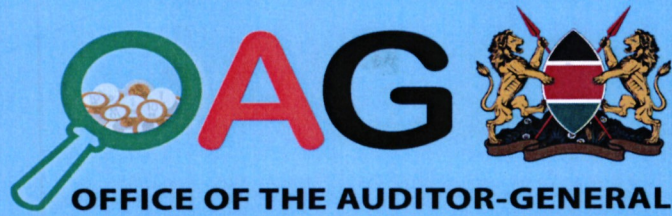


REPUBLIC OF KENYA



*Enhancing Accountability*

TO THE ASSEMBLY  
PAPERS L.A.D

DATE: 21 JUN 2023

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Wednesday

REPORT

Hon. Kimani Ichungwaly, MP  
Leader of the Majority Party  
Finlay Muriuki

OF

PARLIAMENT  
OF KENYA  
LIBRARY

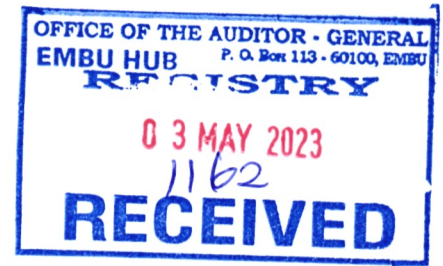
**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT  
FUND – RUNYENJES CONSTITUENCY**

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

# REPUBLIC OF KENYA



## NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -RUNYENJES CONSTITUENCY

### REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2022

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

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
RUNYENJES CONSTITUENCY***  
**Reports and Financial Statements**  
**For the year ended June 30, 2022**

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**1 KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) hereafter referred to as the (Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for The National Treasury, who is responsible for the general policy and strategic direction of the Fund.

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**Core Values**

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

**Functions of NG-CDF Committee**

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

**(b) Key Management**

The NGCDF RUNYENJES Constituency 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 30<sup>th</sup> June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	<b>Charity Mwarangu</b>
2.	Sub-County Accountant	<b>Chege John Muikamba</b>
3.	Chairman NGCDFC	<b>Elly MugoKaruguti</b>
4.	Member NGCDFC	<b>Clements Ayub</b>

**(d) Fiduciary Oversight Arrangements**

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

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
RUNYENJES CONSTITUENCY***

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**(e) NGCDF RUNYENJES Constituency Headquarters**

P.O. Box 518-60103  
CDF Building/House/Plaza  
Along Embu-Meru road next to Runyenjes sub-county HQ  
Nairobi, KENYA

**(f) NGCDF RUNYENJES Constituency Contacts**

Telephone: (254) 732 886 705  
E-mail: [cdfrunyenjes@gmail.com](mailto:cdfrunyenjes@gmail.com)  
Website: [www.cdfrunyenjesgo.ke](http://www.cdfrunyenjesgo.ke)

**(g) NGCDF RUNYENJES Constituency Bankers**

Equity Bank,  
Embu Branch,

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
RUNYENJES CONSTITUENCY**

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**2. NG-CDFC CHAIRMAN'S REPORT**



Dear Stakeholder,

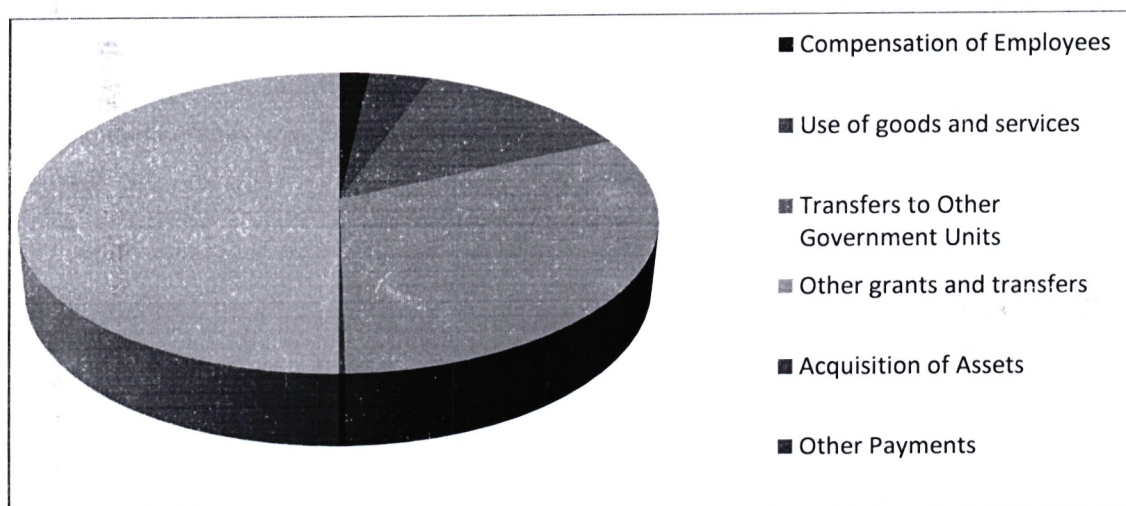
On behalf of the Runyenjes NGCDFC, I am pleased to present the annual report and financial statement for the year ended 30<sup>th</sup> June 2022.

We remain committed to achieving our mission of promoting efficiency and effectiveness in service delivery.

In the year under review, our budget performance against actual amounts for current year based on economic classification and programmes

In the financial year 2021/2022, NG-CDF RUNYENJES was allocated Kshs 137,088,879 but had also raised Ksh 26,000 in A.I.A thus bringing it to a total of Ksh 137,114,879. The constituency had an opening balance of Ksh 12,463,613 and Ksh 45,088,879 which were funds received in financial year 2021/22 but were funds for financial year 2020/21 thus bringing the final budget to Ksh 194,641,372.

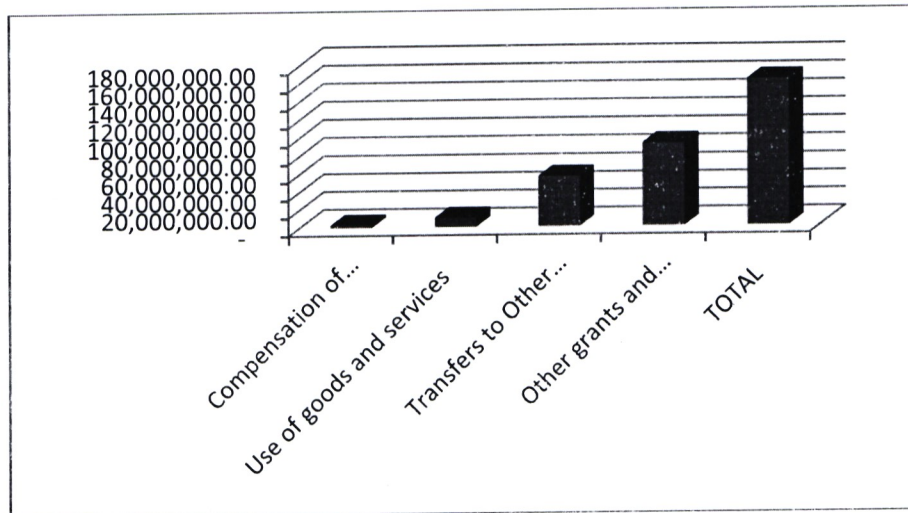
The final budget was apportioned as follows:



The constituency had Kshs 194,641,372 at its disposal and out of this we spent Kshs 162,380,362. The money was spent as follows:

Category	Amount
Compensation of Employees	3,065,854
Use of goods and services	10,694,803
Transfers to other Government units	56,394,010
Other grants & transfers	92,225,695
Other payments	
<b>TOTALS</b>	<b>162,380,362</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**Key Achievements Of NG-CDF Runyenjes Constituency**

- NG-CDF RUNYENJESC has paid school fees in the form of bursaries thus achieved higher retention of students in learning institutions and enhancing performance.
- Construction and renovation in education institutions leading to improved learning environments and thus performance.
- Construction of chiefs’ offices thus leading to enhanced security and better living conditions.

**Emerging Issues**

- Inflation has affected the cost of construction materials thus has led to previous year budget to require adjustments in the bill of quantities.

**Implementation Challenges And How To Overcome Them**

- Insufficient funding to constituency as compared to the requirements
- Local politics surrounding project implementation
- Inflation leading to increase in project cost.
- Poor record keeping by PMC’S
- Lack of co-operation by PMC’S
- Covid-19 pandemic

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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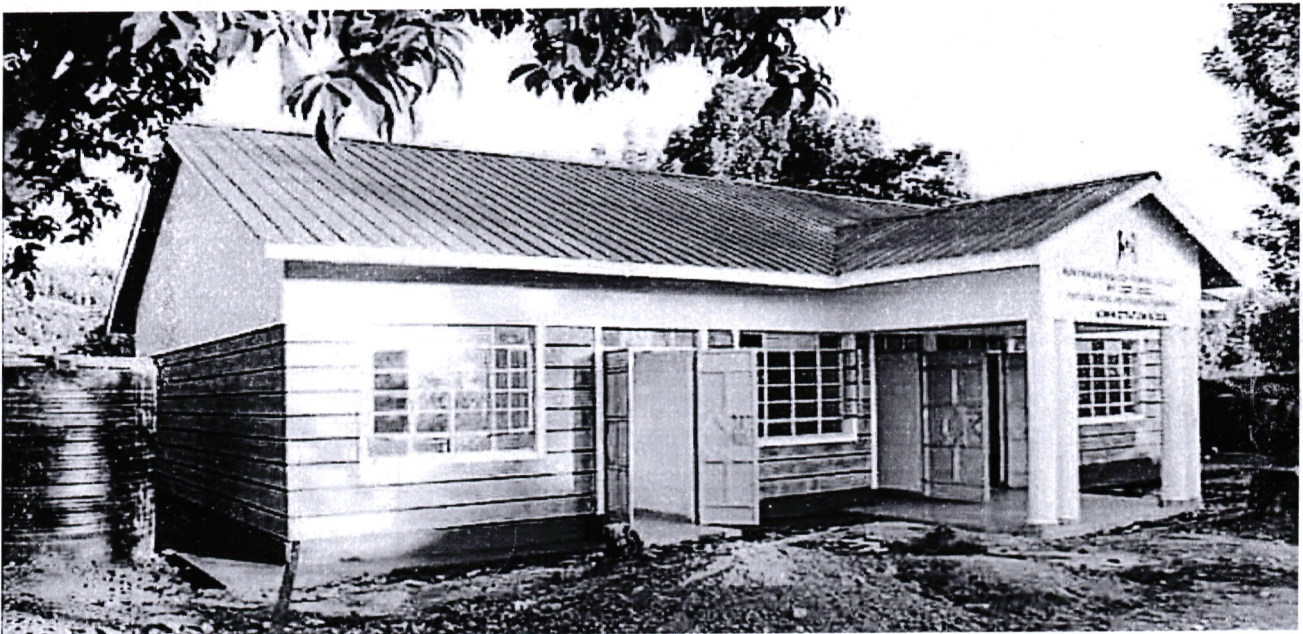
**Annual Reports and Financial Statements For the year ended June 30, 2022**

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**How To Overcome Challenges**

- Make requests to the NG-CDF Board to request for additional funding.
- Capacity build the project management committees on NG-CDF Act and regulations.
- Request Contractors to use more locally available products to minimize on costs incurred.
- Capacity build PMC's on how to prepare and maintain records.
- Capacity build PMC's on their role and responsibility in managing public funds to ensure service delivery to the community.
- Adhere to Government regulations on Covid-19 and also capacity build PMC's on Covid-19.

**NGARARI SECONDARY SCHOOL ADMINISTRATION BLOCK**



*Elly Mugo Karuguti*  
Elly Mugo Karuguti  
NG-CDF COMMITTEE CHAIRMAN

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**3. Statement Of Performance Against Predetermined Objectives For FY2021/22**

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.

**Introduction**

The key development objectives of NGCDF-RUNYENJES Constituency's 2018-2022 Strategic plan are to:

- a) Provision of physical facilities for learning institutions
- b) To improve learning, retention and transition of learners
- c) To enhance innovation and skills acquisition
- d) Enhance environmental conservation
- e) Supporting and coordinating sporting and health activities
- f) Provision of physical infrastructure in security installations
- g) Improve security and safety
- h) To strengthen corporate governance
- i) To enhance NG-CDF RUNYENJES image
- j) To strengthen Human Capital
- k) To enhance service delivery
- l) To enhance capacity for emergency preparedness and response

**Progress on attainment of Strategic development objectives**

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Provision of physical facilities for learning institutions	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure built in primary, secondary,	In FY 2021/2022 -we increased number of classrooms, dormitories, laboratories in primary and secondary schools.
	Improve learning, retention and transition of learners	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of bursary beneficiaries at all levels	We allocated bursary with Ksh 70,941,750
	To enhance innovation and	Increased enrolment in	Number of bursary beneficiaries from	We allocated tertiary bursary with Ksh

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Constituency Program	Objective	Outcome	Indicator	Performance
	skills acquisition	TVET institutions	TVET institutions	19,481,107.65
Security	Provision of physical infrastructure in security installations	Develop and improve physical facilities for National Administration and security	Number of security and National Administration offices constructed	In F/Yr 2021/2022 we have funded construction & renovation of offices in 7 administration offices and 1 police station.
	Improve security and safety	Enhance compliance and safety	Train bodaboda riders on acquisition of safety skills	In 2021/22 we have budgeted to train bodaboda riders for Ksh 2,000,000.
Environment	Enhance environmental conservation	Protect environmentally degraded areas	Plant trees and organize tree planting activities.	In 2021/2022 we have funded construction of pit latrines
	Create more awareness on environmental conservation	Enhance stakeholder collaboration	Hold public sensitization forums on environmental conservation	We held a sensitization forum
Sports	Supporting and coordinating sporting and health activities	Upgrade sporting facilities, Ensure tournaments are organized, Promote participative sporting	Plan for football and volleyball tournaments, purchase and supply of sports uniform & equipment, grade and level sports ground	In 2021/2022 we have allocated sports activities with Ksh 2,741,777.58 . The fund utilized Ksh 999,470 in the financial year and the balance of Ksh 1,742,307 was used to organize sports tournament implemented in financial year 2022/23.
Disaster Management	Create more awareness on disaster management	Enhance stakeholder awareness	Hold disaster management sensitization forum	We held a sensitization forum

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**4. Environmental and Sustainability Reporting**

NGCDF – RUNYENJES Constituency 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.

**i. Sustainability strategy and profile -**

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

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

**ii. Environmental performance**

NG-CDF RUNYENJES takes environmental conservation as one of our priorities. We aim to protect the environment from degradation, repair damage and conserve natural resources. In terms of environment we have committed to increasing tree cover, protecting our springs and also water harvesting.

Our strategic plan clearly identifies areas that we plan to target.

Our Environmental policy

- In this policy statement NG-CDF RUNYENJES commits to:
- Increase tree cover
- Develop and implement strategies for restoration of tree cover
- Ensure protection of springs
- Ensure protection of riverbanks, hilltops and slopes to prevent soil erosion
- Providing training to our NG-CDFC, PMC and staff so that we can all work together to conserve the environment
- Comply with statutory guidance on environment legislation, regulations and approved codes of practice
- Ensure availability of water in the institutions through water harvesting.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**Environment action plan**

NG-CDF RUNYENJES commits 2% of its allocation each financial year to implement environmental projects. In 2018/2019 & 2019/2020 we committed to plant trees in 60 educational institutions. NG-CDF RUNYENJES has identified a few areas where we can have impact on the environment.

The areas that we could impact are;

- Environmental protection & conservation:
- NG-CDF RUNYENJES is committed to increase tree cover by planting trees in education institutions.
- We will continue to construct gabions to prevent soil erosion
- Implement spring protection

**Capacity Building**

- Sensitize NG-CDF RUNYENJES, PMC and staff on the importance of the environment, why we need to protect and conserve the environment and how we can achieve it.
- Sensitize our stakeholders on rain water harvesting
- Promote environmental conservation by training students in primary schools and secondary schools on how to protect the environment.
- Sensitize our community on how to aid in extinguishing and controlling fires

**iii. Employee welfare**

We invest in providing the best working environment for our employees. NG-CDF Runyenjes 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. NG-CDF Runyenjes 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.

**iv. Market place practices-**

NG-CDF RUNYENJES has ensured that the NGCDFC, staff and PMC are well versed on public procurement and asset disposal act. The NG-CDFC ensures every financial year that the staffs, NGCDFC and PMC are trained on the act and any new trends and regulations that have been approved.

**Responsible competition practice**

NG-CDF RUNYENJES ensures responsible competition practice by first ensuring that most of our products are locally owned and produced. The NG-CDFC ensures that we adhere to government regulations and we request that members of the community can provide us with feedback by using our suggestion/complaint box on NGCDF premises.

***NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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NG-CDF RUNYENJES also works with the political leaders of the constituency by informing them of our targets and working with our constituency oversight committee to collect feedback from the public.

**Responsible Supply Chain and supplier relations**

NG-CDF RUNYENJES ensures that for all contracts there are contract agreements and we honor these agreements and ensure that we deal with our suppliers professionally and make payments promptly as soon as the services are rendered.

**Responsible marketing and advertisement**

NG-CDF RUNYENJES adheres to public procurement and asset disposal act. We advertise for our projects according to the act and regulations by using the public procurement regulations authority and also local notice boards to empower Runyenjes constituency community. We also ensure that we incorporate the youth, women and people with disability in our procurement procedures.

**Product stewardship**

NG-CDF RUNYENJES ensures that we have a complaints committee that handles all complaints that cannot be handled by the office and require further consultation. The office has a complaint register where any member of the public can register their complaint and the office ensures that these matters are dealt with.

**V Community Engagements-**

NG-CDF RUNYENJES takes part in community initiatives. Runyenjes constituency has a large number of youths thus we plan for sports tournaments every financial year during the holidays to ensure that the students are busy and do not indulge in drug and substance abuse. During these tournaments we ensure that there is a motivational speaker to give the youth a bit of advice and guidance. After these tournaments are done the NG-CDFC awards the teams with sports kits and equipment.

Our contractors are also instructed to ensure that they ensure they protect the environment from degradation. Our tenders are advertised locally and we request our contractors to employ people from the locality to do the manual jobs. All this is done to ensure that we build Runyenjes and increase the amount of funds circulating to ensure the mwananchi benefits not only by the service but also employment.

NG-CDF RUNYENJES has a passion for cultivation of the youth, their talent, ideals and overall growth spiritually, physically and emotionally. The numbers of youth suffering from mental conditions such as depression are on the rise thus the NG-CDFC has used platforms such as sports and environment projects to capture their attention and guide them by use of counsellors and mentorship programmes.

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**5. 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.

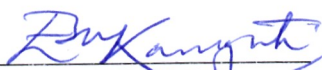
The Accounting Officer in charge of the NGCDF-RUNYENJES Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022.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

The Accounting Officer in charge of the NGCDF-RUNYENJES 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 Runyenjes Constituency financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-RUNYENJES Constituency further confirms the completeness of the accounting records maintained for NG-CDF-RUNYENJES Constituency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

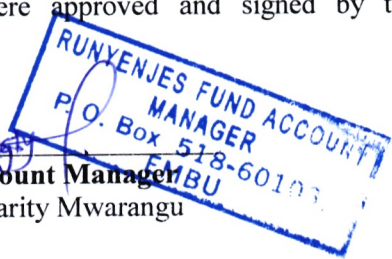
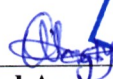
The Accounting Officer in charge of the NGCDF-RUNYENJES Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity'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-RUNYENJES Constituency financial statements were approved and signed by the Accounting Officer on 27/04/2023.



**Chairman NGCDF Committee**  
Name: Elly Mugo Karuguti



**Fund Account Manager**  
Name: Charity Mwarangu

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
RUNYENJES CONSTITUENCY**

**Annual Reports and Financial Statements For the year ended June 30, 2022**

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

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

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

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

**Public Awareness**

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

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

.....  
Name Charity Mwarangu

FAM

RUNYENJES FUND ACCOUNT  
MANAGER  
P. O. Box 518-60103,  
EMBU

Runyenjes Constituency Development Fund  
P.O. Box 518-60103  
Embu

# REPUBLIC OF KENYA



*Enhancing Accountability*

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NAIROBI

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

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### **PREAMBLE**

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

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

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

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

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

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Runyenjes Constituency set out on pages 1 to 28, which comprise the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows, and summary statement of

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

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Runyenjes Constituency as at 30 June, 2022, and 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. Inaccuracy in Other Grants and Transfers**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amounting to Kshs.92,225,695 which includes bursary to secondary schools and tertiary institutions amounting to Kshs.43,665,000 and Kshs.27,276,750 respectively totalling to Kshs.70,941,750. However, report on progress on attainment of strategic development objectives under performance column (page ix), reflected that the Fund allocated Kshs.70,941,750 and Kshs.19,481,107 totalling to Kshs.90,422,857 resulting to unexplained total variance of Kshs.19,481,107.

In the circumstances the accuracy and completeness of the bursary awarded amounts of Kshs.70,941,750 could not be confirmed

#### **2. Unsupported Unutilized Fund Balance**

As disclosed in Annex 3A to the financial statements are unutilized funds amounting to Kshs.32,261,010 for 2021/2022 and a comparative balance of Kshs.57,522,669 for 2020/2021. However, the Annex includes negative balances of Kshs.5,635,874 and Kshs.9,335,874 relating to 2021/2022 and 2020/2021 respectively whose supporting documents were not provided for audit.

In the circumstances, the accuracy and completeness of the unutilized funds balance of Kshs.32,261,010 could not be confirmed.

#### **3. Inaccuracies in the Statement of Budget Execution by Sector and Projects**

The statement of budget execution by sector and projects reflects total Committee allowance under administration and recurrent and monitoring and evaluation of Kshs.3,680,917. However, Note 5 to the financial statement reflected a total of Kshs.2,822,140 resulting to an unexplained variance of Kshs.858,777.

In addition, the statement reflects use of goods and services total of Kshs.4,469,186. However, the statement of receipts and payments reflected Kshs.10,694,803 resulting to an unexplained variance of Kshs.6,225,617.

In the circumstances, the accuracy and completeness of the above balances in the statement of budget execution by sectors and projects 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 - Runyenjes Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

### **Other Matter**

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

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.194,641,372 and Kshs.194,641,372 respectively. Similarly, the Fund expended Kshs.162,380,362 against an approved budget of Kshs.194,641,372 resulting to an under-expenditure of Kshs.32,261,010 or 17% of the budget.

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

#### **2. Unresolved Prior Year Matters**

In the audit report of the previous year, several paragraphs were raised. However, Management has not resolved and disclosed the status of all the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board. Management has not provided satisfactory explanation for the delay in resolving the issues.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Irregular Payment of Gratuity**

Review of the payment records revealed that the Fund paid gratuity amounting to Kshs.453,577 to contractual employees who were still in service and whose contracts

had not expired. This is contrary to Section D.32(1) of the Human Resource Policies and Procedures Manual for the Public Service which states that an officer is eligible for the grant of a pension or gratuity under the pensions Act only when he retires from the service of the Government.

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

## **2. Environment Activities**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amounting to Kshs.92,225,695 which includes environmental expenses amounting to Kshs.3,884,475. However, this translates to 2.1% of Kshs.182,177,758 receipts by the Constituency during the year under review, resulting to excess allocation and subsequent excess transfer of Kshs.240,919 to environmental activities. This is contrary to Section 25 (10) of National Government Constituencies Development Fund Act, 2015 which states that environmental activities may be considered as development projects for purposes of this Act provided that the allocation to such activities does not exceed two per cent (2%) of the total allocation of the constituency in that financial year. In addition, construction of toilets utilized Kshs.2,841,777 or 73% of the total allocation to environment activities. However, Management did not explain if this was the only environmental sustainability project in the constituency during the year under review.

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

## **3. Over-Allocation of Funds to Bursary**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers amounting to Kshs.92,225,695 which includes Kshs.43,665,000 and Kshs.27,276,750 for bursary to secondary schools and tertiary institutions respectively both totalling to Kshs.70,941,750. However, the Constituency had received Kshs.182,117,758 from the NG-CDF Board and therefore the allocated amount of Kshs.70,941,750 represented 39% of the funds. This is contrary to Section 48 of the National Government Constituencies Development Fund Act, 2015 which states that the funding of social security programmes, education bursary schemes, mock examinations, and continuous assessment tests shall be considered as development projects for the purposes of the Act provided that such projects shall not be allocated more than thirty-five per cent (35%) of the total funds allocated for the constituency in any financial year.

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

## **4. Irregular Award of Contract**

Review of contract documents revealed that the Fund Management awarded a contract for the construction of a dining hall at St. Michael Kevote Mixed Secondary at a contract sum of Kshs.7,398,377. However, the contractor was irregularly awarded the works through use of quotations method. This is contrary to Section 26 and Second Schedule of Public Procurement and Asset Disposal Regulations, 2020 which states that for procurement of works, the maximum level of expenditure under this method is Kshs.5,000,000 per request for quotation.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with

relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**16 May, 2023**



2023


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
 RUNYENJES CONSTITUENCY  
 Annual Reports and Financial Statements For the year ended June 30, 2022**

**7. Financial Statements**


**7.1 Statement Of Receipts and Payments For The Year Ended 30<sup>th</sup> June 2022**

	Note	2021 - 2022	2020 - 2021
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	182,177,758	163,658,342
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	26,000	27,000
<b>TOTAL RECEIPTS</b>		<b>182,203,758</b>	<b>163,685,342</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,065,854	3,086,143
Use of goods and services	5	10,694,803	9,716,776
Transfers to Other Government Units	6	56,394,010	107,290,758
Other grants and transfers	7	92,225,695	68,677,672
Acquisition of Assets	8	-	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>162,380,362</b>	<b>188,771,349</b>
<b>SURPLUS/(DEFICIT)</b>		<b>19,823,396</b>	<b>(25,086,007)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-RUNYENJES Constituency financial statements were approved on 27/04/2023 and signed by:

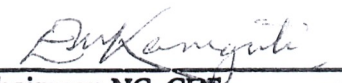
  
**Fund Account Manager**  
 Name: Charity Mwarangu

**RUNYENJES FUNDS ACCOUNT**  
 MANAGER  
 P.O. BOX 518-60103  
 EMBU EAST

  
**National Sub-County  
 Accountant**

Name: Chege Muikamba  
 ICPAK M/No: 7376

**THE NATIONAL SUB-COUNTY TREASURY  
 ACCOUNTANT  
 EMBU EAST**

  
**Chairman NG-CDF  
 Committee**

Name: Elly Mugo Karuguti

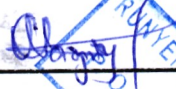
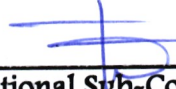

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
RUNYENJES CONSTITUENCY**

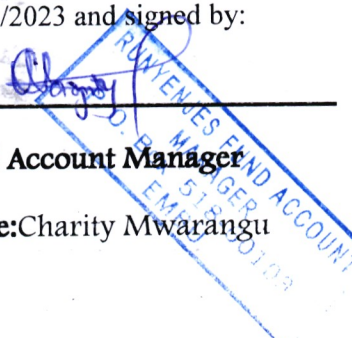
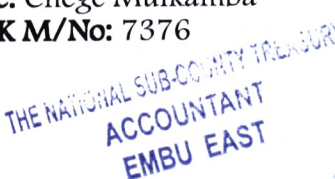
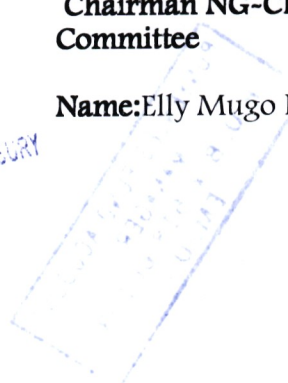
**Annual Reports and Financial Statements For the year ended June 30, 2022**

**7.2 Statement Of Assets And Liabilities As At 30<sup>th</sup> June 2022**

	Note	2021-2022 Kshs	2020-2021 Kshs
<b>Financial Assets</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	32,261,010	12,237,193
Cash Balances (cash at hand)	10B	-	200,420
<b>Total Cash and Cash Equivalents</b>		<b>32,261,010</b>	<b>12,437,613</b>
Accounts Receivable			
Outstanding Imprests	11	-	-
<b>Total Financial Assets</b>		<b>32,261,010</b>	<b>12,437,613</b>
<b>Financial Liabilities</b>			
<b>Accounts Payable(Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>Total Financial Liabilities</b>		<b>=</b>	<b>=</b>
<b>Net Financial Assets</b>		<b>32,261,010</b>	<b>12,437,613</b>
<b>Represented By</b>			
Fund balance b/fwd	13	12,437,613	37,519,797
Prior year adjustments	14	-	3,823
Surplus/Deficit for the year		19,823,396	(25,086,007)
<b>NET FINANCIAL POSITION</b>		<b>32,261,010</b>	<b>12,437,613</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-RUNYENJES Constituency financial statements were approved on 27/04/2023 and signed by:

 <hr/> <b>Fund Account Manager</b> <b>Name: Charity Mwarangu</b>	 <hr/> <b>National Sub-County Accountant</b> <b>Name: Chege Muikamba</b> <b>ICPAK M/No: 7376</b>	 <hr/> <b>Chairman NG-CDF Committee</b> <b>Name: Elly Mugo Karuguti</b>
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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
RUNYENJES CONSTITUENCY**

**Annual Reports and Financial Statements For the year ended June 30, 2022**


**7.3 Statement Of Cash Flows For The Year Ended 30<sup>th</sup> June 2022**

	Notes	2021 - 2022 Kshs	2020 - 2021 Kshs
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	182,177,758	163,658,342
Other Receipts	3	26,000	27,000
<b>Total receipts</b>		<b>182,203,758</b>	<b>163,685,342</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	3,065,854	3,086,143
Use of goods and services	5	10,694,803	9,716,776
Transfers to Other Government Units	6	56,394,010	107,290,758
Other grants and transfers	7	92,225,695	68,677,672
Other Payments	9	-	-
<b>Total payments</b>		<b>162,380,362</b>	<b>188,771,349</b>
<b>Total Receipts Less Total Payments</b>			
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable:	15	-	-
Increase/(Decrease) in Accounts Payable:	16	-	-
Prior year adjustments	14	-	3,823
		-	3,823
<b>Net cash flow from operating activities</b>		<b>19,823,396</b>	<b>(25,082,184)</b>
<b>Cashflow From Investing Activities</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	-
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase In Cash and Cash Equivalent</b>		<b>19,823,396</b>	<b>(25,082,184)</b>
<b>Cash and cash equivalent at Start of the year</b>	13	<b>12,437,613</b>	<b>37,519,797</b>
<b>Cash and cash equivalent at End of the year</b>		<b>32,261,010</b>	<b>12,437,613</b>


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-RUNYENJES Constituency financial statements were approved on 27/04/2023 and signed by:

  
Fund Account Manager

Name: Charity Mwarangu

  
National Sub-County  
Accountant

Name: Chege Muikamba  
ICPAK M/No: 7376

  
Chairman NG-CDF  
Committee

Name: Elly Mugo Karuguti

RUNYENJES CONSTITUENCY  
 P. O. BOX 51  
 FUND ACCOUNT MANAGER  
 EMBU EAST  
 60103

THE NATIONAL SUB-COUNTY TREASURY  
 ACCOUNTANT  
 EMBU EAST

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – RUNYENJES CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2022**

**7.4 Summary Statement Of Appropriation For The Year Ended 30<sup>th</sup> June 2022**

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>Receipts</b>		Opening Balance (C/Bk) and AIA				
Transfers from NG-CDF Board	137,088,879	12,437,613	194,615,371	194,615,372	0	
Proceeds from Sale of Assets			0	0	0	0.0%
Other Receipts		26,000	26,000	26,000	0	100.0%
<b>Totals</b>	<b>137,088,879</b>	<b>12,463,613</b>	<b>194,641,371</b>	<b>194,641,372</b>	<b>0</b>	<b>100.0%</b>
<b>Payments</b>						
Compensation of Employees	3,595,030	139,290	6,764,149	3,065,854	3,698,295	45.3%
Use of goods and services	8,742,970	3,196,727	14,018,816	10,694,803	3,324,013	76.3%
Transfers to Other Government Units	60,094,010	1,000,000	50,758,137	56,394,010	-5,635,874	111.1%
Other grants and transfers	64,656,870	17,582,552.37	121,992,284	92,225,695	29,766,589	75.6%
Acquisition of Assets			0	0	0	0
Other Payments	0	1,000,000	1,054,986	0	1,054,986	0.0%
Unallocated		53,000.00	53,000	53,000		
<b>Total</b>	<b>137,088,879</b>	<b>12,463,613</b>	<b>194,641,372</b>	<b>162,380,362</b>	<b>32,261,010</b>	<b>83.4%</b>

(a) NG-CDF RUNYENJES received Ksh 45,088,879 from its allocation for 2020/21 which affected implementation.

(b) The changes in the original budget and final budget are due to funds brought forward from the previous financial year of Ksh 12,463,613 and also A.I.E received in financial year 2021/22 but for financial year 2020/21 of Ksh 45,088,879.

(c) NG-CDF RUNYENJES lost members of staff thus led to less than 50% utilisation

The NGCDF-RUNYENJES Consultancy financial statements were approved on 27/04/2023 and signed by:

*[Signature]*

**Fund Account Manager**  
**Name: Charity Mwarangu**

*[Signature]*

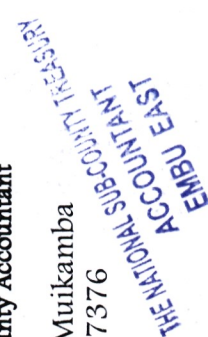
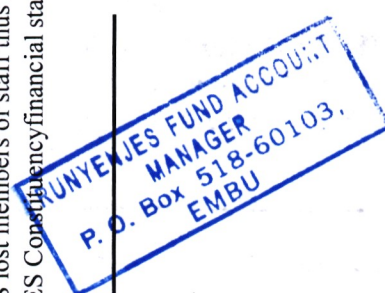
**National Sub-County Accountant**

**Name: Chege Muikamba**  
**ICPAK M/No: 7376**

*[Signature]*

**Chairman NG-CDF Committee**




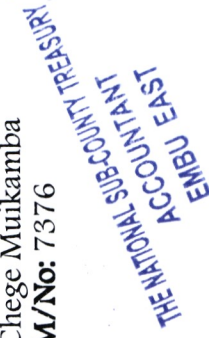
**Name: Elly Mugo Karuguti**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – RUNYENJES CONSTITUENCY**  
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Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	32,261,010
Less undisbursed funds receivable from the Board as at 30th June 2022	(0)
	32,261,010
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	32,261,010

The NGCDF-RUNYENJES Constituency financial statements were approved on 27/04/2023 and signed by:

 <b>Fund Account Manager</b> <b>Name: Charity Mwarangu</b>	 <b>Chairman NG-CDF Committee</b> <b>Name: Elly Mugo Karuguti</b>
 <b>National Sub-County Accountant</b> <b>Name: Chege Muikamba</b> <b>CPAK M/No: 7376</b>	 <b>THE NATIONAL SUB-COUNTY TREASURY</b> <b>ACCOUNTANT</b> <b>EMBU EAST</b>

P.O. Box 518-60103,  
 RUNYENJES FUND ACCOUNT  
 MANAGER  
 EMBU

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**7.5 Budget Execution by Sectors and Projects For The Year Ended 30<sup>th</sup> June 2022**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)
	2021/2022	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2021/2022	30/06/2022	
	Kshs		Kshs	Kshs	Kshs	Kshs
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	3,595,030	3,029,829	139,290	6,764,149	3,065,854	3,698,295
1.2 Committee allowances	1,000,000	803,286	82,681	1,885,967	1,885,967	(0)
1.3 Use of goods and services	3,630,303	3,824		3,634,127	2,484,910	1,149,217
<b>Total</b>	<b>8,225,333</b>	<b>3,836,939</b>	<b>221,971</b>	<b>12,284,243</b>	<b>7,436,731</b>	<b>4,847,512</b>
<b>2.0 Monitoring and evaluation</b>						-
2.1 Capacity building	1,500,000	108,357	1,000,000	2,608,357	2,544,700	63,657
2.2 Committee allowances	800,000	1,097,540		1,897,540	1,794,950	102,590
2.3 Use of goods and services	1,812,666	66,113	2,114,046	3,992,826	1,984,276	2,008,550
<b>Total</b>	<b>4,112,666</b>	<b>1,272,010</b>	<b>3,114,046</b>	<b>8,498,723</b>	<b>6,323,926</b>	<b>2,174,797</b>
<b>3.0 Emergency</b>						
3.1 Primary Schools				-	3,700,000	(3,700,000)
3.2 Secondary schools				-	3,000,000	(3,000,000)
3.3 Tertiary institutions				-		-
3.4 Security projects				-		-
3.5 Unutilised	7,192,207	7,136,209.00	2,435,998	16,764,414		16,764,414
<b>Total</b>	<b>7,192,207</b>	<b>7,136,209</b>	<b>2,435,998</b>	<b>16,764,414</b>	<b>6,700,000</b>	<b>10,064,414</b>
<b>4.0 Bursary and Social Security</b>						
4.1 Secondary Schools	26,500,000		25,731,469	52,231,469	43,665,000	8,566,469
4.2 Tertiary Institutions	19,481,108			19,481,108	27,276,750	(7,795,642)
4.3 Social Security				-		-
4.4 Special Needs	2,000,000		2,000,000	4,000,000	-	4,000,000
<b>Total</b>	<b>47,981,108</b>	<b>-</b>	<b>27,731,469</b>	<b>75,712,577</b>	<b>70,941,750</b>	<b>4,770,827</b>
<b>5.0 Sports</b>						
5.1	2,741,778	36,676	2,742,698	5,521,151	999,470	4,521,681
<b>Total</b>	<b>2,741,778</b>	<b>36,676</b>	<b>2,742,698</b>	<b>5,521,151</b>	<b>999,470</b>	<b>4,521,681</b>

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<b>6.0 Environment</b>						
Muganjuki Primary School	400,000			400,000	400,000	-
Kariru Secondary School	400,000			400,000	400,000	-
Kavutiri Primary School	1,100,000			1,100,000	1,100,000	-
Kathanjuri Primary School	400,000			400,000	400,000	-
St Joseph Kevote Primary School	400,000			400,000	400,000	-
Kariru Assistant Chief's office	141,777.58			141,778	141,778	-
Karundori primary school			600,000.00	600,000	600,000	-
Kathanjuri Assistant County Commissioner's office			442,697.59	442,698	442,697	0
Ngoire Primary School		70,000		70,000		70,000
<b>Total</b>	<b>2,841,778</b>	<b>70,000</b>	<b>1,042,698</b>	<b>3,954,475</b>	<b>3,884,475</b>	<b>70,000</b>
<b>7.0 Primary Schools Projects</b>						
Iriari Primary School	400,000			400,000	400,000	-
Kathari Primary School	2,300,000			2,300,000	2,300,000	-
Mufu Primary School	2,300,000			2,300,000	2,300,000	-
Canon Herbert Ikuura Primary School	2,000,000			2,000,000	2,000,000	-
Kanginga Primary School	1,200,000			1,200,000		1,200,000
Karurumo Primary School	1,200,000			1,200,000	1,200,000	-
Gaitutu Primary School	2,500,000			2,500,000		2,500,000
Matururi Primary School	1,200,000			1,200,000	1,200,000	-
Gatinda Primary School	1,200,000			1,200,000	1,200,000	-
Kithunguthia primary School	2,300,000			2,300,000	2,300,000	-
Karumiri Primary School	500,000			500,000	500,000	-
Nthagaiya Primary School	2,300,000			2,300,000	2,300,000	-
Ngarari Primary School	2,500,000			2,500,000	2,500,000	-
Kiarimui Primary School	400,000			400,000	400,000	-
Gitare Primary School	2,307,952.21			2,307,952	2,307,952.20	0
Nduuri Primary School	1,800,000			1,800,000	1,800,000	-
Kamugere Primary School	200,000			200,000	200,000	-
Kigumo Boarding Primary School	2,300,000			2,300,000	2,300,000	-
Kubukubu Boarding Primary School	1,508,000			1,508,000	1,508,000	-
Kubukubu Boarding Primary School	492,000			492,000	492,000	-
St Phillip Makengi Primary School	3,500,000			3,500,000	3,500,000	-
Gichugu Primary School	150,000			150,000	150,000	-
Gikuuri Primary School	200,000			200,000	200,000	-

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Kathambaiconi Primary School	1,300,000			1,300,000	1,300,000	-
Karundori Primary School	2,100,000	-	-	2,100,000	2,100,000	-
Kanja Primary School		3,793		3,793		3,793
<b>Total</b>	<b>38,157,952</b>	<b>3,793</b>	<b>0</b>	<b>38,161,745</b>	<b>34,457,952</b>	<b>3,703,793</b>
<b>8.0 Secondary Schools Projects</b>						-
Gatumbi Secondary School	300,000			300,000	300,000	
Ciamanda Secondary School	1,600,000			1,600,000	1,600,000	
Nyagari Secondary School	1,700,000			1,700,000	1,700,000	
Karurumo secondary school	400,000			400,000	400,000	
Kathanjuri Secondary School	1,700,000			1,700,000	1,700,000	
Mufu Secondary School	2,300,000			2,300,000	2,300,000	
SA Kyeni Secondary School	2,000,000			2,000,000	1,000,000	1,000,000
Kagaari Secondary School	2,000,000			2,000,000	2,000,000	-
Mugui Secondary School	2,000,000			2,000,000	2,000,000	-
St Francis Ngoire Secondary School	1,200,000.00			1,200,000	1,200,000	
St MichealKevote Secondary School	3,000,000			3,000,000	3,000,000	-
Gikuuri Secondary School	1,536,057.87			1,536,058	1,536,057.85	0
St Mary GorettiRukuriri Secondary School	1,200,000			1,200,000	1,200,000	-
N.I.C.A Kanduri Secondary School	1,000,000			1,000,000	1,000,000	-
Moi high school Mbiruri			1,000,000	1,000,000	1,000,000	
<b>Total</b>	<b>21,936,058</b>	<b>-</b>	<b>1,000,000</b>	<b>22,936,058</b>	<b>21,936,058</b>	<b>1,000,000</b>
<b>9.0 Tertiary institutions Projects</b>				-		-
						-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10.0 Security Projects</b>						-
Kathari Assistant Chief	600,000			600,000	600,000	-
Karurumo chief's office	500,000			500,000	500,000	-
Itonguri Assistant Chief's Office	300,000			300,000	300,000	-
Runyenjes East Chief's Office	300,000			300,000	300,000	-
Kianjokoma Police Station	1,000,000			1,000,000	1,000,000	-
Kyeni North West Chief's Camp	800,000			800,000	800,000	-
Mbutinjeru Assistant Chief's office	200,000			200,000	200,000	-
Kagaari North West Chief's office	200,000			200,000	200,000	-
Mukuria assistant chief office			900,000	900,000	900,000	-
Mukuria assistant chief office			100,000	100,000	100,000	-
Nyagari assistant chief office			900,000	900,000	900,000	-

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Nyagari assistant chief office			100,000	100,000	100,000	-
Kawanjara assistant chief office			900,000	900,000	900,000	-
Karurumo chiefs office			1,200,000	1,200,000	1,200,000	-
Nthagaiya Chiefs office			900,000	900,000	900,000	-
Nthagaiya Chiefs office			100,000	100,000	100,000	-
Njeruri assistant chiefs office			600,000	600,000	600,000	-
Njeruri assistant chief's office			100,000.00	100,000	100,000.00	-
<b>Total</b>	<b>3,900,000</b>	<b>-</b>	<b>5,800,000</b>	<b>9,700,000</b>	<b>9,700,000</b>	<b>-</b>
<b>11.0 Acquisition of assets</b>						
	-					
	-		-	-	-	-
	-		-	-	-	-
	-		-	-	-	-
<b>Total</b>	<b>-</b>		<b>-</b>	<b>-</b>		<b>-</b>
<b>12.0 Other payments</b>						
Runyenjes NG-CDF office			1,000,000	1,000,000		1,000,000
Strategic plan		54,986		54,986		54,986
<b>Total</b>		<b>54,986</b>	<b>1,000,000</b>	<b>1,054,986</b>	<b>-</b>	<b>1,054,986</b>
<b>13.0 unallocated fund</b>						
Unapproved projects						
AIA		53,000		53,000		53,000
PMC savings						
<b>Total</b>		<b>53,000</b>	<b>-</b>	<b>53,000</b>	<b>-</b>	<b>53,000</b>
	<b>137,088,879</b>	<b>12,463,613</b>	<b>45,088,879</b>	<b>194,641,372</b>	<b>162,380,362</b>	<b>32,261,010</b>

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**7.4 Significant Accounting Policies**

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

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

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits 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-RUNYENJES Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

**3. Reporting Currency**

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

**4. Significant Accounting Policies**

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

**a) Recognition of Receipts**

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

**Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

**Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

**External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

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**Significant Accounting Policies Continued**

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2022, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

**Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

In-kind contributions are donations that are made to the Entity 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 Entity 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.

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**Significant Accounting Policies continued**

**6. Cash and Cash Equivalents**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are 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 June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2022 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

**Significant Accounting Policies Continued**

**12. Comparative Figures**

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

**13. Subsequent Events**

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

**14. Errors**

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

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

**15. Related Party Transactions**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

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**7.5 NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM NG-CDF BOARD**

<b>TRANSFERS FROM NG-CDF BOARD</b>			
<b>Description</b>		<b>2021 - 2022</b>	<b>2020 - 2021</b>
		<b>Kshs</b>	<b>Kshs</b>
	AIE NO. B 104762		2,290,617.50
	AIE NO. B 104748		20,300,000.00
	AIE NO. A823716		33,000,000.00
	AIE NO. B 104835		16,067,724.10
	AIE NO. B 124656		9,000,000.00
	AIE NO. B 128022		12,000,000.00
	AIE No. B128264		6,900,000.00
	AIE No .B119632		8,500,000.00
	AIE No. B132025		6,000,000.00
	AIE No. B132349		6,000,000.00
	AIE No. B138988		13,000,000.00
	AIE No. B126280		7,000,000.00
	AIE No. B105075		11,600,000.00
	AIE No. B140719		12,000,000.00
	AIE No. B105273	33,000,000	
	AIE No. B105636	34,000,000	
	AIE No. B105920	30,000,000	
	AIE No. B128687	6,000,000	
	AIE No. B128998	12,000,000	
	AIE No. B154193	15,000,000	
	AIE No. B154417	18,000,000	
	AIE No. B154474	22,088,879	
	AIE No. B089087	12,088,879	
<b>TOTAL</b>		<b>182,177,758</b>	<b>163,658,342</b>

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**2. PROCEEDS FROM SALE OF ASSETS**

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**3. OTHER RECEIPTS**

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	26,000.00	27,000.0
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	<b>26,000.00</b>	<b>27,000.0</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**4. COMPENSATION OF EMPLOYEES**

<b>Description</b>	<b>2021 - 2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of contractual employees	2,535,664	2,425,970
Basic wages of casual labour		-
<b>Personal allowances paid as part of salary</b>		-
House allowance	-	-
Transport allowance	-	-
Leave allowance		-
Other personnel payments		-
Employer contribution to NSSF	76,613	151,630
Gratuity-contractual employees	453,577	508,543
<b>TOTAL</b>	<b>3,065,854</b>	<b>3,086,143</b>

<b>5 USE OF GOODS AND SERVICES</b>		
<b>Description</b>	<b>2021 - 2022</b>	<b>2020 - 2021</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	66,850	66,050
Electricity		-
Communication, supplies and services	110,000	130,000
Domestic travel and subsistence	160,797	192,600
Printing, advertising and information supplies & services	116,000	
Training expenses	2,544,700	1,755,000
Other committee expenses	1,794,950	2,285,478
Committee allowance	2,822,140	2,592,890
Office and general supplies and services	575,190	245,648
Fuel , oil & lubricants	1,150,000	850,000
Other operating expenses	-	-
Bank service commission and charges	27,840	26,160
Other Operating Expenses	900,000	900,000
Security operations	167,250	270,000
Routine maintenance - vehicles and other transport equipment	259,086	402,950
<b>TOTAL</b>	<b>10,694,803</b>	<b>9,716,776</b>

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**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2021 - 2022	2020 - 2021
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools	34,457,952	37,873,828
Transfers to secondary schools	21,936,058	69,416,930
Transfers to tertiary institutions	-	-
Transfers to health institutions	-	-
<b>TOTAL</b>	<b>56,394,010</b>	<b>107,290,758</b>

**7. OTHER GRANTS AND OTHER TRANSFERS**

Description	2021 - 2022	2020 - 2021
	Kshs	Kshs
Bursary – Secondary	43,665,000	27,222,000
Bursary –Tertiary	27,276,750	19,980,000
Bursary- Special Schools	-	-
Mocks & CAT	-	-
Security	9,700,000	9,370,000
Sports	999,470	2,747,500
Environment	3,884,475	6,558,172
Cultural Projects	-	-
Other project(office)	-	-
Emergency Projects	6,700,000	2,800,000
<b>TOTAL</b>	<b>92,225,695</b>	<b>68,677,672</b>

**8. ACQUISITION OF ASSETS**

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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**9. OTHER PAYMENTS**

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
<b>Total</b>	-	-

**10A: Bank Accounts (cash book bank balance)**

Name of Bank, Account No. & currency	2021 - 2022	2020 - 2021
	Kshs	Kshs
Equity Bank, Embu Branch A/C no.0190270618472	32,261,010	12,237,193
<b>Sub-Total</b>	<b>32,261,010</b>	<b>12,237,193</b>
<b>10B: CASH IN HAND</b>		
Other Locations Cash with D.A for office use.	-	200,420
<b>Sub-Total</b>	-	<b>200,420</b>
<b>Total</b>	<b>32,261,010</b>	<b>12,437,613</b>

**11: OUTSTANDING IMPRESTS**

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

**12A. RETENTION**

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
<b>Total</b>	-	-

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**12B. GRATUITY DEPOSITS**

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Name 1	-	-
Name 2	-	-
Add as appropriate		
<b>Total</b>	-	-

**13. BALANCES BROUGHT FORWARD**

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Bank accounts	12,237,193	37,087,049
Cash in hand	200,420	432,748
Imprest		
<b>Total</b>	<b>12,437,613</b>	<b>37,519,797</b>

**14. PRIOR YEAR ADJUSTMENTS (Annex 6)**

	2021 - 2022	2020 - 2021
Description of the error	Kshs	Kshs
Bank account Balances	-	3,823
Cash in hand	-	-
Accounts Payables	-	-
Receivables	-	-
Others ( <i>Reversed stale cheques</i> )	-	-
<b>Total</b>	-	<b>3,823</b>

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**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST**

Description of the error	2021 - 2022	2020 - 2021
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

Description of the error	2021 - 2022	2020 - 2021
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

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**7.6 OTHER IMPORTANT DISCLOSURES**

**1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>Total</b>	-	-

**2: PENDING STAFF PAYABLES (See Annex 2)**

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

**3: UNUTILIZED FUND (See Annex 3)**

	2021 - 2022	2020 - 2021
	Kshs	Kshs
Compensation of employees	3,698,295	3,169,119
Use of goods and services	3,324,013	5,272,023
Amounts due to other Government entities (see attached list)	(5,635,874)	(9,335,874)
Amounts due to other grants and other transfers (see attached list)	29,766,589	57,335,414
Others ( <i>specify</i> )	1,054,986	1,054,986
Unallocated funds	53,000	27,000
<b>Total</b>	<b>32,261,010</b>	<b>57,522,669</b>

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

	2021 - 2022	2020 - 2021
	Kshs	Kshs
PMC account Balances	5,813,930	11,638,028
<b>Total</b>	<b>5,813,930</b>	<b>11,638,028</b>

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**6.0 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Stale Cheques	The FAM and Sub County Accountant will reverse and replace the cheques	FAM-Charity Mwarangu & Sebastian Kiarie	Not Resolved	Fy 2022-2023
1.2	Bursary	The FAM and NG-CDFC staff will provide the documents	FAM-Charity Mwarangu & Sebastian Kiarie	Not Resolved	Fy 2022-2023

Fund Account Manager, NG CDF Runyenjes Constituency



Sign... *[Signature]* .....

Date... 27/11/22 .....

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**8.0 ANNEXES**

**7.7 ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

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**7.8 ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
<b>NG-CDF STAFF SALARY</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>NG-CDF STAFF GRATUITY</b>						
<b>Sub-Total</b>						
<b>Unionisable Employees</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Others (specify)</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

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**7.9 ANNEX 3A–UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding balance		Comments
		2021 - 2022	2020 - 2021	
		Kshs	Kshs	
Compensation of employees		3,698,295	3,169,119	
Use of goods and services		3,324,013	6,772,020	
<b>Sub total</b>		<b>7,022,308</b>	<b>9,941,139</b>	
<b>Amounts due to other Government entities</b>				
Kanginga Primary School		1,200,000	3,793	Kanja Primary School
Gaitutu Primary School		2,500,000	1,000,000	Moi High School Mbiruri Secondary
Kanja Primary School		3,793		
SA Kyeni Secondary School		1,000,000		
<b>Sub-Total</b>		<b>4,703,793</b>	<b>1,003,793</b>	<b>Sub-Total</b>
<b>Amounts due to other grants and other transfers</b>				<b>Amounts due to other grants and other transfers</b>
Emergency		10,064,414	9,572,207	Emergency
Bursary		4,770,827	26,231,472	Bursary
Sports		4,521,681	2,779,374	Sports
Ngoire Primary School		70,000	1,112,698	Environment
			900,000	Mukuria assistant chief office

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			Mukuria assistant chief office	100,000	
			Nyagari assistant chief office	900,000	
			Nyagari assistant chief office	100,000	
			Kwanjara assistant chief office	900,000	
			Karurumo chief's office	1,200,000	
			Nthagaiya Chief's office	900,000	
			Nthagaiya Chief's office	100,000	
			Njeruri assistant chief's office	600,000	
			Njeruri assistant chief's office	100,000	
<b>Sub-Total</b>		<b>19,426,922</b>	<b>Sub-Total</b>	<b>45,495,750</b>	
Others (specify)		54,986	Others (specify)	54,986	
Runyenjes NG-CDF Office		1,000,000	Runyenjes NG-CDF Office	1,000,000	
Unallocated funds		53,000	Unallocated funds	27,000	
<b>TOTAL</b>		<b>32,261,010</b>		<b>57,522,669</b>	

The unutilized funds Ksh 57,522,669 comprises of Ksh 45,088,879 which is funds allocated to NG-CDF Runyenjes but not yet disbursed from the NG-CDF Board in addition Ksh 12,433,790 represents funds brought forward from the previous financial year 2020/2021.

**ANNEX 3B ADJUSTMENT OF UNUTILIZED FUND 2020/2021**

ITEM	AMOUNT
A.I. A	27,000
<b>TOTAL</b>	<b>27,000</b>

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**7.10 ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land				
Buildings and structures	6,066,306			6,066,306
Transport equipment	2,825,910			2,825,910
Office equipment, furniture and fittings	615,572			615,572
ICT Equipment, Software and Other ICT Assets	1,071,904			1,071,904
Other Machinery and Equipment	-			-
Heritage and cultural assets	-			-
Intangible assets	-			-
<b>Total</b>	<b>10,579,692</b>			<b>10,579,692</b>

NB: NG-CDF Runyenjes is in the process of transferring LR No: Kagaari/Weru/7093 measuring 1.214 hectares from Rukuriri Tea Factory to NG-CDF Board for Ithatha Multi-Purpose self help group and once the process is complete an addition will be made to the summary of fixed assets for Ksh 1,500,000.

**7.11 ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2022PMC BALANCES**

No.	PMC	Account number	Bank Balance	
			2021 - 2022	2020 - 2021
1	Mbuinjeru asst chief offc	190164204038	27,490	54,812
2	Nduuri sec sch	190162421168	255,660	507,151
3	Kavutiri A.P. line line	190162332962	100,119	100,119
4	Mukuuri assistant chief office	190164045830	102,744	102,744
5	Kithunguthia pry	190162735243	202,237	202,237
6	Ugweri Pry	190162470836	103,038	300,373
7	Kariru Secondary School	190194922239	186,563	192,463
8	Ndumari Pry	190194925572	354,522	379,364
9	Kanduri pry School	190161758163	22,871	22,871
10	Mbuinjeru pry	190198952591	31,114	32,374
11	Kiamboa Secondary School	190194922239	288,675	1,546,830
12	Kigaa Secondary	190163140422	36,281	1,028,592
13	Ugweri Secondary School	190165691451	18,562	588,012
14	Gatumbi Secondary School	190162681357	224,887	224,887
15	Mbuinjeru Secondary	190293199269	99,063	121,183
16	Kubukubu boarding pry sch	190166029060	44,854	47,635
17	Mukuria Day Sec sch	190166492010	251,246	1,089,497

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18	Ndumari Sec Sch	190164079204	243,927	243,927
19	Nthagaiya Day Sec Sch	190170723803	816	165,936
20	DOE Kivuria Pry Sch	190172077948	24,583	98,143
21	Kathuriri Day Sec Sch	190278906190	27,397	51,467
22	Kigaa Pry sch	1350280236005	97,538	33,493
23	SA Gikuuri Pry sch	190194939326	55,605	186,636
24	St Johns Boarding Pry sch Gaikama	1350280236026	86,091	86,091
25	St Phillip Makengi pry sch	190262486518	434,232	1,000,000
26	Kanja Pry Sch	190162499156	165,118	165,118
27	DEB Gichiche pry sch	190163607293	138,530	24,187
28	St Michael Sec-Kevote	190194971927	245,506	129,623
29	St Anthony Kivuria Mixed Sec Sch	1350279958171	158,896	158,896
30	Gitare Mixed Sec Sch	1350279961799	16,402	176,634
31	St Gertrude Kinthithe Sec Sch	190166473047	174,402	381,403
32	St Francis Ngoire Sec Sch	190177691654	122,066	179,985
33	Kianjuki Sec Sch	190166910785	111,839	1,020,313
34	Kanja Sec Sch	190163434381	37,414	67,099
35	St Mark Ena Day Sec Sch	190165715783	118,255	201,003
36	Kanduri Sec Sch	1350279803765	148,763	390,609
37	Gikuuri Sec Sch	190162420670	347,102	48,034
38	Kiangungi Sec Sch	190170316833	333	116,031
39	Kavutiri Sec Sch	1350279469838	172,256	172,256
40	Kianjokoma Police Staff Houses	1350281010881	4,800	
41	Ngeniari Primary School	0190193222895	270,388	
42	SA Kiarimui Primary School	1350281018804	261,745	
			<b>5,813,930</b>	<b>11,638,028</b>

**7.12 ANNEX 6 - SCHEDULE FOR PRIOR YEAR ADJUSTMENT  
PRIOR YEAR ADJUSTMENT 2021/2022**

DATE	CHEQUE No.	PAYEE	AMOUNT	
20/11/2020	5131	Commissioner of Domestic Tax	3,823	Payment reversed in this financial year but for previous financial year.
		<b>TOTAL</b>	<b>3,823</b>	

