki</i>	18/08/2021	59,000	59,000	0.00
<i>Kenneth Kariuki</i>	24/09/2021	59,000	59,000	0.00
<i>Kenneth Kariuki</i>	03/11/2021	59,000	59,000	0.00
<i>Kenneth Kariuki</i>	02/12/2021	124,000	124,000	0.00
<i>Kenneth Kariuki</i>	10/12/2021	69,000	69,000	0.00
<i>Kenneth Kariuki</i>	06/01/2022	121,700	121,700	0.00
<i>Kenneth Kariuki</i>	03/02/2022	154,000	154,000	0.00
<i>Kenneth Kariuki</i>	08/03/2022	59,000	59,000	0.00
<i>Kenneth Kariuki</i>	04/04/2022	54,000	54,000	0.00
<i>Kenneth Kariuki</i>	13/04/2022	54,000	54,000	0.00
<i>Kenneth Kariuki</i>	26/04/2022	36,000	36,000	0.00
<i>Kenneth Kariuki</i>	20/05/2022	75,000	75,000	0.00
<i>Kenneth Kariuki</i>	31/05/2022	156,000	156,000	0.00

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<i>Kenneth Kariuki</i>	02/06/2022	36,000	36,000	0.00
<i>Kenneth Kariuki</i>	24/06/2022	134,000	134,000	0.00
TOTAL		1,645,700	1,645,700	0.00

12A. Retention

	2021-2022	2020-2021
	KShs	KShs
Retention as at 1 st July (A)	00	00
Retention held during the year (B)	00	00
Retention paid during the Year (C)	00	00
Closing Retention as at 30 th June D= A+B-C	00	00

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	00	00
Gratuity held during the year (B)	00	00
Gratuity paid during the Year (C)	00	00
Closing Gratuity as at 30 th June D= A+B-C	00	00

13. Balances Brought Forward

	2021-2022	2020- 2021
	Kshs (1/7/2022)	Kshs (1/7/2021)
Bank accounts	19,622,599	2,898,850
Cash in hand		
Imprest		
TOTAL	19,622,599	2,898,850

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	00	00	00
Cash in hand	00	00	00

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Accounts Payables	(00)	00	(00)
Receivables	00	00	00
Others (<i>specify</i>)	00	00	00
Total	00	00	00

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020- 2021
	Kshs	Kshs
Outstanding Imprest as at 1st July (A)	-	-
Imprest issued during the year (B)	1,645,700	1,086,500
Imprest surrendered during the Year (C)	1,645,700	1,086,500
Closing accounts receivable as at 30th June 2022 (D=A+B-C)	-	-
Net changes in accounts receivables A-D	-	-

XV. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	00	00
Deposit and Retentions held during the year (B)	00	00
Deposit and Retentions paid during the Year (C)	00	00
closing account payables D= A+B-C	00	00

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	00	00
Construction of civil works	00	00
Supply of goods	00	00
Supply of services	00	00
Total	00	00

17.2: Pending Staff Payables (See Annex 2)

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	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	00	00
Others (<i>specify</i>)	00	00
Total	00	00

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020- 2021
	Kshs	Kshs
Compensation of employees	1,900,446	2,356,298
Use of goods and services	4,163,814	4,412,703
Amounts due to other Government entities (see attached list)	9,314,904	10,600,000
Amounts due to other grants and other transfers (see attached list)	13,926,425	29,994,425
Acquisition of assets	1,596,889	164,857
Others (<i>specify</i>)	0	32,000
Funds pending approval	809,000	426,000
TOTAL	31,711,478	47,986,283

17.4: PMC account balances (See Annex 5)

	2021-2022	2020- 2021
	Kshs	Kshs
PMC account balances (see attached list)	67,004,918	46,556,461
	67,004,918	46,556,461

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ANNEXES

Annex 1 - Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

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

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/2022	Outstanding Balance 2020/2021	Comments
Compensation of employees		1,900,446.00	2,356,298	
Use of goods & services		4,163,815.00	4,412,703	
Amounts due to other Government entities				
St Joseph secondary School			4,100,000	
Primary School lockers and Chairs		4,500,000.00	4,500,000	
Mukinduri Primary School Water Project		2,000,000.00	2,000,000	
Kiangungu Primary School		2,814,904.00		
Sub-Total		9,314,904.00	10,600,000	
Amounts due to other grants and other transfers				
Emergency		7,192,207.00	7,192,207.00	
Bursaries- Bodaboda riders		5,450,000.00		
Mutitu Acc. Office Block		1,178,408.00		
Sports Activities		105,810.00	2,777,891.00	
Education Bursaries			20,000,000.00	
Ngomongo A.P. Camp			6,877.00	
Kerugoya Police lines			10,010.00	
Kagumo A.P houses			2,740.00	
Ndimi Kibingo A.P. Houses			1,000.00	
Karia Chief's Office			1,200.00	
Kariko Assistant chief's office			2,500.00	
Sub-Total		13,926,425.00	29,994,425.00	
Acquisition of assets				

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NG-CDF Office Block			1,595,888.00	320.00
Laptop		1,000.00		
NG-CDF Office Networking			108,866.00	
NG-CDF Office Perimeter wall			3,436.00	
NG-CDF Office Public Toilet			1,100.00	
NG-CDF Office Partitioning			50,925.00	
NG-CDF Gatekeepers house			210.00	
Sub-Total			1,596,888.00	164,857.00
Others (specify)				
Strategic Plan				32,000
Sub-Total				32,000
Funds pending approval			809,000.00	426,000
Grand Total			31,711,478.00	47,986,283.00

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/2021	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/2022
Land	0			0.00
Buildings and structures	41,939,088		675,540.00	41,263,548.00
Transport equipment	0			0.00
Office equipment, furniture and fittings	9,163,595			9,163,595.00
ICT Equipment, Software and Other ICT Assets	2,189,301	149000		2,338,301.00
Other Machinery and Equipment	135,880			135,880.00
Heritage and cultural assets	0			0.00
Intangible assets	0			0.00
Total	53,427,864	149000	675,540.00	52,901,324.00

The assets indicated in the summary of fixed assets as disposed were donated to the ministry of ICT, innovation and youth affairs state department for youth who had rented the Kirinyaga central NG-CDF an office space as the current NG-CDF office was being constructed. The asset mentioned in this case are the partitions that were done to the rented premises by the Kirinyaga central NG-CDF to facilitate their operations. Where the rented premise was partitioned into three offices, a reception, a kitchen and a boardroom at a cost of Kshs 675,540. During the donation there no any monetary consideration all these partitions were donated to the ministry for free for the offices to continue benefiting the youths.

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

PMC	Bank	Account number	Bank Balance 2021/2022	Bank Balance 2020/2021
Gakoigo Primary School	Equity Bank	100262481718	15,789.80	15,790.00
Kiamutuiira Secondary School	Equity Bank	100262592544	15,661.50	15,662.00
Gatuto Secondary School	Equity Bank	100292771881	5,874.00	6,054.00
Kiamuruga Primary School	Equity Bank	100262470791	526,737.85	93,621.00
Kiandieri Primary School	Equity Bank	100297778709	483,671.00	34,871.00
Njega Primary School	Equity Bank	100262469182	8,191.50	9,605.00
Kirigo Primary School	Equity Bank	100267066810	12,432.50	12,433.00
Kiarugu Primary School	Equity Bank	100297732409	27,435.50	894,513.00
Karaini Primary School	Equity Bank	100299381136	110.70	29,991.00
Kiamaina Primary School	Equity Bank	100262468204	37,435.00	37,435.00
Kaitheri Primary School	Equity Bank	100262468439	249,953.50	2,445,587.00
Mutira Primary School	Equity Bank	100262480475	454,565.00	967,314.00
Kirima Primary School	Equity Bank	100262470637	849,928.00	1,664,138.00
Kiamutuiira Primary School	Equity Bank	100262592437	755.00	831,882.00
St. Joseph Primary School	Equity Bank	100262217751	23,801.00	3,524,922.00
Mutuma Primary School	Equity Bank	100294353205	724,722.00	2,675,300.00
St. Joseph Secondary School	Equity Bank	100267033162	226,215.50	
Kiaga Secondary School	Equity Bank	100264500638	8,144,160.00	
Karaini Secondary School	Equity Bank	100282012968	6,263,860.00	
Kagumo Assistant Chief Office	Equity Bank	100282462366	8,506,000.00	
Kirigo Secondary School	Equity Bank	100292572045	2,603,035.50	
Kianjege Assistant Chief Office	Equity Bank	100264325520	350,560.00	
Kirimunge Mixed Secondary School	Cooperative Bank	1139273758402	63,136.00	1,006,843.00
Kiaga Primary School	Cooperative Bank	1139034842802	38.00	5,878.00

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Kirimunge Primary School	Cooperative Bank	1139034847002	268,674.50	1,869,513.00
Ngaru Primary School	Cooperative Bank	1139567549600	103,537.00	103,537.00
Mukinduri Primary School	Cooperative Bank	1139034848601	455,136.50	5,137.00
Gatwe Primary School	Cooperative Bank	1139034846400	408,059.50	198,115.00
Mutitu Primary School	Cooperative Bank	1139034843501	462,976.50	12,977.00
Kagumo CCM Primary School	Cooperative Bank	1139034609101	532,235.50	82,236.00
Gatuto Primary School	Cooperative Bank	1139034840903	495,483.50	45,484.00
Kiabarikiri Primary School	Cooperative Bank	1139034843401	2,291,354.50	37,355.00
Kianjeje East Primary School	Cooperative Bank	1139034840103	44,703.50	44,704.00
Kamuiru Primary School	Cooperative Bank	1139034002503	464,542.75	14,543.00
Thaita Primary School	Cooperative Bank	1139034841502	431,880.50	1,100.00
Mutitu Secondary School	Cooperative Bank	1139035077502	5,333,636.00	28,577.00
Gathuthuma Secondary School	Cooperative Bank	1139273900602	1,327,799.75	1,327,800.00
Gitwe Primary School	Cooperative Bank	1139034841903	24,846.00	24,846.00
Kerugoya Chief's Office	Cooperative Bank	1134568469900	356.00	833,878.00
Kiaritha Primary School	Cooperative Bank	1139034848701	4,278,373.50	3,828,374.00
Kiranjia Primary School	Cooperative Bank	1139273777401	707,276.00	3,799,136.00
Kiangungu Primary School	Cooperative Bank	1139034843302	2,731,327.50	1,274,447.00
Gathuthuma Primary School	Cooperative Bank	1139034845600	365.50	1,354,548.00
Waigiri Primary School	Cooperative Bank	1139567186500	456,248.50	2,647,298.00
Gitwe mixed Day Secondary School	Cooperative Bank	1139035189403	10,740,901.00	8,160,145.00
Kaguyu Assistant Chiefs Office	Cooperative Bank	1134567308300	46,531.15	417,233.00
Kiandieri Secondary School	Cooperative Bank	1139034396502	1,771,868.00	
St Johns Thaita Secondary School	Cooperative Bank	1139568799100	3,504,272.00	
Mugwandi Primary School	Sidian Bank	1013030000084	472,046.00	1,016,452.00
Mutitu ACC office PMC	Sidian Bank	1013030000094	1,284.55	4,002,975.00
Ngomongo AP/Chief Camp PMC	Sidian Bank	1013030000104	1,961.00	850,975.00

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Kaitheri Assistant Chief office PMC	Sidian Bank	1013030000074	17,236.00	17,236.00
Ndimi Kibingo Assistant Chief Office	Family Bank	57000034751	4,121.82	254,186.00
Kangaita Primary School	KBC	1155029054	685.00	685.00
Kiranja Secondary School	KCB	1104034182	31,130.00	31,130.00
TOTAL			67,004,918	46,556,461

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Inaccuracies in the Financial Statements			
1.1	Prior Year Adjustments Reflected in the statement of assets and liabilities and in the statement of cash flows is Note 14- Prior year adjustment balance of Kshs.1, 446 which was not supported	<i>The amount Khs 1,446 reflected in the statement of assets and liabilities and in the statement of cash flows in Note 14- Prior year adjustment, resulted from a reversed cheque no. 14436 of Kshs 1,470 payable to Kirinyaga water and sanitation company and a cashbook overcast of Kshs 24 giving a resultant difference of Kshs 1,446.</i>	On-going	By the next OAG audit
1.2	Statement of Cashflows The statement of cash flows reflects a net increase in cash and cash equivalent balance of Kshs. (308,729) which is at variance with the re-calculated balance of Kshs (307,283) by Kshs.1, 446. In the circumstances, the completeness and accuracy of the Kshs.308, 729 in respect to the cash and cash equivalents as at 30 June 2021 could not be confirmed.	<i>The amount Khs 1,446 reflected in the statement of assets and liabilities and in the statement of cash flows in Note 14- Prior year adjustment, resulted from a reversed cheque no. 14436 of Kshs 1,470 payable to Kirinyaga water and sanitation company and a cashbook overcast of Kshs 24 giving a resultant difference of Kshs 1,446. Find the attached copy of the annual expenditure return for your review.</i>	On-going	By the next OAG audit
2.0	Transfers to Other Government Units Note 6 to the financial statements reflects Kshs.94, 886,015 in respect of transfers to other government units for the year ended 30 June 2021. However, the balance includes provisions for contingencies of Kshs 2,240,000 and for	<i>Ministry of infrastructure and public works payment certificates supports the following expenditures since in the certificate supervision is indicated as a payment item while contingencies are shown in the re-measured works where percentages of executed works</i>	On-going	By the next OAG audit

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>projects supervision of Kshs.1,420,000 that have not been supported by way of expenditure returns and attendance register, PMC Minutes, detailed signed payment schedules contrary to Section 99 (3) of the Public Finance Management (National Government) Regulations, 2015 which requires every entry in the accounts to be supported by a voucher or other approved document containing the full details, clear narrations and particulars of the item or items to which it relates.</p> <p>In the circumstances, the validity, completeness and accuracy of the amount of Kshs.94, 886,015 transferred to other government units in the year under review could not be ascertained.</p>	<p>have a percentage more than 100% while in other certificates expenditure of contingency is captured as extra works. This shows that the executed re-measured works are more than what is give in the project bills of quantity.</p>		
	<p>Other Matter</p>			
1.0	<p>Budgetary Control and Performance</p> <p>Review of the summary statement of appropriation indicated total receipts budget of Kshs 210,088,736 against actual budget of Kshs 161,793,724 resulting in to unrealized disbursements amounting to Kshs 45,088,879. This is an indication of unrealized targets and which may be as a result of over budgeting. There is need therefore for Constituency Development Fund management to review its budget making process with a view to formulating a realistic budget that would be actualized for service delivery to the residents of Kirinyaga Central Constituency.</p> <p>Further the total payments budget amounted to Kshs 210,088,737 against actual payments of Kshs 162,102,453 again resulting to under absorption of Kshs 47,986,284 mainly in other grants and transfers of Kshs 36,003,801</p>	<p>It is true that by the end of financial year the management had not been able to spend all the available funds for the year totalling Kshs 209,662,736 of this budget the management actually spent Kshs 162,102,453 leaving a balance of Kshs 47,560,283 since Kshs 426,000 is not an expenditure but receipt from partial office rent and sale of tender where this amount is pending NG-CDF board expenditure approval and issuing of AIE so that it can be spent. The management was following-up on the release of the balance totalling 45,088,879 by the NG-CDF board, as at the close of the financial year balance of Kshs 47,986,284 included Kshs 2,898,850, which was the cashbook balance as at the close of the</p>	On-going	Continuous

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	<p>against a budget of Kshs 65,998,226 indicating that budgeted projects may not have been implemented.</p> <p>In addition, included in the Kshs.47, 986,284 is Kshs.2, 898,850 in respect to cash at bank, being funds released by the Board but not spent by the Fund. Failure to spend funds already released by the Board denied the residents of Kirinyaga Central Constituency equivalent services.</p> <p>The statement also reflects Funds pending approval balance of Kshs.426, 000 from other receipts. The expenditure had not been approved contrary to the law. The same was also not supported or analysed.</p> <p>There is need therefore for the Fund to have a proper budgeting mechanism with a view to utilizing the budget in full for better service delivery to the constituents of Kirinyaga Central Constituency</p>	<p>financial year. Part of Kshs 45,088,879 stated above totalling Kshs 33,000,000 has already been disbursed by the NG-CDF board and the funds utilised as follows:</p> <ul style="list-style-type: none"> • Office Administration. Kshs 2,428,907.76 • Monitoring and Evaluation ...Kshs 2,127,364.65 • St Joseph Secondary School. Kshs 4,100,000.00 • Education Bursaries ... Kshs 20,000,000.00 • Sports...Kshs 2,740,400.00 • Emergency...Kshs 1,603,327.59 <p>The balance of Kshs 12,088,879 meant for the following projects</p> <ul style="list-style-type: none"> • Mikinduri Primary School water project .Kshs 2,000,000 • Primary school lockers and chairsKshs 4,500,000 • Emergency fundKshs 5,588,879 <p>And the Kirinyaga Central NG-CDF management is still following for its release so that the projects can be implemented.</p> <p>Mukinduri Primary school water project Kshs 2,000,000 and primary school lockers and chairs project Kshs 4,500,000 have not been implemented since the NG-CDF Board has not</p>	On-going	By the next OAG audit
2.0	<p>Project Implementation Status</p> <p>The Fund did not avail the latest approved project implementation status report, however, review of the Budget performance under chairperson's report, page 5 analysis table</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>indicates that 33 projects were being undertaken in the year under review. Included in these projects is Education bursaries, Youth & Sports and St. Joseph Secondary School projects whose utilization is below 50%.</p> <p>In view of the foregoing, the constituents did not get the expected services equivalent to the thirty-three (33) ongoing projects worth Kshs.56, 050,811 during the year ended 30 June 2021. This is an indication of inappropriate project implementation mechanism.</p> <p>There is need for the Fund management to review its project planning mechanism with a view to prioritizing those projects, which will be implemented during the financial year resulting to higher impact into improving service delivery to the residents of Kirinyaga Central Constituency</p>	<p>released funds meant for their implementation. However, St. Joseph Secondary School science laboratory Kshs 4,100,000 is already complete. Kshs 20,000,000 meant for the bursaries were re-allocated to other projects as follows: (Mutuma Primary School, Kiamutira Primary School, St. Joseph Primary School, Waigiri Primary School. Gathuthuma Primary School; each benefitted with Kshs 2,000,000; while Kirima Primary School, Kiarugu Primary School; each benefitted with Kshs 1,200,000; Mutira Primary School, Kiaritha Primary School, Mugwandi Primary School Kiranja Primary School, Kaitheri Primary School each Kshs 1,400,000; Gathuthuma Secondary School Kshs 330,000 and Kiangungu Primary Kshs 270,000; all the 14 projects have since been implemented to completion, while the sport project has also been implemented.</p>		
	<p>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</p>			
1.0	<p>Lack of Constituency Oversight Committee</p> <p>During the year under ended 30 June 2021, the Fund had no constituency oversight committee in place, contrary to section 53(1) of the National Government Constituency Development Fund Act,2015 which requires that Constituency Oversight committees to be appointed for every National Government Committee Development Fund. In the circumstance, the management was in breach of the law</p>	<p>The names of the four members of oversight committees were forwarded by the hon member of parliament to fund account manager on 9th April 2021 who in turn forwarded these names to the NG-CDF board for approval on 12th April 2021 so that the committee could start operation, but to date the names have not been approved by NG-CDF board. The fund account manager is still following the NG-CDF board to have them approved. In this respect the oversight committee is in place since it has been appointed by the hon member of parliament</p>	On-going	By the next OAG audit

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.0	Other Grants and Transfers			
2.1	Project Not in Use- Mutitu Assistant County Commissioner Office and Washrooms Note 7 to the financial statements reflects Kshs.36, 003,801 in respect of transfers of other grants and transfers which includes Kshs 9,680,881 in respect of transfers to security projects out of which Kshs 4,000,000 was spent on construction to completion of seven rooms and three washrooms at Mutitu Assistant County Commissioner Office. However, audit inspection on April 2022 revealed that, the project is complete but it is not in use.	<i>who is the appointing authority, the only remaining part for the committee to operational is its approval by the NG-CDF board. The appointments letters were already forwarded to the auditors in the response for the audit management letter.</i> <i>The project was completed and handed over to the ministry of interior and coordination for use by assistant county commissioner and is currently in use.</i>	On-going	By the next OAG audit
2.2	Project Not in Use -Ngomongo Administration Police Camp Note 7 to the financial statements reflects Kshs.36, 003,801 in respect of transfers to other grants and transfers which includes Kshs 9,680,881 in respect security projects included in which is Kshs 850,000 for the repair, electrical, installation and flooring nine (9) AP Unit huts and ground levelling with hard core and marram fill, drainage works, chain link fence repair and four (4) units latrine repair. It was also noted that there were three completed rooms which were funded by Kirinyaga NG-CDF in the financial year	<i>According to the audit report Ngomongo AP camp that is a project funded by Kirinyaga central NG-CDF is not in use. The project management committee is in the process of handing it over to the ministry of interior and national coordination.</i>	On-going	By the next OAG audit

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>2017/2018 and since then the rooms have not been occupied. Additionally, the fund did not conform to Section 11(1) (j) of the National Government Constituencies Development Fund Regulations 2016, which states that the constituency committee shall ensure that all projects receive adequate funding and are completed within three years.</p> <p>In the circumstances, value for money on the expenditure of Kshs 4,850,000 for two (2) security projects completed but not in use was not realised for citizens of Kirinyaga Central Constituency. In addition, the Fund was in breach of the law.</p>			
3.0	<p>Stalled Project- Gathuthuma Secondary School</p> <p>A firm was awarded a tender for construction of a storey laboratory block at a contract sum of Kshs.7,963,569 at Gathuthuma Secondary school during the financial year 2019/2020. The Contractor had been paid Kshs.7,625,429 equivalent to 95% of the total contract as at 30 June 2021. However, an audit inspection in the month of April 2022 revealed that, rainwater harvesting /drainage have not been fixed (140mm half round gutter prefabricated with fixed screwed joints on approved 140mm gutter support brackets, downpipe spigot outlets, swan neck and rainwater shoe) also the re-location of staff done also laboratory benches at a cost of Kshs 600,000 have not been done and contractor was not in site. This is contrary to the actual status on the ground where benches are installed and complete and the staffs ablation block is also re-located and complete; the gutters have since been installed hence the project is now fully completed.</p> <p>Consequently, value for money on the expenditure of Kshs</p>	<p>According to the audit report the Gathuthuma Secondary school has the following rainwater harvesting /drainage have not been fixed (140mm half round gutter prefabricated with fixed screwed joints on approved 140mm gutter support brackets, plastic approved plastic brackets, downpipe spigot outlets, swan neck and rainwater shoe) also re-location of staff ablation block at a cost of Kshs 120,000 was not done also laboratory benches at a cost of Kshs 600,000 have not been done and contractor was not in site. This is contrary to the actual status on the ground where benches are installed and complete and the staffs ablation block is also re-located and complete; the gutters have since been installed hence the project is now fully completed.</p>	On-going	By the next OAG audit

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National Government Constituencies Development Fund (NGCDF)
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	7,963,569 incurred on Gathuthuma Secondary school could not be ascertained.			
4.0	Transfers to Other Government Units			
4.1	<p>Construction of Kirinyaga Central Technical Training Institute (TTI)</p> <p>Note 6 to the Financial Statements reflects Kshs.94,886,015 in respect of transfers to other Government entities which includes Kshs 2,000,000 transferred to Tertiary institution for financial year 2020/2021 and Kshs 8,000,000 for the Financial year 2019/2020, for the construction of one workshop, three lecture rooms and an office space as per ministry guidance. However, an audit inspection in the month of April 2022 revealed that, the allocation of the funds for the construction of two (2) storey building comprising of twin workshop, classrooms and offices which was co-funded with the Ministry of Education, under State department of Vocational, Technical and Training under mentorship of The Nyeri National Polytechnic at a Cost of Kshs 58, 8993,684.</p> <p>Though the construction is ongoing, reallocation of funds was not approved by the board contrary to National Government Constituency Development Fund (NGCDF) Act, 2015 Section 6 which states that once funds are allocated for a particular project, they shall remain allocated for that project and may only be reallocated for any other purpose during the financial year with the approval of the Board.</p> <p>Consequently, the value for money on the expenditure of</p>	<p>Although the audit report has indicated that the NG-CDF funding for this project as a non-phased, it is easily to identify the phase funded by Kirinyaga Central NG-CDF based on the request for fund made by Nyeri national polytechnic which was the mentor/implementing institution for Kirinyaga central TVET. The funds were spent as per the project intended and no re-allocation done hence no need of approval. Fund request documents from Nyeri national polytechnic indicating the areas being funded for were forwarded to auditors in the response for audit management letter.</p>	On-going	By the next OAG audit

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.2	<p>Kshs 10,000,000 incurred on Kirinyaga Central Technical and Vocational Training Institute could not be ascertained. In addition, the management was in breach of the law</p> <p>Renovation Works for Primary and Secondary Schools</p> <p>Note 6 to the financial statements reflects Kshs 94,886,015 in respect of transfers to other government entities which includes Kshs.83, 356,015 incurred on renovation works for primary and secondary schools</p> <p>However, the renovations were not supported by pre and post inspection reports to confirm the scope of works and repairs carried out respectively. Further, no expenditure records were maintained on a monthly basis in breach of section 38 of the National Constituencies Development Fund Act 2015 which states that the officer of the board in every constituency shall compile and maintain a record showing all receipts disbursements and actual expenditures on a monthly basis of every project and sub project under this Act.</p> <p>In the circumstances, the management was in breach of the law.</p>	<p>Before commencement of the project implementation, the management of Kirinyaga Central together with officers from ministry of infrastructure and public works always conduct pre-project inspection from which the technical team prepares the project bill of quantities and the project drawings, which clearly defines the scope of work to be done on the project. During project, implementation several project inspection are conducted which involves all the project stakeholders and at each inspection, quality and status of the project are ascertained. Once the project is complete the project inspection and acceptance meeting is conducted before the contractor hands over the project to the user. For purposes of verification, sampled project bills of quantities and project inspection reports were forwarded to the auditors during response to the audit management letter</p> <p>All projects expenditure records are maintained in the project files always and no expenditure incurred that has no support in its project file, although due to few payment transactions which in most cases don't take place monthly, these expenditures are always file in when the payments are done and reconciliation done quarterly.</p>	On-going	By the next OAG audit

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.3	<p>Unauthorized Transfers</p> <p>Note 6 to the financial statements reflects Kshs 94,886,015 in respect of transfers to other government entities. However, the balance includes Kshs.4, 056,373 transfers in excess of the cost of projects as per the Bill of quantity (BQs) amounts without authorization from the board or Fund Account Manager</p> <p>This is contrary to the Public Finance Management Act 2012 section (2)(a)(1) which states that a public officer employed in a national government state organ or public entity shall ensure that the resources within his or her area of responsibility are used in a way that is lawful, authorized, effective, efficient, economical and transparent.</p> <p>In the circumstances, the management was in breach of the law.</p>	<p>According to the NG-CDF act 2015 section 9 "The project management committee shall set aside a sum not exceeding five per centum of the total allocation for the project to cater for the administration expenses of the project.</p> <p>According to the audit report, the following Projects have received an authorized fund which is not correct. The amount released in excess of the bill of quantity is for the project management committee to cater for the project administrative expenses and none of them is more than five percent of the project cost. The audit report had indicated that the amount in excess of bills of quantities is Kshs 4,056,373.12, which is wrong since the auditor had made errors in amount disbursed to Waigiri Primary School and the contract sum for Mutuma Primary School. For Gathuthuma Secondary School, the bills of quantities did not include floor tiles resulting to addition of Kshs 330,000 for tiles installation.</p>	On-going	By the next OAG audit
5.0	<p>Non-Updating of Financial Records</p> <p>The Fund was using the manual vote book systems to record financial transactions in the year ended 30 June 2021. However, the vote book provided for audit was not updated or maintained in a systematic manner to allow for easy access to accurate financial data. This is contrary to section 102 (1) of the Public Finance Management Act Regulations, 2015 which states that financial records may be maintained in manual or electronic form.</p> <p>In the circumstances, the management was in breach of the</p>	<p>It is true that upto July 2021 we had been maintaining manual vote books, which was well maintained, but from July 2021, we are maintaining the vote books electronically.</p>	On-going	By the next OAG audit

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	law.			
6.0	<p>Asset Management</p> <p>Annex 4 to the financial statements reflects Kshs.53, 427,864 in respect of the summary of fixed assets register. However, the management did not provide an updated and detailed fixed asset register to support the amount contrary to regulation 143 of the Public Finance Management Regulations, 2015 which states that the Accounting Officer shall be responsible for maintain a register of assets under his control or possession as prescribed by the relevant laws. Further, the following anomalies and shortcomings were also noted in regard to fixed assets management;</p> <p>i. There was no evidence that assets count or inventory verification had been done for year under review to confirm that all reported assets existed and were effectively working. This may have it impossible to confirm the assets status, if disposable or not.</p> <p>ii. The asset register was not detailed to show key assets information like date of acquisition, costs, accumulated depreciation, net book values, and no correct assets location/custodian and item codes for the assets bought before the financial year under audit.</p> <p>iii. Most of the assets were not tagged and the asset movement's registers were not appropriately kept.</p> <p>iv. No Asset manager or asset management committee had</p>	<p>a) The assets were verified and counted from which their number and status were updated at the close of the year. Copy of the asset register was forwarded to the auditors in the response to the audit management letter.</p> <p>b) Kirinyaga Central Asset register is maintained as per the temperate issued by the NG-CDF board, which is applicable to all constituencies in the country. However, we noted the requirement and will upgrade the register to include the missing information once we successful seek approval from the NG-CDF board.</p> <p>c) We are in the process of asset tagging where most of them are tagged and the few remaining we have communicated with the NG-CDF board who will release these tags. For the asset movement we are work to improve it although most of our assets are bought for a specific location without being moved to others.</p> <p>d) Kirinyaga Central NG-CDF assets are manage by the Kirinyaga central NG-</p>	On-going	By the next OAG audit

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>been put in place to effectively manage the Fund's assets.</p> <p>In the circumstances, the management was in breach of the law.</p>	<p>CDF committee through the fund account manager.</p>		


FUND ACCOUNT MANAGER
 NG - CDF KIRINYAGA CENTRAL
02 MAY 2023
 P.O. Box 755 - 10300,
 KERUGOYA.

.....
 Name: Kenneth Kariuki
 Fund Account Manager.