

REPUBLIC OF KENYA



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REPORT

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ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KANDARA CONSTITUENCY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 05 MAR 2025	DAY: Wednesday
TABLED BY:	Hon. Owen Bany, MP Deputy Leader of Majority
	Esther Njirya

FOR THE YEAR ENDED
30 JUNE, 2024



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KANDARA CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2024**

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



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1. Acronyms and Definition of Key Terms

A. Acronyms

AIE	Authority to Incur Expenditure
ARMC	Audit and Risk Management Committee
DCC	Deputy County Commissioner
IPSAS	International Public Sector Accounting Standards
FAM	Fund Account Manager
NG-CDFB	National Government Constituencies Development Fund Board
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
NSCA	National Sub-County Accountant
PFM	Public Finance Management
PMC	Project Management Committee
PWD	Persons with Disability
FY	Financial Year

B. Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the entity's financial resources.

Comparative Year- Means the prior period.

2. 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 2023. 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 the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

Mandate

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

- a) Recognize the constituency as a platform for the 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 realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;

- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) 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.

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 are as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The NGCDF KANDARA Constituency's day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	AIE holder	STEPHEN MAINA KINYINGI
2.	National Sub-County Accountant	PAUL M. MWAI
3.	Chairman NGCDFC	SAMUEL KAGWA
4.	Member NGCDFC	ESTHER KINUTHIA

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Kandara Constituency. The reports and recommendations of ARMC, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(e) NGCDF Kandara Constituency Headquarters

P.O. Box 102-0134
Kandara NGCDF Offices
Opposite Kandara Law Courts
Muranga, KENYA.

(f) NGCDF Kandara Constituency Contacts

E-mail: cdfkandara@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF Kandara Constituency Bankers

1. Cooperative Bank
ThikaBranch

(h) Independent Auditor

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

3. NG-CDFC Chairman's Report



About the constituency

The Kandara Constituency is a vibrant region located in Muranga County. It encompasses diverse geographical, social, and economic characteristics that shape its unique identity and development potential. Kandara Constituency is a political constituency located in Muranga County, Kenya. According to the Kenya National Bureau of Statistics (KNBS), Kandara Constituency occupies a total area of approximately 962 square kilometres. It is one of the largest constituencies in Muranga County.

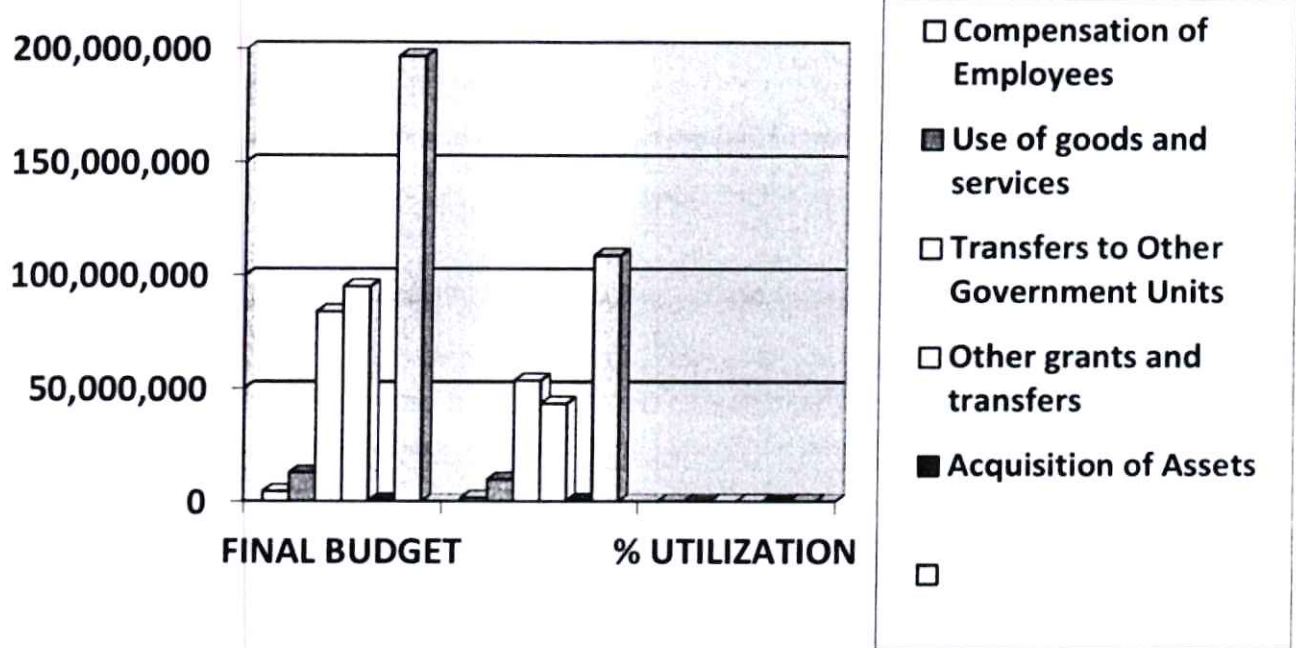
Key Achievements

Kandara Constituency has had significant achievements in the financial year under review. The budget performance against actual amounts for the current year based on sectors for the financial year is as tabulated in the table below. The overall absorption of the available funds was however impressive since out of the total funds of Ksh 363,226,605.31 as total budget during the year, Kshs 251,541,858.30 was utilized during the year under review. This translates to 52.7% absorption rate. The constituency has also undertaken a drastic improvement in the projects constructed as the constituency is now constructing classes that have tiles. The budget Execution is as tabulated below.

National Government Constituencies Development Fund (NGCDF)
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Receipt/Expense Item	Original Budget	Final Budget	Actual on comparable basis	% of Utilisation
	a	c=a+b	e=c-d	f=d/c %
RECEIPTS				
Transfers from NG-CDF Board	196,738,684	363,226,605.31	251,541,858.30	69.3
Proceeds from Sale of Assets		-	-	0.0%
Other Receipts		408,000	408,000	#DIV/0!
TOTAL RECEIPTS	196,738,684	363,634,605.31	251,949,858.3	69.3
PAYMENTS				
Compensation of Employees	5,455,711	6,576,171	4,081,820.72	62.1
Committee expenses	3,756,000	10,992,368.32	6,700,798	61
Use of goods and services	7,359,899	15,413,475	3,907,307.9	25.3
Transfers to Other Government Units	98,978,466	178,478,644	75,143,355	42.1
Other grants and transfers	77,614,811	140,051,413.26	101,421,351	72.4
Acquisition of Assets	-		470,000	0
Other Payments	3,573,797	9,073,797		0
Unutilised funds		3,048,883		
TOTAL	196,738,684	363,634,751.58	191,724,632.62	52.7

*National Government Constituencies Development Fund (NGCDF)
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The table above shows the percentages of budget utilisation against the final budget, the use of goods and services had the highest utilization as also tabulated in the table above. The average utilization was 52.7%.

Sample projects



Kiranga primary-Renovation of 10 classrooms block

Projects Impacts

Through renovation of classrooms Kandara constituency has been able to achieve a great milestone in ensuring that students in the school benefit from well constructed classrooms which boosts their morale in school.

Emerging issues

Among the emerging issues negatively affecting the fund during the year under review was the change of office to the new office bearers. The transition affected two financial years especially losing a clerk of works and an engineer who would have ensured a smooth transition

Challenges and way forward

Kandara constituency is a vast constituency comprising of two sub counties. This has been a major challenge especially trying to access the projects as the roads are also impassable. Other challenges include inadequate resources due to the vast nature of the constituency and high number of projects proposed by the constituents in its and forums and the strategic plan. Due to this the constituency has not been in a position to achieve its strategic goals and objectives fully.

The constituency has decided to collaborate with other government agencies including the county government to ensure the challenges especially road challenges are addressed. Through a higher allocation in the following financial year the constituency intends to reach more beneficiaries in terms of bursary award.


.....
Samuel Kagwa
Chairman
KandaraNGCDF Committee

4. Statement of Performance Against Predetermined Objectives for FY2023/24

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 the *NGCDF Kandara Constituency 2023-2027* plan are to:

- To improve education outcomes at all levels of learning.
- To empower constituents of Kandara Constituency socially and economically.
- To enhance security for the constituents through improving infrastructure for security provision and strengthen community policing mechanisms.
- To address environmental challenges and reduce the impact of disaster risks.
- To improve efficiency and effectiveness through streamlining funds processes and system.

Progress on the 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:

Sector	Objective	Outcome	Indicator	Performance
Education	To improve the existing educational	Improved teaching and learning environment	New classrooms in primary schools	In FY 2023/24 -we increased number of classrooms renovated

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	infrastructure in the constituency		and secondary schools	-Bursary beneficiaries at all levels were as per the attached schedules
Security	To strengthen the security systems in the constituency	Upgraded security infrastructure within the constituency	Purchase of furniture for Kandara OCPD office	The constituency is purchasing furniture for Kandara OCPD Office
Environment	To incorporate environmental protection in socio economic and infrastructural development projects	Tree planting and landscaping within the constituency projects	Planting of trees in schools	The constituency has allocated funds for planting of trees
Sports	Enhancing talents in the constituency by carrying out sports tournaments and awarding the winning teams with trophies and sports uniforms	Enhanced talents	Tournament and sports uniforms	Through the help of FKF officials the constituency has implemented a sports tournament and bought sports uniforms and balls to all the teams
Emergency	To cater for unforeseen occurrences in the constituency	Enhanced better infrastructure	Toilets in the constituency	The constituency has constructed collapsed emergency toilets

5. Governance Statement

a. NG-CDFC process of appointment

Section 43(1), (2), (3) and (4) of the National Government Constituencies Development Fund (NG-CDF) Act state that:

1. There is established a National Government Constituency Development Fund Committee for every constituency.
2. Constituency Committee Shall comprise of:
 - a) The national government official responsible for co-ordination of national government functions.
 - b) two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
 - c) two women nominated in accordance with subsection (3) one of Whom shall be a youth at the date of appointment;
 - d) one person with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
 - e) two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act;
 - f) the officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.
 - g) one member co-opted by the Board in accordance with regulations made by the Board

3. The seven persons referred to in sub-section (2) (b), (d) and (e) shall be selected in such manner and shall have such qualifications as the Board may, by Regulations, prescribe. The names of the persons selected under sub-section (3) shall be submitted by the Board to the National Assembly for approval before appointment and gazettelement by the board. The current NGCDFC members were gazetted in 13th December 2023 and the first meeting was held in 2nd February 2024

The persons appointed are drawn from different groupings as follows:

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NAME	CATEGORY	DESIGNATION
Samuel Mwangi	Representative of Female Adult	Chairperson
Anthony Mwangi	Nominee of the constituency office Male	Secretary
Roselyn Nduta	Nominee of the constituency office Female	Member
Timothy Nganga	Male Youth representative	Member
Samuel Kagwa	Male Adult Representative	Member
Esther Kinuthia	Female Youth Representative	Member
Sarah Njuki	Female Adult Representative	Member
Sammy Chege	Representative of persons living with disability	Member

b. NG-CDFC Tenure

The tenure of NG CDFC shall be 2 years from the date of appointment

c. The Role of the Constituency Committee

Ensure that all projects receive adequate funding and are completed within three years; where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies; (l) ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board; monitor the implementation of projects in accordance with the monitoring and evaluation framework prescribed by the Board; ensure that project reports are prepared and submitted to the Board; ensure formation of project management committees, opening of project accounts, project implementation and closure of projects; ensure that the principles of public finance as provided for under Chapter Twelve of the Constitution and the Public Finance Management legislation are observed in the management of the Fund; submit financial statements to the Board within sixty days of the end of the financial year to enable the Board comply with section 39(4) of the Act.

d. Removal of a member

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The NG CDF Act of 2015 and as amended in 2022 outlines the procedures to be taken when dissolving a constituency committee. A person may present a petition to the Board for the dissolution of a Constituency Committee setting out the alleged facts constituting any one or more of the following grounds for dissolution— (a) serious violation of the Constitution or any other law including a contravention of Chapter Six; (b) gross misconduct, whether in performance of the member's or office holder's functions or otherwise; (c) incompetence; (d) bankruptcy; or (e) any other cause as may be deemed justifiable. Atta NG CDFC has not been dissolved for any of the above reasons.

e. NG-CDFC Induction and training

The induction training was conducted in the NG CDF Board room on 2nd February 2024. The meeting also incorporated hand over and take over.

f. Number of meetings:

NG-CDF Act Section 43 stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

In Yatta Constituency, the NG-CDF Committee conducted 6 meetings and 4 sub-committee meetings.

	Name of committee member	Meetings held					
		14/5/24	23/05/2024	12/01/2024	17/04/2024	01/11/2023	17/11/2023
1	Samuel Mwangi	√	√	√	√	√	√
2	Anthony Mwangi	√	√	√	√	√	√
3	Roselyn Nduta	√	√	√	√	√	√
4	Timothy Nganga	√	√	√	√	√	√
5	Samuel Kagwa	√	√	√	√	√	√

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6	Esther Kinuthia	√	√	√	√	√	√
7	Sarah Njuki	√	√	√	√	√	√
8	Anthony Mwangi	√	√	√	√	√	√
9	Stephen maina	√	√	√	√	√	√
10	Peter Maina	√	√	√	√	√	√

g. Remuneration Rates

The NG CDF Act of 2015 regulations of 2016 indicates that members are entitled to sitting allowances once they attend meetings. Kandara NG CDFC Members are entitled to a sitting allowance once they attend meetings.

h. Disclose the policy on conflict of interest

The NG CDF Act of 2015 regulations of 2016 states that all officers should declare conflict of interest before commencement of any meeting. Kandara NG CDFC ensures that members declare conflict of interest before start of any meeting.

i. Succession plan

Vacancies arising as a result of the removal or end of tenure of the members of the Constituency Committee, the vacancy shall be filled in the manner set out in section 43 and minutes of the meeting shall indicate the fact of the removal or appointment of members.

j. Ethics and code of conduct

The NG-CDFC members shall be of good conduct and adhere to chapter six of the constitution and shall not have any trail of criminal record. Members shall not indulge in any act in contravention the act and other law, policy regulations that govern operations of NG-CDF.

k. Risk Management

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The constituency has a risk policy which they observe and are required to maintain a risk register. The committee has the following responsibilities

- Attestation of Key Risk Indicators
- Analysing Key Risk Indicators in every month

6. Environmental and Sustainability Reporting

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

- a. **Education and Training:** Kandara Constituency's 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 marginalized 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.

2. Environmental performance

NG-CDF staff have at least one day in FY to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NGCDF supported projects.

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Kandara 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-

Kandara Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Kandara Constituency 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

Kandara Constituency 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.

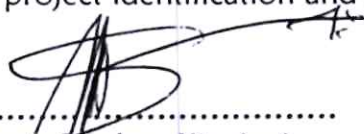
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

Kandara Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.



.....
Name: Stephen Kinyingi
Fund Account Manager.

7. 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-Kandara 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, 2024. 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-Kandara 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, 2024, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Kandara Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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The Accounting Officer in charge of the NGCDF Kandara 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-Kandara Constituency financial statements were approved and signed by the Accounting Officer on 20th Sept 2024.


.....

Name: Samuel Kagwa
Chairman – NGCDF Committee


.....

Name: Stephen Kinyingi
Fund Account Manager

**REPORT OF AUDITOR GENERAL ON NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND - KANDARA CONSTITUENCY FOR THE
YEAR ENDED 30 JUNE, 2024**

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 the 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.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 - Kandara Constituency set out on pages 1 to 48, which comprise of the statement of assets and liabilities as at 30 June, 2024 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 effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kandara Constituency as at 30 June, 2024 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

1. Unsupported Paid Gratuity

Statements of receipts and payments and as disclosed under Note 4 of financial statements reflects compensation of employee of Kshs.4,081,821 which Includes gratuity to contractual employees amount of Kshs.1,837,184. However, although the amount has been accruing over time, there is no comparative amount disclosed as gratuity payables in the prior year's audited financial statements. Further, there was no movement showing payable brought forward, addition during the period and payment during the period contrary to Note 9 of the significant accounting policies.

In the circumstances, the accuracy and completeness of gratuity paid during the year of Kshs.1,837,184 could not be confirmed.

2. Unsupported Project Management Committee Account Balances

The statement of receipts and payments and as disclosed in Note 7 and Note 8 to the financial statements reflects Kshs.75,143,355 and Kshs.101,601,590 in respect to transfer to other Government units and other grants and transfers respectively both totaling to Kshs.176,744,945 which includes Kshs.29,141,931 reflected at Note 19.4 and Annex 5 as Project Management Committee (PMC) bank balances, being the unspent project funds held by various institutions. However, the respective cashbooks, bank certificates and bank reconciliation statements were not provided for audit review contrary to Sections 100 and 90(1) of the Public Finance Management (National Government)

Regulations, 2015 which stipulates that Accounting Officers shall keep in all offices concerned with receiving cash or making payments, a cash book showing the receipts and payments and shall ensure that bank accounts' reconciliations are completed for each bank account held by that Accounting Officer, every month.

In the circumstances, the existence and accuracy of PMC bank balances of Kshs.29,141,931 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 - Kandara Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1. Budgetary Control and Performance

1.1 Budget Absorption

The summary statement of appropriation reflects final receipt budget and actual on comparable basis of Kshs.363,634,605 and Kshs.251,949,858 respectively resulting to an under-funding of Kshs.111,684,747 or 31% of the budget. Similarly, the Fund spent Kshs.191,904,872 against actual receipt of Kshs.251,949,858 resulting to an under-utilization of Kshs.60,044,986 or 24% of actual receipts.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report

Other Information

The Management is responsible for the Other Information set out on page iii to xxiii, which comprise of Key Constituency Information and Management, NG-CDF Chairman's report, Statement of Performance Against Predetermined Objectives, Governance Statement, Environmental and Sustainability Reporting and Statement of Management responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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 effects of 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. Irregular Expenditure on Emergency Projects

The statement of receipts and payments and as disclosed under Note 8 to financial statements reflects other grants and other transfers balance of Kshs.101,601,590 which includes Kshs.1,478,464 incurred on emergency projects. However, Management did not report the utilization of the emergency reserve to the National Government Constituencies Development Fund Board within thirty (30) days of the occurrence as required by Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016.

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

2. Projects Implementation Status

During the year under review, the constituency committee planned to implement a total number of eighty-nine (89) projects at a cost of Kshs.318,521,057. Review of the project implementation status report as of 30 June, 2024 indicated that fifty-six (56) projects valued at Kshs.141,785,112 were not started due to delayed fund disbursements, slow tendering and implementation processes.

In the circumstances, the constituents may not fully realize value for money from the fifty-six (56) projects valued at Kshs.141,785,112 due to delay in implementation.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of a Risk Management Policy

National Government Constituencies Development Fund - Kandara Constituency has not developed risk management policy to guide them to prevent, control and mitigate risks in the event of occurrence. Consequently, in the event of an occurrence, there is likelihood that entity might not be able to recover completely.

In the circumstances, the effectiveness of risk management by the Fund could not be confirmed

2. Lack Approved ICT Policy

Audit review of National Government Constituencies Development Fund - Kandara Constituency revealed that during the year under review, there was no formally approved ICT policies which includes data security policy, and disaster recovery plans in place. Further, the ICT structure that is in place was not provided for audit review. In addition, during the year under review, the Fund did not have an Information Technology (IT) Steering Committee for ensuring effective IT controls and strategies.

In the circumstances, the security and reliability of the Fund data including its management information system could not be ascertained.

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for 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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 January, 2025

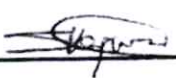
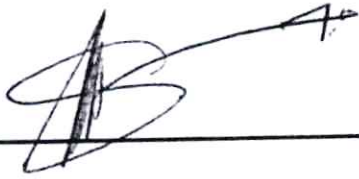

National Government Constituencies Development Fund (NGCDF)
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Annual Report and Financial Statements for The Year Ended June 30, 2024

9. Statement of Receipts and Payments for the Year Ended 30th June 2024

	Note	2023/2024	2022/2023
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	242,232,990	7,000,000
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	408,000	3,166,117
Total Receipts		242,640,990	10,166,117
Payments			
Compensation of Employees	4	4,081,821	1,180,297
Committee expenses	5	6,700,798	1,556,520
Use of Goods and Services	6	3,907,308	2,274,310
Transfers to Other Government Units	7	75,143,355	6,430,305
Other Grants and Transfers	8	101,601,590	10,989,131
Acquisition of Assets	9	470,000	-
Other Payments	10	-	-
Total Payments		191,904,872	22,430,563
Surplus/(Deficit)		50,736,119	(12,264,447)

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


The Constituency financial statements were approved by the NGCDFC on 20th Sep 2024 and signed by:

		
Chairman NG-CDF Committee Name: Samuel Kagwa	Fund Accountant Manager Name: Stephen Kinyingi	National Sub-County Accountant Name: Alfred Kioko ICPAK M/No: 6456


10. Statement of Assets and Liabilities as at 30th June, 2024

	Note	2023/2024 Kshs	2022/2023 Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	11A	60,044,987	9,308,868
Cash Balances	11B	-	-
Total Cash and Cash Equivalents		60,044,987	9,308,868
Accounts Receivable			
Outstanding Imprests	12	-	130,000
Total Financial Assets (A)		60,044,987	9,438,868
Financial Liabilities			
Accounts Payable			
Retention	13	-	-
Gratuity	14	-	-
Total Financial Liabilities (B)			
Net Financial Assets (A-B)		60,044,987	9,438,868
Represented By			
Fund Balance B/Fwd	15	9,308,868	21,703,315
Prior Year Adjustments	16	-	-
Surplus/(Deficit)for The Year		50,736,119	(12,264,447)
Net Financial Position		60,044,987	9,438,869

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Constituency financial statements were approved by NG CDFC on 20th Sept 2024 and signed by:


 Chairman NG-CDF
 Committee
 Name: Samuel kagwa


 Fund Accountant Manager
 Name: Stephen Kinyingi


 National Sub-County
 Accountant
 Name: Alfred Kioko
 ICPAK M/No:6456

National Government Constituencies Development Fund (NGCDF)
Kandara Constituency
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11. Statement Of Cash Flows for the Year Ended 30th June 2024

	Notes	2023/2024	2022/2023
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	242,232,990	7,000,000
Other Receipts	3	408,000	3,166,117
Total Receipts		242,640,990	10,166,117
Payments			
Compensation of Employees	4	4,081,821	1,180,297
Committee Expenses	5	6,700,798	1,556,520
Use of Goods and Services	6	3,907,308	2,274,310
Transfers to Other Government Units	7	75,143,355	6,430,305
Other Grants and Transfers	8	101,601,590	10,989,131
Other Payments	10	-	-
Total Payments		191,434,872	22,430,563
Total Receipts Less Total Payments			
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) in Accounts Receivable	17	-	(130,000)
Increase/(Decrease) in Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		51,206,119	(12,394,447)
Cashflow From Investing Activities			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(470,000)	-
Net Cash Flows from Investing Activities		(470,000)	-
Net Increase in Cash & Cash Equivalents		50,736,119	(12,394,447)
Cash & Cash Equivalent at Start of the Year	11	9,308,869	21,703,315
Cash & Cash Equivalent at End of the Year	11	60,044,987	9,308,869

*National Government Constituencies Development Fund (NGCDF)
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12. Summary Statement of Appropriation for The Year Ended 30th June 2024

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	196,738,684	9,438,868	157,049,053	363,226,605	251,541,858	111,684,747	69.3%
Proceeds from Sale of Assets				-	-	-	#DIV/0!
Other Receipts		408,000		408,000	408,000	-	100.0%
TOTAL RECEIPTS	196,738,684	9,846,868	157,049,053	363,634,605	251,949,858	111,684,747	69.3%
PAYMENTS							#DIV/0!
Compensation of Employees	5,455,711	69,948	1,050,512	6,576,171	4,081,820.72	2,494,350	62.1%
Committee expenses	3,756,000	861,391	6,374,830.32	10,992,221	6,700,798	4,291,423	61.0%
Use of goods and services	7,359,899	2,282,901	5,770,675	15,413,475	3,907,308	11,506,167	25.3%
Transfers to Other Government Units	98,978,466	1,704,422	77,795,756	178,478,644	75,143,355	103,335,289	42.1%
Other grants and transfers	77,614,811	1,879,322	60,557,280	140,051,413	101,601,590	38,449,823	72.5%
Acquisition of Assets	-	-	-	-	470,000	(470,000)	#DIV/0!
Other Payments	3,573,797	-	5,500,000	9,073,797	-	9,073,797	0.0%
Unapproved projects	-	3,048,883	-	3,048,883		3,048,883	0.0%
TOTAL	196,738,684	9,846,867	157,049,054	363,634,604	191,904,872	171,729,733	52.8%

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

National Government Constituencies Development Fund (NGCDF)
Kandara Constituency
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The underutilization was a result of the late re-election period of the Member of Parliament.

(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.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	171,729,733
Less undisbursed funds receivable from the Board as at 30 th June 2024	111,684,747
	60,044,986
Increase/(decrease)Accounts payable	0
(Decrease)/IncreaseAccounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the30 th June 2024	60,044,986

National Government Constituencies Development Fund (NGCDF)
Kandara Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2024

13. Budget Execution By Sectors And Projects For The Year Ended 30th June 2024

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous			
			Years' Outstanding Disbursements			
Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
1.0 Administration and Recurrent						
1.1 Compensation of employees	5,455,711	69,948	1,050,512	6,576,171	4,081,821	2,494,350
1.2 Committee allowances	2,628,000	678,996	2,216,423	5,523,419	4,256,993	1,266,426
1.3 Use of goods and services	2,964,029	1,816,033	3,850,675	8,630,737	3,907,308	4,723,429
Sub-total	11,047,740	2,564,977	7,117,610	20,730,327	12,246,122	8,484,205
2.0 Monitoring and evaluation				-		-
2.1 Capacity building	1,390,000	241,855		1,631,855		1,631,855
2.2 Committee allowances	1,128,000	182,395	2,638,805	3,949,200	2,443,805	1,505,395
2.3 Use of goods and services	3,005,870	225,013	1,920,000	5,150,883		5,150,883
Sub-total	5,523,870	649,263	4,558,805	10,731,938	2,443,805	8,288,133
3.0 Constituency Oversight Committee (Itemize as per budget)				-		-

**National Government Constituencies Developments Fund (NGCDF)
Kandara Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2024**

3.1 C.O.C Conferences								
3.2 Daily Sustance allowance								
3.3 M&E allowance								
3.4 Fuel & Lubricants			750,000					750,000
3.5 C.O.C Sitting Allowance			769,602					769,602
Sub-total			1,519,602				1,519,602	1,519,602
4.0 Emergency								
4.1 Primary Schools								
4.2 Secondary schools	9,691,047	1,698,234	7,636,190				19,025,471	1,478,464
4.3 Tertiary institutions							-	-
4.4 Security projects							-	-
4.5 Emergency projects							-	-
Sub-total	9,691,047	1,698,234	7,636,190				19,025,471	1,478,464
5.0 Bursary and Social Security								
5.1 Primary Schools								
5.2 Secondary Schools	45,411,605	126,039	29,873,675				75,411,319	84,910,546
5.3 Tertiary Institutions	19,333,545	55,049	15,588,052				34,976,646	8,454,537
5.4 Universities							-	-
5.5 Education Support Programmes							-	-
5.6 Social Security							-	-
Sub-total	64,745,150	181,088	45,461,727				110,387,965	93,365,083
6.0 Sports								17,022,882

National Government Constituencies Development Fund (NGCDF)
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6.1 Constituency Tournament			2,739,203	2,739,203	2,739,203	0
6.2 Regional Tournament			300,000	300,000	300,000	-
Sub-total			3,039,203	3,039,203	3,039,203	0
7.0 Environment						
Gacharage Primary School- Junior Secondary School	167,295			167,295		167,295
Gaichanjiru Mixed Secondary School	167,295			167,295		167,295
Gakarara Primary School	167,295			167,295		167,295
Gakoigo Primary School- Junior Secondary School	167,295			167,295		167,295
Kagongo Primary School	167,295			167,295		167,295
Kandara Primary School- Junior Secondary School	167,295			167,295		167,295
Karugia Primary School	167,295			167,295		167,295
Kawendo Primary School- Junior Secondary School	167,295			167,295		167,295
Machegecha Secondary School	167,295			167,295		167,295
Makindi Primary School	167,295			167,295		167,295
Matiraini Primary School- Junior Secondary School	167,295			167,295		167,295
Mugecha Primary School	167,295			167,295		167,295
Mukerenju Primary School	167,295			167,295		167,295

National Government Constituencies Development Fund (NGCDF)
Kandara Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2024

Mungaria Primary School	167,295			167,295		167,295
Mutheru Primary School	167,295			167,295		167,295
Mutunduini Primary School- Junior Secondary School	167,295			167,295		167,295
New Kiranga Day Secondary School	167,304			167,304		167,304
Ngaaini Primary School- Junior Secondary School	167,295			167,295		167,295
Waitua Primary School	167,295			167,295		167,295
Githumu Police Station, Gakarara Primary School, Gakoigo Primary School, Gathaiti Primary School, Githunguri Girls High School, Kandara Primary School, Mukuria Secondary School, Naaro High School, Ngararia Girls High School, O C P D Office, Riandegwa Primary School, Waitua Primary School, Tobena Agencies			701,320	701,320		701,320
kirunguru secondary school			217,060	217,060	217,060	-
wangai primary school			217,060	217,060	217,060	
gakui primary school			217,060	217,060	217,060	

National Government Constituencies Development Fund (NGCDF)
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Annual Report and Financial Statements for The Year Ended June 30, 2024

kianyingi secondary school			217,060	217,060	217,060	
muruka secondary school			217,060	217,060	217,060	
githumu mixed secondary			217,060	217,060	217,060	
manjuu secondary			217,060	217,060	217,060	
ngararia mixed secondary			217,060	217,060	217,060	
kariua primary			217,060	217,060	217,060	
machegecha primary school			217,060	217,060	217,060	
rukira primary school			217,060	217,060	217,060	
mugecha primary school			217,060	217,060	217,060	
gakarara primary school			217,060	217,060	217,060	
mungaria primary school			217,060	217,060	217,060	
Sub-total	3,178,614	-	3,740,160	6,918,774	3,038,840	3,879,934
8.0 Primary Schools Projects						
(List all the Projects)						
Kihaaro Primary School - Junior Secondary School	662,344			662,344		662,344
Makindi Primary School- Junior secondary school	3,200,000			3,200,000		3,200,000
Waitua Primary School- Junior secondary school	4,800,000			4,800,000		4,800,000
Kaburugi Primary School - Junior secondary school	1,692,005			1,692,005		1,692,005

National Government Constituencies Development Fund (NGCDF)
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Annual Report and Financial Statements for The Year Ended June 30, 2024

Mutitu Primary School- Junior secondary school	1,692,005			1,692,005		1,692,005
Riandegwa Primary School- Junior secondary school	1,692,005			1,692,005		1,692,005
				-		-
Gacharage Primary School- Junior Secondary School	1,600,000			1,600,000		1,600,000
Kandara Primary School- Junior Secondary School	1,600,000			1,600,000		1,600,000
Gakoigo Primary School- Junior Secondary School	1,600,000			1,600,000		1,600,000
Ngaaini Primary School- Junior Secondary School	1,600,000			1,600,000		1,600,000
Kawendo Primary School- Junior Secondary School	1,600,000			1,600,000		1,600,000
Matiraini Primary School- Junior Secondary School	1,600,000			1,600,000		1,600,000
Mutunduini Primary School- Junior Secondary School	1,600,000			1,600,000		1,600,000
Makindi Primary School- Junior Secondary School	1,408,783			1,408,783		1,408,783
Mugaaini Primary School-Junior Secondary School	2,145,140			2,145,140		2,145,140
Mutheru Primary School	7,800,000			7,800,000		7,800,000
Mungaria Primary School	7,800,000			7,800,000		7,800,000

National Government Constituencies Development Fund (NGCDF)
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Annual Report and Financial Statements for The Year Ended June 30, 2024

Kagongo Primary School	9,000,000			9,000,000		9,000,000
Gakarara Primary School	3,600,000			3,600,000		3,600,000
Karugia Primary School	7,200,000			7,200,000		7,200,000
Mukerenju Primary School	7,200,000			7,200,000		7,200,000
Gaichanjiru Primary School - Junior Secondary School	2,292,292			2,292,292		2,292,292
Kawanjeru Primary School- Junior Secondary School	2,432,992			2,432,992		2,432,992
Mugecha Primary School	6,600,000			6,600,000		6,600,000
Gituru primary school			2,590,936	2,590,936	2,590,936	-
Kagira primary school			1,922,949	1,922,949	1,922,949	-
Githuya primary school			4,302,401	4,302,401		4,302,401
Kiangare primary school			5,600,000	5,600,000	5,600,000	-
kiranga primary school			5,160,000	5,160,000	5,160,000	-
manjuu primary school			6,880,000	6,880,000	6,880,000	-
kariguini primary school			6,020,000	6,020,000	6,020,000	-
kirigithu primary school			5,050,000	5,050,000	5,050,000	-
Ngararia primary school			13,877,365	13,877,365	13,877,365	-
Sub-total	82,417,566	-	51,403,651	133,821,217	47,101,250	86,719,967

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9.0 Secondary Schools Projects (List all the Projects)						
Gaichanjiru Mixed Secondary School	3,000,000			3,000,000		3,000,000
Gaichanjiru Mixed Secondary School	1,080,000			1,080,000		1,080,000
Machegecha Secondary School	4,800,000			4,800,000		4,800,000
New Kiranga Day Secondary School	6,400,000			6,400,000		6,400,000
New Kiranga Day Secondary School	900,000			900,000		900,000
New Kiranga Day Secondary School	380,900			380,900		380,900
Githumu Day Secondary School		1,650,000		1,650,000	1,650,000	-
Manjuu Secondary School		4,422		4,422		4,422
Waitua Secondary School		50,000		50,000		50,000
Gathage secondary school			5,427,330	5,427,330	5,427,330	
waitua secondary school			1,148,890	1,148,890	1,148,890	
Gatituini secondary school			5,847,960	5,847,960	5,847,960	
kirirwa secondary school			2,048,250	2,048,250	2,048,250	
githumu mixed secondary school			715,945	715,945	715,945	
Waitua Secondary School			1,403,730	1,403,730	1,403,730	
Wangai secondary school			9,800,000	9,800,000	9,800,000	
Sub-total	16,560,900	1,704,422	26,392,105	44,657,427	28,042,105	16,615,322

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10.0 Tertiary institutions Projects (List all the Projects)						
10.1						
10.2						
10.3						
Sub-total						
11.0 Security Projects						
KandaraOcpd Office			680,000	680,000	680,000	-
				-		-
Sub-total			680,000	680,000	680,000	-
12.0 Acquisition of assets						
12.1 Motor Vehicles (including motorbikes)						
12.2 Construction of CDF office						
12.3 Purchase of furniture and equipment						
12.4 Purchase of computers				-	470,000	(470,000)
12.5 Purchase of land				-		-
Sub-total				-	470,000	(470,000)
13.0 Others						
13.1 Strategic Plan			3,500,000	3,500,000		3,500,000
13.2 Electricity	3,573,797.00			3,573,797		3,573,797
13.3 Innovation Hub			2,000,000	2,000,000		2,000,000
Funds pending approval**						

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Sub-total	3,573,797	-	5,500,000	9,073,797	-	9,073,797
Funds pending approval**				-		-
Unapproved projects				-		-
AIA		40,000		40,000		40,000
PMC savings		3,008,883		3,008,883		3,008,883
Sub-total	-	3,048,883		3,048,883	-	3,048,883
Total	196,738,684	9,846,867	157,049,054	363,634,605	191,904,872	171,729,733

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. This statement totals should time to totals of statement in schedule 12

14. 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;

- Receivables that include imprests
- Payables that include 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-Kandara 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. Recognition of Receipts

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

a. 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.

b. Proceeds from the Sale of Assets

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

c. Other receipts

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

d. 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.

e. 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.

5. Recognition of payments

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

a) Compensation of Employees

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

b) 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.

c) Acquisition of Fixed Assets

The payment on the 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 is provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

6. 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.

7. 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 an insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

8. 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.

9. Accounts Payable

For 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 the fulfilment of obligations by the contractor and holding deposits on behalf of third parties. Gratuity earned 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 the National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

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10. 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.

11. 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 the NGCDF Act, 2015

12. 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 2023 for the period 1st July 2023 to 30th June 2024 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.

13. Comparative Figures

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

14. 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 2024.

15. Prior Period 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

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occurred before the earliest prior period presented, restate 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.

16. 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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15. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2023/2024	2022/2023
NGCDF Board	Kshs	Kshs
		7,000,000
B214631	70,957,116	
B214525	59,900,657	
B214102	12,088,879	
B225045	30,000,000	
B225287	9,800,000	
B225360	4,302,401	
B226031	30,000,000	
B226429	25,183,937	
TOTAL	242,232,990	7,000,000

2. Proceeds From Sale of Assets

	2023/2024	2022/2023
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

	2023/2024	2022/2023
	Kshs	Kshs
Interest Received	-	-
Rent	-	-
Receipts from sale of tender documents	408,000	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs account	-	3,166,117
Other Receipts Not Classified Elsewhere (specify)	-	-
Total	408,000	3,166,117

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4. Compensation Of Employees

	2023/2024	2022/2023
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,199,772	1,180,297
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,837,184	-
Employer Contributions Compulsory national social security schemes	44,864	-
Employer Contributions Compulsory Housing levy	-	-
Employer contributions to National Industrial Training Authority	-	-
Total	4,081,820	1,180,297

5. Committee Expenses

	2023/2024	2022/2023
	Kshs	Kshs
A. NG CDFC		
Sitting allowance	2,443,805	703,720
Other committee expenses	4,256,993	852,800
Sub total	6,700,798	1,556,520
B. Constituency Oversight Committee		
Allowances	-	-
Other committee expenses	-	-
Sub total	-	-
Total(A+B)	6,700,798	1,556,520

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6. Use of Goods and services

	2023/2024	2022/2023
	Kshs	Kshs
Utilities, supplies and services	141,619	76,957
Communication, supplies and services	281,826	-
Domestic travel and subsistence	628,250	149,400
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	185,600	136,000
Hospitality supplies and services	209,075	100,000
Insurance costs	-	150,675
Specialized materials and services	-	-
Office and general supplies and services	677,675	400,000
Fuel, oil & lubricants	712,307	600,000
Bank Charges	195,735	-
Other operating expenses	261,120	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	614,100	661,278
Other operating expenses	-	-
Total	3,907,307	2,274,310

7. Transfer To Other Government Units

Description	2023/2024	2022/2023
	Kshs	Kshs
Transfers To Primary Schools	49,149,500	-
Transfers To Secondary Schools	25,993,855	6,430,305
Transfers To Tertiary Institutions	-	-
Total	75,143,355	6,430,305

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8. Other Grants and Other transfers

	<i>2023/2024</i>	<i>2022/2023</i>
	Kshs	Kshs
Bursary – secondary schools	84,997,083	-
Bursary – tertiary institutions	8,368,000	5,550,000
Bursary – special schools	-	-
Bursary- education support programmes	-	-
Social Security programmes (NHIF)	-	-
Security projects	680,000	-
Sports projects	3,039,203	965,210
Environment projects	3,038,840	2,604,921
Emergency projects	1,478,464	1,869,000
Roads projects	-	-
Total	101,601,590	10,989,131

9. Acquisition of Assets

	<i>2023/2024</i>	<i>2022/2023</i>
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	470,000	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	470,000	-

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10. Other Payments

	<i>2023/2024</i>	<i>2022/2023</i>
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
Others (<i>specify</i>)	-	-
Total	-	-

11. Cash and Cash Equivalents

Name of Bank and Account No.	<i>2023/2024</i>	<i>2022/2023</i>
	Kshs	Kshs
11A: Bank Accounts (Cash Book Bank Balance)		
<i>Cooperative Bank, Thika branch A/C No. 01120074486100</i>	60,044,986	9,308,868
<i>Operation account pending closure (Indicate name & account no.)</i>		
<i>Name of Bank, account No. (Deposit)</i>		
Total	60,044,986	9,308,868
11B: Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

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12. Outstanding Imprests

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

13. Retention

	<i>2023/2024</i>	<i>2022/2023</i>
	<i>KShs</i>	<i>KShs</i>
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention asat 30 th June D= A+B-C	-	-

Retentions aging analysis.

	<i>2023/2024</i>	<i>% of the total Retention</i>	<i>2022/2023</i>	<i>% of the total Retention</i>
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

14. Gratuity

	<i>2023/2024</i>	<i>2022/2023</i>
	<i>KShs</i>	<i>KShs</i>
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

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Gratuity aging analysis

	2023/2024	% of the total Gratuity	2022/2023	% of the total Gratuity
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

The total above should be equal to the Gratuity closing figures)

15. Fund Balance B/F

	(1st July 2023)	(1st July 2022)
	Kshs	Kshs
Bank accounts	9,308,868	21,703,315
Cash in hand	-	-
Imprest	-	-
Total	9,308,868	21,703,315
Less		
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	9,308,868	21,703,315

[Provide short appropriate explanations as necessary]

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16. Prior Year Adjustments

	Balance b/f as per Audited Financial statements	Adjustments	Adjusted Balance** BF
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Imprests	-	-	-
Retentions	-	-	-
Gratuity	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

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

17. Changes In Accounts Receivable – Outstanding Imprests

	2023/2024	2022/2023
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	130,000
Imprest surrendered during the Year (C)	-	
Closing accounts in account receivables D= A+B-C	-	130,000
Net changes in accounts Receivables D - A	-	(130,000)

18. Changes In Accounts Payable – Gratuities and Retentions

	2023/2024	2022/2023
	KShs	KShs
Gratuities and Retentions as at 1 st July (A)	-	-
Gratuities and Retentions held during the year (B)	-	-
Gratuities and Retentions paid during the Year (C)	-	-
Closing account payables D= A+B-C	-	-
Net changes in accounts payables D-A	-	-

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19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	2023/2024	2022/2023
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

Aging Analysis for Pending Accounts Payables

	2023/2024	% of the total	2022/2023	% of the total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

19.2: Pending Staff Payables (See Annex 2)

	2023/2024	2022/2023
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
Total	-	-

Aging Analysis for Pending Staff Payables

Aging Analysis for staff Payables

	2023/2024	% of the total	2022/2023	% of the total
Under one year	-	-	-	-
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
Total	-	-	-	-

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19.3: Unutilized Fund (See Annex 3)

	2023/2024	2022/2023
	Kshs	Kshs
Compensation of employees	2,494,350	69,948
Committee expense	4,291,423	861,538
Use of goods and services	11,506,167	2,282,901
Amounts due to other Government entities	103,335,289	6,218,307
Amounts due to other grants and other transfers	38,449,823	7,454,170
Acquisition of assets	(470,000)	-
Other Payments (specify)	9,073,797	2,000,000
Funds pending approval	3,048,883	2,640,883
Total	171,729,732	21,527,748

19.4: PMC account balances (See Annex 5)

	2023/2024	2022/2023
	Kshs	Kshs
PMC account balances	29,141,930.95	10,254,455
Total	29,141,930.95	10,254,455

19.5 Related Party Transactions

	2023/2024	2022/2023
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,443,805	703,720
Transaction with the NGCDF Board		
Receipts from the NGCDF Board during the year	242,232,990	7,000,000
Total	242,232,990	7,000,000

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16. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balances 30 th June 2024	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 2023/2024	Outstanding Balance 2022/2023	Comments
Compensation of employees	Salary payment & gratuity	2,494,350.28	69,948	The employees were employed late due to the by election
Committee Expenses	Payment of committee expenses	4,291,423.32		The committee was constituted late due to the by-elections
Use of goods & services	Payment of utilities, committee allowance and other office expenditure	11,506,167.10	3,144,439	The committee was constituted late due to the by-elections
Sub total				
Amounts due to other Government entities				
Gituru primary school	Renovation of 12 classrooms		2,590,936	
Kagira primary school	Renovation of 9 classrooms		1,922,949	
Githumu day secondary school	Construction of 2 classrooms		1,650,000	
Manjuu secondary school	Construction of laboratory		4,422	
Kihaaro Primary School - Junior Secondary School	Renovation to completion of 2 classrooms: Tiles flooring, external and internal wall plastering.	662,344		The funds were approved after closure of the financial year

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Makindi Primary School- Junior secondary school	Construction to completion of 2 classrooms (with tiles and ceiling)	3,200,000	The funds were approved after closure of the financial year
Waitua Primary School- Junior secondary school	Construction to completion of 3 classrooms (with tiles and ceiling).	4,800,000	The funds were approved after closure of the financial year
Kaburugi Primary School - Junior secondary school	Construction to completion of 1 classroom (with tiles and ceiling).	1,692,005	The funds were approved after closure of the financial year
Mutitu Primary School- Junior secondary school	Construction to completion of 1 classroom (with tiles and ceiling).	1,692,005	The funds were approved after closure of the financial year
Riandegwa Primary School- Junior secondary school	Construction to completion of 1 classroom (with tiles and ceiling).	1,692,005	The funds were approved after closure of the financial year
Gacharage Primary School- Junior Secondary School	Construction to completion of 1 classroom (with tiles and ceiling).	1,600,000	The funds were approved after closure of the financial year
Kandara Primary School- Junior Secondary School	Construction to completion of 1 classroom (with tiles and ceiling).	1,600,000	The funds were approved after closure of the financial year
Gakoigo Primary School- Junior Secondary School	Construction to completion of 1 classroom (with tiles and ceiling).	1,600,000	The funds were approved after closure of the financial year
Ngaaini Primary School- Junior Secondary School	Construction to completion of 1 classroom (with tiles and ceiling).	1,600,000	The funds were approved after closure of the financial year
Kawendo Primary School- Junior Secondary School	Construction to completion of 1 classroom (with tiles and ceiling).	1,600,000	The funds were approved after closure of the financial year

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Matiraini Primary School- Junior Secondary School	Construction to completion of 1 classroom (with tiles and ceiling).	1,600,000	The funds were approved after closure of the financial year
Mutunduini Primary School- Junior Secondary School	Construction to completion of 1 classroom (with tiles and ceiling).	1,600,000	The funds were approved after closure of the financial year
Makindi Primary School- Junior Secondary School	Construction to completion of 1 classroom (with tiles)	1,408,783	The funds were approved after closure of the financial year
Mugaaini Primary School-Junior Secondary School		2,145,140	The funds were approved after closure of the financial year
Mutheru Primary School		7,800,000	The funds were approved after closure of the financial year
Mungaria Primary School		7,800,000	The funds were approved after closure of the financial year
Kagongo Primary School		9,000,000	The funds were approved after closure of the financial year
Gakarara Primary School		3,600,000	The funds were approved after closure of the financial year
Karugia Primary School		7,200,000	The funds were approved after closure of the financial year
Mukerenju Primary School		7,200,000	The funds were approved after closure of the financial year

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Gaichanjiru Primary School - Junior Secondary School		2,292,292		The funds were approved after closure of the financial year
Kwanjeru Primary School- Junior Secondary School		2,432,992		The funds were approved after closure of the financial year
Mugecha Primary School		6,600,000		The funds were approved after closure of the financial year
Githuya primary school	Construction of 2 storey classrooms	4,302,401		The funds were approved after closure of the financial year
Gaichanjiru Mixed Secondary School	Renovation to completion of 5 classrooms: Tiles flooring, external and internal wall plastering, roof repair, verandah, steel door.	3,000,000		The funds were approved after closure of the financial year
Gaichanjiru Mixed Secondary School	Completion of administration block: Plastering, flooring with tiles, installation of doors and windows and electrical works.	1,080,000		The funds were approved after closure of the financial year
Machegecha Secondary School	Construction to completion of 3 classrooms (with tiles and ceiling)	4,800,000		The funds were approved after closure of the financial year
New Kiranga Day Secondary School	Construction to completion of 4 classrooms (with tiles and ceiling)	6,400,000		The funds were approved after closure of the financial year
New Kiranga Day Secondary School	Construction of 6-door pit latrine to completion with a chamber for Persons With Disabilities	900,000		The funds were approved after closure of the financial year
New Kiranga Day Secondary School	Construction to completion of a 2-door pit latrine with ramps.	380,900		The funds were approved after closure of the financial year

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Manjuu Secondary School	Construction of classroom	4,422		The funds were approved after closure of the financial year
Waitua Secondary School	Construction of classroom	50,000		The funds were approved after closure of the financial year
Sub-Total		103,335,289.00	6,168,307	
Amounts due to other grants and other transfers				
Bursary-secondary school	Award of bursary to needy students	(9,499,227)	5,000,000	This amount of money was re-allocated from emergency hence the negative
Bursary-tertiary school	Award of bursary to needy students	26,522,109	55,049	This amount of money arrived almost at the closure of the financial year hence had not been utilized
Sports project	Sports tournament in the constituency	-	(432)	
Environment projects	Purchase of tanks and construction of concrete tank bases	3,879,934	701,320	The amounts for tree planting has some pending issues at the board level
Emergency projects	To cater for any unforeseen occurrence in the constituency	17,547,007	1,748,234	The emergency funds were received past the financial year and needed re-allocation which was yet to be approved

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Sub-Total			38,449,823						
Acquisition of assets			(470,000)						These funds already used for purchase of assets
Others (specify)									
Electricity		Installation of two transformers co funding with REA	2,000,000			2,000,000			These funds are for installation of a transformer
strategic plan		Kandara NG-CDF Strategic plan	3,500,000						Funds for development of strategic plan
Innovation Hub Kiiri Constituency Hub		Kiiri Constituency Hub	3,573,797						Funds for construction of ICT Hubs
Sub-Total									
Funds pending approval		Funds returned from PMCs and AIA				2,640,883			
Unapproved projects									
AIA			40,000						Proceeds from sale of tender not yet approved
PMC savings			3,008,883						PMC balances yet to be approved
Sub-total			3,048,883						
Grand Total			171,729,733			21,527,748			

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2022/2023	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End 2023/2024
Land	-	-	-	-
Buildings and structures	2,581,540			2,581,540
Transport equipment	7,898,000			7,898,000
Office equipment, furniture and fittings	495,984			495,984
ICT Equipment, Software and Other ICT Assets	706,650	470,000		1,176,650
Other Machinery and Equipment	-			-
Intangible assets	-			-
Total	11,682,174			12,152,174

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Annex 5 –PMC Bank Balances as at 30th June 2024

			2023/2024	2022/2023
GAICHANJIRU MIXED SEC	EQUITY KENOL	0890283060235	1,415	441,415
GAKUI SEC	EQUITY KENOL	0890281012133	50,210	164,211
GATHAGE SEC SCHOOL	EQUITY- KENOL	0890285498022	5,427,330.00	
GATITU-INI SEC	EQUITY KENOL	0890283593878		2,932,325
GATITUINI SEC SCH	EQUITY- KENOL	0890283262450	1,096,718.80	
GICHAGI-INI DAY	EQUITY KENOL	0890202473450		343,979
GITHUMU DAY SEC	EQUITY KENOL	0890282243708		79,823
GITHUMU DAY SEC SCH	EQUITY- KENOL	0890282243708	1,430.00	
GITHUMU POLICE STATION-OCS	EQUITY KENOL	0890282474800	68,694	197,613
GITHUMU PRIMARY SCHOOL	EQUITY KENOL	0890282975328	204,572	204,572
GITHUYA PRI. SCH. PMC A/C	EQUITY- KENOL	0890285210333	-	
GITURU PRIMARY SCH	EQUITY KENOL	0890282175944	3,452	91,453
KAGIRA PRIMARY SCH	EQUITY KENOL	0890282172140	4,759	69,900

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KAMICEE PRIMARY SCH	EQUITY KENOL	0890282974167	9,299	372,882
KANDARA OCPD OFFICE	EQUITY KENOL	0890279865293		3,603
KANDARA OCPD OFFICE	EQUITY- KENOL	0890279865293	3,603.50	
KANDARA PRIMARY SCHOOL	EQUITY KENOL	0890279867585	1,277	30,277
KARIGUINI PRI.SCH. CDF A/C	EQUITY- KENOL	0890193269810	4,907.20	
KARIUA PRI SCH	EQUITY- KENOL	0890264500127	-	
KAWANJERU PRIMARY SCHOOL	EQUITY KENOL	0890281196646	373,473	373,023
KIANGARI PRI. SCH	EQUITY- KENOL	0890285214973	1,438,943.20	
KIANYINGI PRIMARY SCH	EQUITY KENOL	0890283007413	1,820	131,299
KIIRI PRIMARY SCH	EQUITY KENOL	0890282472847	13,598	471,945
KIIRI SECONDARY SCHOOL	EQUITY KENOL	0890282645992	1,325	165,257
KIRANGA PRIMARY SCH	EQUITY KENOL	0890282502638		303,973
KIRANGA PRIMARY SCHOOL	EQUITY- KENOL	0890285214561	5,160,000.00	
KIRANGA PRIMARY SCHOOL CLASSROOMS	EQUITY- KENOL	0890282502638	101,600.00	
KIRIGITHU PRI SCH	EQUITY- KENOL	0890285212641	523,497.00	

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KIRIRWA SEC SCH	EQUITY- KENOL	0890282975107	232,093.50	
KIRIRWA SEC SCHOOL	EQUITY KENOL	0890282975107		273,631
KIRUNGURU PRI SCH	EQUITY- KENOL	0890269930203	-	
MAKENJI POLICE STATION	EQUITY KENOL	0890282172202	1,843	241,359
MAKINDI PRIMARY SCH	EQUITY KENOL	0890282474956	2,043	358,923
MANJUU PRI SCH	EQUITY- KENOL	0890270239628	1,013,393.00	
MANJUU SEC SCH	EQUITY KENOL	0890279651047		44,275
MANJUU SEC SCHOOL	EQUITY- KENOL	0890279651047	1,275.50	
MUGAA-INI PRIMARY SCH	EQUITY KENOL	0890282983262	383,061	383,061
MUGECHA PRI. SCH	EQUITY KENOL	0890282995476		419,001
MUGECHA PRI. SCH. PMC A/C	EQUITY- KENOL	0890282995476	192,846.25	
MUKERENJU PRI SCHOOL	EQUITY KENOL	0890282581762		501,509
MURUKA SEC SCH	EQUITY KENOL	0890281279849		413,065
MURUKA SEC SCH.	EQUITY- KENOL	0890281279849	2,390.00	
MURUKA SEC SCH. BUS	EQUITY- KENOL	0890282602788	-	

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NAARO HIGH SCH	EQUITY KENOL	0890282495976	16,778	172,596
NGARARIA MIXED SEC SCH		NO A/C		
NGARARIA PRI SCH	EQUITY- KENOL	0890264153271	2,966,650.5	-
RUKIRA PRI SCH	EQUITY- KENOL	0890272203702	-	
THAGARI PRI SCH	EQUITY KENOL	0890283001082	15,000	169,650
WAITUA SEC SCH- ABLUTION	EQUITY KENOL	0890282646099		159,280
WAITUA SEC SCH- CLASSROOM	EQUITY KENOL	0890282286160		740,555
WAITUA SEC. SCH ABLUTION	EQUITY- KENOL	0890282646099	7,960.50	
WAITUA SEC. SCH DESKS	EQUITY- KENOL	0890282648760	14,673.00	
WANGAI PRI SCH	EQUITY- KENOL	0890263705296	-	
WANGAI SEC SCH	FAMILY BANK	032000019385	9,800,000	
Total			29,141,930.95	10,254,455

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Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Note 12. A to the financial statements reflects Nil balances and relation to retention monies. However, during the financial year ended 30th June, 2022, the Fund has disbursed amount of Kshs. 95,686,270 to various contractor for work undertaken. Review of project management committee(PMC) accounts reviewed that there existed for record of retention monies for completed projects. It was therefore, not possible to confirm how much money is in the PMC bank accounts in respect of retention monies which the</p>	<p>Going forward we will prepare returns for the PMC accounts</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	contractors are owed. In the circumstances, the accuracy and presentation of the financial statements component of retention monies could not be confirmed.			
	The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs. 208,070,758 and Kshs. 195,943,879, respectively resulting to underfunding of Kshs. 12,126,879 or 7%. However, the statement reflects final expenditure budget and actual on comparable basis of Kshs. 208,070,758 and Kshs. 174,240,564 respectively resulting to an under-expenditure of ksh 33,830,194 of 16% of the	The same was due to late receipt of funds from the NGCDF Board	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	budget. In the circumstances, the under- expenditure affected the planned activities and may have impacted negatively services delivery to the public.			
	Note 7 to the financial statements reflects an amount of Kshs. 62,285,042 in respect of other grants and transfer which include Kshs. 10,138,554 in respect of security project to the constituency. However physical inspection conducted in the month of March, 2023 on the status of various project revealed that Makenji police post office block constructed at cost of Kshs. 2,295,563 and Kandara OCPD phase 2 block constructed at a sum of Kshs. 2,268,383 had been	The projects are now in use	Resolved	

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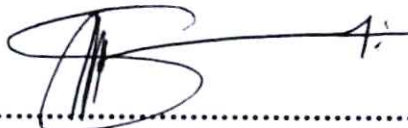
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>completed and handed over to the intended users. It was however, noted that the office blocks were not being utilized as the security managements cited lack of office furniture. In the circumstances, value for the money may not have been realized on the expenditure of Kshs. 10,138,554 for the security projects.</p>			
	<p>Note 7 to the financial statements reflects other grants and other transfer amount of Kshs. 62,285,042 which include Kshs. 25,169,386 and Kshs. 13,274,702 for bursary-secondary school and tertiary institutions respectively. However, the Fund did not have documented bursary policy</p>	<p>The committee uses the bursary guidelines issued the the Board. The same has been shared in the audit of 2022/2023</p>	<p>Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>and guideline for efficient and effective award of bursary to the needy students and it's not clear how the different bursary amount were determined. Further, bursary committee minutes were not provided for the review on the bursary may not have been paid to the needy students. In the circumstances, value for money on the Kshs. 25,169,386 and Kshs. 13,274,702 for bursary-secondary and tertiary institution, respectively could not be confirmed.</p>			
	<p>The disclosure Annex 4 of the financial statements for the year ended 30th June, 2022 reflects an amount of Kshs. 11,682,174 in respects of the summaries of the</p>	<p>The assets will be insured and valued going forward</p>		<p>30th June 2024</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)
	fixed asset register is at 30 th June, 2022. However, it was noted that only one motor vehicle had insurance cover while other assets had not been insured against insurable risks. Further, valuation has not been done for the assets since they were procured, and the accuracy of the reported balance on the summary of fixed assets could not be ascertained. In the circumstances the effectiveness of the control and risk management could not be confirmed.			



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Name: Stephen Kinyingi
Fund Account Manager