

REPUBLIC OF KENYA



REPORT

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ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND - ISEMBE SOUTH
CONSTITUENCY**

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

29 JUL 2023 Thursday
Hon. Naom Wago, mp
Deputy Member
A. Shabuto
Party Whip





IGEMBE SOUTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

- i. National Government Constituencies Development Fund Board (NGCDFB)

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ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Jesee Mbuthia
2.	Sub-County Accountant	Fraklin Munene
3.	Chairpeson NGCDFC	Lucy Nkoro
4.	Member NGCDFC	Isaac Mugambi

(d) Fiduciary Oversight Arrangements

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

(e) Igembe South Constituency NGCDF Headquarters

P.O. Box 98-60600
NG_CDF Igembe South Constituency Offices
Public Works Road
Maua, KENYA

(f) Igembe South Constituency NGCDF Contacts

Telephone: (254) 0723257187
E-mail: cdfigembesouth@ngcdf.go.ke
Website: www.igembesouth@ngcdf.go.ke

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(g) Igembe South Constituency NGCDF Bankers

Family Bank

A/C Name: NG-CDF IGEMBE SOUTH

A/C no.086000008930

Maua Branch

P.O Box Maua

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

II. NG-CDFC Chairperson's Report



By the end of the financial year 2021/2022 NG-CDF Igembe South satisfactorily implemented all the education projects identified in the years proposal with some complete while others still underway.

Although the country had introduced post-covid recovery management measures, little could be done to improve the livelihoods of the people who had been affected economically especially Mira farmers. This, therefore, meant that that the constituency still strained when it came to issuing bursaries to needy students. We also introduced a new project of paying national health cover to vulnerable families within our communities. For a start, we set aside 1,500,000 which would pay annual NHIF cover subscription for 250 families. 50 beneficiaries from each electoral ward were identified and vetted to ensure that they qualify to be included in the program. Since the program is targeted to be a continuous exercise, we will keep increasing he allocation to reach more vulnerable families.

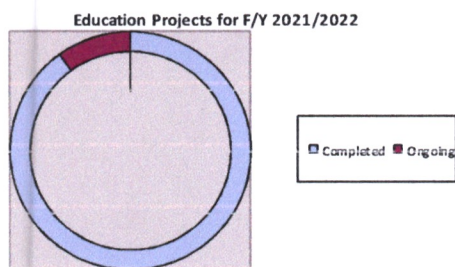
The constituency had also initiated construction of all security camps in the proposals but some were yet to be completed due to late disbursement of funds by the CDFB.

In this financial year, the constituency sponsored two tournaments a football and volleyball tournaments that attracted over 50 teams an increase from last year's 20 teams.

Through the environment kitty we managed to do levelling at Luluma Primary School as well as planted grass. However, we could not plant trees in the identified schools since rains had not started. The committee agreed that tree planting in identified schools would begin once rains started.

Education.

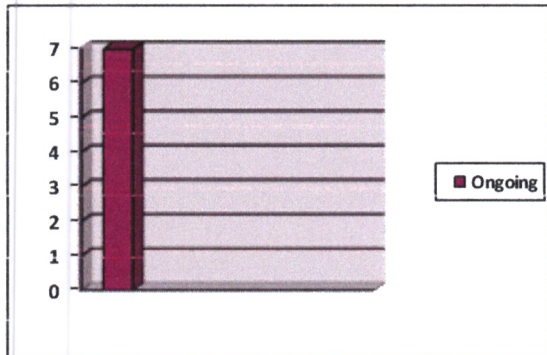
Projected projects in the 2021/2022 proposal were 10 in number. By the close of the financial year on 30th June 2022, all the eleven projects had began with nine having been done to completion.



Security - In the security sector, the constituency committee as agreed allocated the amount to security projects that had been partially funded in the previous

financial year.

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Below are some photos of completed projects.



Figure 1 Storey classes at Athiru Gaiti Primary School



Figure 2 Storey library and administration block at Riaki Day Secondary School



Figure 3 Auki Day Secondary School Bus

Emerging issues at Igembe South NG-CDF.

1. Despite the national government announcing post-covid recovery measures, the CDFB has not given us a guideline on how we can help our people to recover economically. This has led to continued increase of poverty levels within the society which affects the office indirectly.
2. There have been many challenges since some sectors were devolved and therefore could no longer be funded by NG-CDF. Due to this some projects have stalled and this has caused a lot of complaints from the community members. For instance, some bridges and roads that were in the past being improved through NG-CDF have been neglected after they were handed over to county government and it is a challenge to satisfactorily make the public understand the shift of roles.
3. Another challenge is delay in release of funds from the National Government Constituency Development Fund Board causing delay in implementation of the projects. This issue has resulted to a number of unimplemented projects by the end of the financial year.
4. Despite the challenges, the community has hailed NG-CDF kitty since most of the projects within the communities have been implemented by NG-CDF.

Implementation challenges faced by NG-CDF Igembe South.

1. Lack of civic education among the locals on the roles of NG-CDF today – Sometimes, the community will present proposals that are not within the scope of work of NG-CDF.
2. Low capacity of some project management committees who were not able to prepare good record of work.
3. The constituency is so extensive and projects are many hence all of them could not be visited frequently.

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4. The expansiveness of the constituency makes it hard for the public works engineer to set a standardized cost estimates for similar projects done in different areas. For instance, there are some schools that are located in areas with zero access to electricity, roads and water. When a contractor is awarded a project in such a school with the same rate as that of projects found in urban or closer to urban areas, the possibility of the contractor incurring losses is quite high.

Mitigation Measures Igembe South NG_CDF has put in place.

1. Recruiting a highly trained staff that can address most of the issues raised by the community and clearly explain to them the roles of NG-CDF and those of other government entities.
2. As a rule, the office is very strict when it comes to record management.
3. Constant field visits to inspect projects and ensure that all stakeholders are satisfied with the quality of work done.
4. The issue about expansiveness of the constituency has been raised severally and the office was advised to work with the public works engineer and come up with cost estimates that would factor in the hardships in some areas of the constituency.

RECOMMENDATION

1. There is need for the NG-CDFB to allow and budget for civic education within our communities- Unless the community fully understands the roles of NG-CDF, the constituency leadership must be ready to face accusations regarding issues that are not in the NG-CDF docket.
2. The NGCDFC internal control system need to do vigorous monitoring and evaluation to ensure good progress of all funded projects and quality work is done.
3. There is need to train PMC members on pertinent information relating to project implementation to acquire relevant skills for effective participatory monitoring and evaluation to ensure effective implementation of projects.
4. Project Management Committees also should also be trained on project record management from time to time so that they can effectively create project files that are beyond reproach

CONCLUSION.

In each and every year, we always make a stride in the right direction. For instance, by the closure of the 2021/2022 financial year, all the funds had been disbursed from the NG-CDFB to our constituency account. This is an improvement from last financial year when 30% of the money had not been released by the end of the financial year. With the right strategy and intrinsic motivation to serve, I believe as a constituency we can keep doing better and make a positive change in our constituency.



.....
LUCY NKOROI

CHAIRPERSON NGCDF COMMITTEE

III. Statement Of Performance Against Predetermined Objectives for FY2021/22

Introduction

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

The key development objectives of *Igembe South Constituency 2018-2022* plan are to:

- a) Improve infrastructure in all schools
- b) To have all children of school going age attending school
- c) To have morally upright and economically engaged youths
- d) Ensure equal representation and gender equality
- e) Reduce insecurity within the community
- f) Upgrade the working environment of administrators like the police officers, chiefs, assistant chiefs
- g) Nurture the talents of the youths through sporting activities

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none">- number of usable physical infrastructure build in primary, secondary, and tertiary institutions- number of bursary's beneficiaries at all levels	In FY 21/22 -we increased number of classrooms by 8, administration block - 1, library - 2 laboratories - 2, school buses - , access roads to institutions - 1 in the following schools/institutions Athiru Gaiti Primary School -6 classrooms Riaki Day School – Storey admin block and library classroom KMTC Maua Satellite Campus – 2 skills lab and an access road Auki Day Secondary

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				<p>School – 1 school bus and a storcy library Tiira Day Sec. Sch⁷ – 1 classroom Kathambi Pry Sch. – 1 classroom. We increased the number of desks by 320 with the following schools benefitting: Murumune Pry Sch. – 160 desks Antuambui Pry. Sch. 160 desks - Bursary beneficiaries at all levels were (10,000) as per the attached schedules</p>
Security	<p>Reduce insecurity incidences</p> <p>-Upgrade the working environment of the local administrators</p>	Favourable working environment for the local administrators	Good structures for local administrators	<p>Number of constructed chiefs' and ass. chiefs offices increased from 12 to 18</p> <p>Akachiu Location Maua Location Kabuline Location Antubakiru Sub-loc Itumi Sub-location Thaicu Sub-location,</p> <p>While we added a new ablution block to serve Maua Law Courts Offices</p>
Environment	<p>Ensure a more sustainable and well-kept environment through planting of trees and soil erosion management through proper drainage systems</p>	<p>School field levelling and grass planting</p> <p>Planting of trees in selected schools</p> <p>erosion</p>	<p>Levelling of Luluma Primary School and grass planting</p> <p>Planting of trees at</p> <p>~</p> <p>~</p> <p>~</p> <p>~</p>	<p>Number of schools fields levelled increased by one while five more schools benefitted with 1250 trees each</p>
Sports	Nurture the talents of the youths through sports activities	Improved independence among the young, mitigation of drugs and	Number of youth teams benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased from 60 to 110.

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		substance abuse through engaging young people in active sporting activities such as football and volleyball.		
Emergency	Ensure enough preparation against uncertainties	Set aside emergency fund to cater for unforeseen occurrences	Number of uncertainties prevented	Number of uncertainties prevented increased from 12 to 18.

IV. Environmental and Sustainability Reporting

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

1. Sustainability strategy and profile -

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

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Environment Policy and Action Plan

Protection of the environment in which we live and operate is part of Igembe South NG-CDF initiatives. Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

Our Environment Policy

In this policy statement, Igembe South NG-CDF commits to:

- ❖ Comply with all relevant environmental legislation, regulations and approved codes of practice
- ❖ Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- ❖ Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- ❖ Managing and disposing of all wastage in a responsible manner;
- ❖ Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- ❖ Regularly communicating our environmental performance to our employees and other significant stakeholders
- ❖ Developing our management processes to ensure that environmental factors are considered during planning and implementation
- ❖ Monitoring and continuously improving our environmental performance.
- ❖ Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

Our Environmental Action Plan

3. Employee welfare

We invest in providing the best working environment for our employees. Igembe South 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. Igembe South constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

4. Market place practices-

Igembe South NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption

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Igembe South NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below:

Impact Area	Approach
Capacity Building	<ul style="list-style-type: none"> ✓ Promote environmental awareness by sensitizing the Igembe South NG-CDFC, NG-CDFC staff and PMCs on good conservation practices ✓ To encourage, through regular communication to Igembe South NG-CDFC, staff , and other stakeholders changes in individual behaviour to reduce usage
Conservation of Energy and Resources	<ul style="list-style-type: none"> ✓ To maximize use of available technologies to remove the need to use paper ✓ To encourage our clients to engage with us using electronic means where possible ✓ To maximize on rain water harvesting ✓ To make energy efficiency a key factor in the selection of any new energy devise being purchased
Environmental Protection and Conservation	<ul style="list-style-type: none"> ✓ To promote use of volt guards to control power surges ✓ We have constructed culverts and gabions to prevent soil erosion ✓ To encourage tree planting in the constituency to improve the forest cover.
Pollution Control and Waste Management	<ul style="list-style-type: none"> ✓ To ensure that all paper waste is recycled ✓ To ensure segregation of waste ✓ To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

In 2021/2022 Financial year, the office has endeavoured to undertake the following environmental initiatives

- Engaged our stakeholders including NGCDF supported students, NGCDF members and staff in trees planting exercise.
- Sensitizes youths on the impact of drugs and substance abuse during inauguration of NGCDF projects
- Organized a constituency tournament where the community was brought together and sensitized on environment conservation matters
- Organized a one day NGCDF staff day out to sensitize the local community on proper farming methods that lead to soil conservation as well as crop and animal husbandry

- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

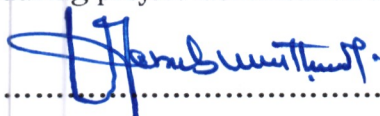
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

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



Jese Mbutia

FAM

V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Igembe South 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-Igembe South Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency*'s financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Igembe South Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NGCDF- Igembe South Constituency financial statements were approved and signed by the Accounting Officer on 4/05/ 2023.



.....
Name: Lucy Nkoroi

Chairperson – NG-CDF Committee



.....
Name: Jeseo Mbuthia

Finance Account Manager



REPUBLIC OF KENYA



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

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and overall 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 the National Government Constituencies Development Fund - Igembe South Constituency set out on pages 1 to 41, which comprise of the statement of assets and liabilities as at 30 June, 2022 and the statement of receipts and payments, statement of cash flows and summary statement of

Report of the Auditor-General on National Government Constituencies Development Fund - Igembe South 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 the National Government Constituencies Development Fund - Igembe South Constituency as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Presentation of Financial Statements

Review of the financial statements for the year revealed that the National Sub-County Accountant did not indicate his Institute of Certified Public Accountants of Kenya (ICPAK) membership number in the financial statements contrary to the Public Sector Accounting Standard Board (PSASB) requirements.

In the circumstances, the presentation of the financial statements is not in accordance with the prescribed PSASB format.

2. Inaccurate Unutilized Funds Comparative Balance

Other Disclosures Note 17.3 to the financial statements reflects unutilized funds comparative balance amounting to Kshs.60,143,168. The amount differs with the previous years 2020/2021 audited financial statements balance of Kshs.45,400,000 resulting to a variance of Kshs.14,743,168. However, prior year adjustment voucher have not been provided for audit verification.

In the circumstances, the accuracy of the unutilized funds comparative balance amounting to Kshs.60,143,168 could not be confirmed.

3. Unsupported Bursary Disbursements

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.80,013,014. The amount includes bursaries of Kshs.45,127,460 disbursed to secondary schools, Kshs.9,755,600 disbursed to tertiary institutions and Kshs.46,400 for special schools all totalling to Kshs.54,929,460 as disclosed in Note 7 to the financial statements. However, the bursaries were not supported with vetting committee minutes and approved criteria for the selection and award of bursaries to the beneficiaries. Further, the Management provided a list of successful applicants totalling to Kshs.52,916,354 resulting to unreconciled variance of Kshs.2,013,106.

In the circumstances, the accuracy and completeness of bursary disbursements amounting to Kshs. 54,929,460 could not be confirmed.

4. Unconfirmed Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents amounting to Kshs.5,768,891. Review of the bank reconciliation statement revealed unrepresented cheques amounting to Kshs.55,351,571. However, the dates when the unrepresented cheques were cleared in the bank have not been provided for audit verification.

In the circumstances, the accuracy of the cash and cash equivalents amounting to Kshs.5,768,891 could not be confirmed.

5. Unsupported Project Management Committee (PMC) Account Balances

Other Disclosures Note 17.4 to the financial statements reflects Project Management Committee (PMC) account balances amounting to Kshs.22,279,391. The amount is in respect of unspent project funds by various Project Management Committees . However, cashbooks and bank reconciliation statements in support of the balances were not provided for audit review .

In the circumstances, the accuracy and existence of the Project Management Committee (PMC) account balances amounting to Kshs.22,279,391 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 - Igembe South 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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Transfers to Other Government Units

The statement of receipts and payments reflects transfers to other government units amounting to Kshs.99,856,313 as further disclosed in Note 6 to the financial statements. Review of the supporting documents and physical verification of projects revealed the following anomalies:

1.1 Stalled Construction of Classroom at Kathambi Primary School

Note 6 to the financial statements reflects transfers to primary schools amounting to Kshs.23,094,013. The amount includes Kshs.600,000 transferred to Kathambi Primary School for construction of a classroom. However, physical verification done in March, 2022 established that the classroom had stalled despite the money having been transferred to the Project Management Committee (PMC) bank account resulting in delayed benefits that would have accrued from the project.

In the circumstances, the value for money for the expenditure could not be confirmed.

1.2 Construction of Administration Block at Antubuchui Secondary School

Note 6 to the financial statements reflects transfers to secondary schools amounting to Kshs.26,762,300. The amount includes Kshs.3,000,000 transferred to at Antubuchui Secondary School for the construction of an administration block. However, physical verification revealed poor workmanship as the ceiling was leaking and visible wall cracks were noted. Further, the contractor was not on site.

In the circumstances, the value for money for the expenditure could not be confirmed.

1.3 Unsupported Expenditure on Multipurpose Hall at Kenya Medical Training College

Note 6 to the financial statements reflects transfers to tertiary institutions amounting to Kshs.50,000,000. The amount includes Kshs.15,000,000 transferred to Kenya Medical Training College (KMTC) Maua for the construction of a multipurpose hall. However, review of supporting documents and physical verification done in March, 2023 revealed the following anomalies:

- a) The contract for the construction of the hall was signed on July 6, 2022 did not detail the conditions of the contract, intended commencement date, program of works, defects liability period and determination of retention money.
- b) The works were to be completed within twelve (12) weeks. However, physical verification revealed that the project was still at the structural level and the contractor was not on site.

- c) The project was allocated Kshs.15,000,000. However, Ksh.13,272,138 was paid to the contractor. The balance of Ksh.1,727,862 has not been accounted for.
- d) Engineers estimate, expenditure returns on how the administration costs were utilized and a work plan on how the Project Management Committee (PMC) intended to utilize the funds before disbursement of the funds was not provided for audit review.

Further, the PMC did not open a separate bank account for the construction of a multipurpose hall project. This is contrary to Regulation 16(1) of the National Government Constituencies Development Fund Regulations, 2016 which requires the Project Management Committees to open a separate bank account for the funds. Similarly, Project Management Committee did not open a separate bank account for Kshs.10,000,000 transferred to the College for the construction of a road.

In the circumstances, the value for money was not achieved and the Management was in breach of the National Government Constituencies Development Fund Act, 2015

2.0 Other Grants and Other Transfers

2.1 Delay in Implementation of Projects - Social Security Programmes

Note 7 to the financial statements reflects nil social security programmes. However, the budget execution by sector and projects reflects allocation Kshs.1,500,000 for social security programmes. The funds were meant for national health cover to vulnerable families within the constituency. However, as at the time of the audit in March 2023, the project had not commenced. Further, the chairperson's report indicates that they had identified 50 beneficiaries from each electoral ward. However, during the time of the audit, the vulnerable families had not been covered.

In the circumstance, value for money was not achieved.

2.2 Emergency Projects

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.80,013,014. The amount includes emergency projects expenditure of Kshs.7,100,000 as disclosed in Note 7 to the financial statements. However, the expenditure was not reported to the Board, 30 days after the expenditure was incurred. This is contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which requires that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency.

In addition, review of the supporting documents and physical verification of emergency projects revealed the following anomalies:

2.2.1 Construction of 10 Door Pit Latrines at Ugoti Primary School

The Management spent Kshs.620,000 on the construction of a ten (10) door pit latrine at Ugoti Primary School. However, the following anomalies were observed during the physical verification;

- a) Gapping of urinal floor with the wall as a result of poor hacking.
- b) Only one UPVC breather was fixed resulting to a non-hygienic environment at the school compound.
- c) PMC bank statements were not provided for audit review.

2.2.2 Emergency Construction of 10 Door Pit Latrines at Itumi Primary School

The Management spent Kshs.1,620,000 on the construction of 10 door pit latrines at Itumi Primary School. However, the following anomalies were observed during the physical verification;

- a) The expenditure was incurred three years after the letter dated 24 September, 2019 from the Department of Health informing the school to construct toilets within 21 days.
- b) The project was still not in use as at time of project verification.
- c) A letter requesting the Fund to prioritize construction of the toilets was not provided for audit .

2.2.3 Construction of One Classroom and Delivery of 40 Desks at Itumbi Primary School

The Management spent Kshs.1,200,000 on the construction of one classroom and delivery of 40 desks at Itumbi Primary School. However, Physical verification revealed that the classroom had not been labelled. This is contrary to Regulation 11(1)(cc) of the National Government Constituencies Development Fund Regulations, 2016 which requires the Constituency Committee to ensure projects are labelled in accordance with the guidelines issued by the Board;

2.2.4 Construction of One Classroom and Delivery of 40 Desks at Auki Primary School

The Management spent Kshs.1,200,000 on the construction of one classroom and delivery of 40 desks at Auki Primary School. However, physical verification revealed the following;

- a) The classroom floor were poorly done with cracks seen all over and may need to be redone by the contractor.
- b) The classroom was not in use during the time of audit verification.

In the circumstances, the value for money was not achieved on and the Management was in breach of the National Government Constituencies Development Fund Act, 2015

2.3 Other Grants - Judiciary

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.80,013,014. The amount includes other projects – Judiciary amounting to Kshs.1,500,000 as disclosed in Note 7 to the financial statements . Review of the documents revealed that the project was approved in the 2020/2021 financial year for the construction of two (2) ablution blocks of 5 doors pit latrines to completion at Maua law courts. However, the project activity has been revised twice with the final approved activity being the purchase and fabrication to user specifications of two 40 feet containers vide a letter from the Board dated 8 November, 2022. Physical verification carried out in March, 2023 revealed that the container had not been purchased. The money for the project is in the project bank statements. No explanation has been provided for not implementing the project. This is contrary to Regulation 83(2)(c) of the Public Finance Management (National Government) Regulations, 2015 which stipulate that sound cash management includes avoiding accumulation of idle balance.

In the circumstances, failure to implement the project may have denied the public benefits that would have been derived from the planned project.

3. Failure to Insure Fixed Assets

Annex 4 to the financial statements reflects Kshs.30,981,702 in respect of historical costs of assets . However, the fixed assets were not insured. This is contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015 which stipulates that all fixed and movable assets, including equipment bought under this Act for use by the Constituency Committee, shall be the property of the Board and shall be insured in the name of the Board.

In the circumstances, the Fund Management was in breach of the National Government Constituencies Development Fund Act, 2015.

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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 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 control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


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

modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 June, 2023

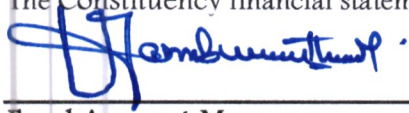
Igembe South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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

	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	182,177,758	132,967,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	79,000	47,000
Total Receipts		182,256,758	133,014,724
Payments			
Compensation Of Employees	4	2,991,546	3,470,024
Use Of Goods and Services	5	8,651,283	10,683,194
Transfers To Other Government Units	6	99,856,313	53,900,000
Other Grants and Transfers	7	80,013,014	51,154,518
Acquisition Of Assets	8	-	4,554,942
Other Payments	9	-	-
Total Payments		191,512,156	123,762,768
Surplus/(Deficit)		(9,255,398)	9,252,046

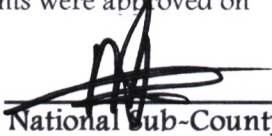
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 04/05/2023 and signed by:



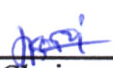
Fund Account Manager

Name: Jese Mbutia



National Sub-County Accountant

Name: Franklin Munene
ICPAK M/No:



Chairperson NG-CDF Committee

Name: Lucy Nkoroi



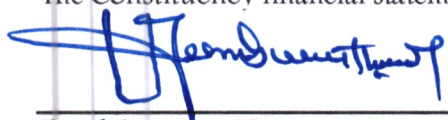
Igembe South Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	5,768,891	15,024,289
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		5,768,891	15,024,289
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		5,768,891	15,024,289
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		=	=
Net Financial Assets		<u>5,768,891</u>	<u>15,024,289</u>
Represented By			
Fund Balance B/Fwd	13	15,024,289	5,772,243
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(9,255,398)	9,252,046
Net Financial Position		<u>5,768,891</u>	<u>15,024,289</u>

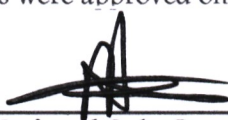
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 04/05/2023 and signed by:



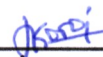
Fund Account Manager

Name: Jese Mbutia



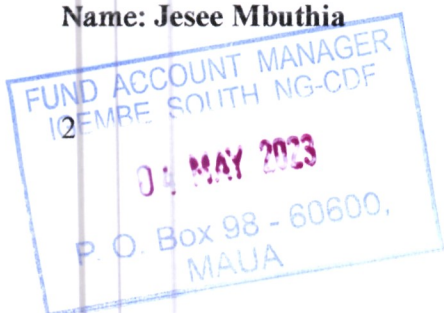
National Sub-County
Accountant

Name: Franklin Munene
ICPAK M/No:



Chairperson NG-CDF
Committee

Name: Lucy Nkoroi



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

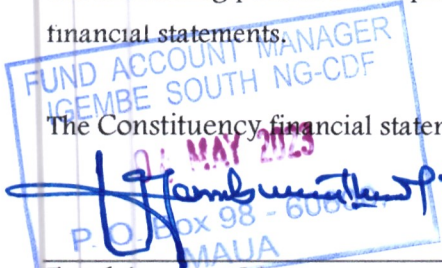
IX. Statement of Cash Flows for the Year Ended 30th June 2022

	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	182,177,758	132,967,724
Other Receipts	3	79,000	47,000
Total Receipts		182,256,758	133,014,724
Payments			
Compensation Of Employees	4	2,991,546	3,470,024
Use Of Goods and Services	5	8,651,283	10,683,194
Transfers To Other Government Units	6	99,856,313	53,900,000
Other Grants and Transfers	7	80,013,014	51,154,518
Other Payments	9	-	-
Total Payments		191,512,156	119,207,736
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		(9,255,398)	13,806,988
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	(4,554,942)
Net Cash Flows from Investing Activities		-	(4,554,942)
Net Increase In Cash And Cash Equivalent		(9,255,398)	9,252,046
Cash & Cash Equivalent At Start Of The Year	10	15,024,289	5,772,243
Cash & Cash Equivalent At End Of The Year	10	<u>5,768,891</u>	<u>15,024,289</u>

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

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

The Constituency financial statements were approved on 04/05/2023 and signed by:



Fund Account Manager

Name: Jeseo Mbuthia

National Sub-County
Accountant

Name: Franklin Munene
ICPAK M/No:

Chairperson NG-CDF
Committee

Name: Lucy Nkoroi

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

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

Receipt/Expense Item	Original Budget	Opening Balance (C/Bk) and AIA	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS							
Transfers from NG-CDF Board	137,088,879	15,024,289	45,088,879	197,202,047	197,202,047	(0)	
Proceeds from Sale of Assets	-	-	-	-	-	-	
Other Receipts	-	79,000	-	79,000	79,000	-	
TOTAL RECEIPTS	137,088,879	15,103,289	45,088,879	197,281,047	197,281,047	0	100%
PAYMENTS							
Compensation of Employees	3,905,400	324,376	-	4,229,776	2,991,546	1,238,230	71%
Use of goods and services	8,432,598	360,279	600,000	9,392,877	8,651,283	741,594	92%
Transfers to Other Government Units	61,956,313	1,511,121	36,388,879	99,856,313	99,856,313	-	100%
Other grants and transfers	62,794,568	12,828,513	8,100,000	83,723,081	80,013,014	3,710,067	96%
Acquisition of Assets	-	-	-	-	-	-	
Other Payments	-	-	-	-	-	-	
Funding pending approvals	-	79,000	-	79,000	-	79,000	
TOTAL	137,088,879	15,103,289	45,088,879	197,281,047	197,512,156	5,738,891	97%

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	5,768,891
Less undisbursed funds receivable from the Board as at 30 th June 2022	-
	5,768,891
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	5,768,891

The Constituency financial statements were approved on 04/05/ 2023 and signed by:

 Fund Account Manager
 National Sub-County Accountant
 Chairperson NG-CDF Committee

Name: Jeseé Mbutia
 Name: Franklin Munene
 ICPAK M/No:

FUND ACCOUNT MANAGER
 IGFEMBE SOUTH NG-CDF
04 MAY 2023
 P. O BOX 98 - 60600,
 MAUA

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

XI. Budget Execution by Sectors and Projects for the Year Ended 30th 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)
		Opening Balance (C/BK) and AIA	Previous years Outstanding Disbursements			
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,905,400.00	324,376.00		4,229,776	3,095,193	1,134,583
1.2 Committee allowances	1,500,000.00	58,511.00		1,558,511	1,558,511	-
1.3 Use of goods and services	2,819,932.00	48,007.00		2,867,939	2,867,939	-
Total	8,225,332	430,894	-	3,656,226	7,521,643	1,134,583
2.0 Monitoring and evaluation						
2.1 Capacity building	1,500,000.00	8,500.00		1,508,500	1,508,500	-
2.2 Committee allowances	1,612,666.00	245,261.00	1,200,000	3,057,927	1,533,686	1,524,241
2.3 Use of goods and services	1,000,000.00			1,000,000	1,000,000	-
Total	4,112,666	253,761	1,200,000	3,566,427	4,042,186	1,524,241
3.0 Emergency						
3.1 Primary schools						
3.1.1 UGOTTI PRIMARY SCHOOL	620,000.00			620,000	620,000	-
3.1.2 KIEGOTI PRIMARY	1,320,000.00			1,620,000	1,620,000	-

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3.1.3 ITUMI PRV	1,620,000.00			1,620,000	1,620,000	~
3.1.4 IKINGO PRV	1,620,000.00			1,620,000	1,620,000	~
TOTAL	5,480,000	~	~	5,480,000	5,480,000	~
3.2 Secondary Schools				~		~
3.2.1 ATHIMBA DAY	1,620,000		~	1,620,000	1,620,000	~
TOTAL	1,620,000	~	~	1,620,000	1,620,000	~
3.3 Unutilized	92,207			92,207		92,207
4.0 Bursary and Social Security				~		~
4.1 Secondary Schools	14,945,277	940,339		15,885,616	15,885,616	~
4.2 Tertiary Institutions	27,673,530	11,888,174		39,561,704	39,043,844	517,860
4.3 Social Security	1,500,000.00			1,500,000		1,500,000
4.4 Special Needs				~		~
Total	44,118,807	12,528,513	~	56,947,320	54,923,460	2,017,860
5.0 Sports				~		~
5.1 Buying of teams uniforms	1,000,000			1,000,000	1,000,000	~
5.2 Buying of teams uniforms	1,741,777			1,741,777	1,741,777	~
Total	2,741,777	~	~	2,741,777	2,741,777	~
6.0 Environment						
6.1 Planting of trees	1,000,000			1,000,000	~	1,000,000
6.2 Leveling of playground	1,741,777			1,741,777	1,741,777	~

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Total	2,741,777	-	-	2,741,777	1,741,777	1,000,000
7.0 Primary Schools Projects						
7.1 Athiru Gaiti Primary	12,000,000			12,000,000	12,000,000	~
7.2 Kathambi Primary School	600,000			600,000	600,000	~
7.3 Murumune Primary School	400,000			400,000	400,000	~
7.4 Antuambui Primary School	400,000			400,000	400,000	~
7.5 Amung'eti Primary School	2,094,013			2,094,013	239,4013	~
7.6 Nkaaria Kinyali Primary	200,000			200,000	200,000	~
7.7 Auki Primary		1,200,000		1,200,000	1,200,000	~
7.8 Ilumbi Primary		311,121	888,879	1,200,000	1,200,000	~
7.9 Riggi Primary			1,000,000	1,000,000	1,000,000	~
7.10 Nkinja Primary			1,000,000	1,000,000	1,000,000	~
7.11 Athi Special Primary			1,000,000	1,000,000	1,000,000	~
7.12 Kithetu Primary			1,000,000	1,000,000	1,000,000	~
7.13 Kathambi Primary			1,000,000	1,000,000	1,000,000	~
Total	15,694,013	1,511,121	5,883,879	23,094,013	23,094,013	~
8.0 Secondary Schools Projects						~
8.1 Auki Secondary School	1,000,000		2,500,000	3,500,000	3,500,000	~
8.2 Riaki Day Secondary	14,000,000			14,000,000	14,000,000	~
8.3 Tiira Day Secondary	500,000			500,000	500,000	~
8.4 Auki Day Secondary	5,762,300			5,762,300	5,762,300	~

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8.5 Antubochiu Secondary			3,000,000	3,000,000	3000000	
Total	21,762,300	-	5,500,000	26,762,300	26,762,300	
9.0 Tertiary institutions Projects						
9.1 KMITC Igembe South	25,000,000		25,000,000	50,000,000	50,000,000	
Total	25,000,000		25,000,000	50,000,000	50,000,000	
10.0 Security Projects						
10.1 Maua Chief's Office	1,000,000		1,000,000	2,000,000	2,000,000	
10.2 Kabulibe Assistant Chief	1,000,000		1,000,000	2,000,000	2,000,000	
10.3 Akachiu Chiefs Office	1,000,000		1,000,000	2,000,000	2,000,000	
10.4 Antubakiru Assistant Chiefs	1,000,000		1,000,000	2,000,000	2,000,000	
10.5 Thaicu Assistant Chiefs	1,000,000		1,000,000	2,000,000	2,000,000	
10.6 Itumi Assistant Chief	1,000,000		1,000,000	2,000,000	2000000	
10.7 Maua Law Courts			1,500,000	1,500,000	1500000	
Total	6,000,000	-	7,500,000	13,500,000	13,500,000	
11.0 Acquisition of assets						
Total	-	-	-	-	-	
12.0 Other payments						
Total	-	-	-	-	-	
13.0 unallocated fund						
Unapproved projects						

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AIA		79,000		79,000	79,000	
PMC savings						
Total	~	79,000		79,000	79,000	~
GRAND TOTAL	137,088,879	15,103,289	45,038,879	197,281,047	191,512,156	5,768,891

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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

In-kind contributions are donations that are made to the constituency in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the constituency includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 10th June 2021 for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

***Igembe South Constituency
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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO B096863		1,600,000
AIE NO B096900		5,000,000
AIE NO B104603		16,000,000
AIE NO B104876		18,367,724
AIE NO B124522		9,000,000
AIE NO B128403		7,000,000
AIE NO B128092		6,000,000
AIE NO B124948		8,500,000
AIE NO B119802		12,000,000
AIE NO B132147		6,000,000
AIE NO B138815		12,000,000
AIE NO B126400		11,600,000
AIE NO B126111		7,000,000
AIE NO B140546		12,000,000
AIE NO. B140895	20,088,879	
AIE NO B105441	44,000,000	
AIE NO B1055772	22,000,000	
AIE NO B128507	5,000,000	
AIE NO B128818	12,000,000	
AIE NO B154016	15,000,000	
AIE NO B164459	20,000,000	
AIE NO. B155818	19,088,879	
AIE NO. B155945	25,000,000	
AIE NO.		
TOTAL	182,177,758	132,967,724

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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	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	79,000	47,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	79,000	47,000

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,924,221	2,781,157
Basic wage for casual workers	-	-
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	564,407
Employer Contributions Compulsory national social security schemes	67,325	124,460
Total	2,991,546	3,470,024

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Utilities, supplies and services	-	873,585
Electricity	34,942	-
Water and sewerage	96,240	-
Communication, supplies and services	47,972	274,400
Domestic travel and subsistence	511,000	-
Printing, advertising and information supplies & services	589,709	-
Training expenses	610,800	391,500
Hospitality supplies and services	668,499	192,780
Other committee expenses	3,658,000	1,941,489
Committee allowance	1,127,000	4,516,815
Insurance costs	-	-
Office and general supplies and services	-	261,210
Fuel, oil & lubricants	900,000	-
Bank service commission & charges	19,616	-
Other operating expenses	-	1,762,565
Routine maintenance – vehicles and other transport equipment	66,000	468,850
Routine maintenance – other assets	321,505	-

***Igembe South Constituency
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Total	8,651,283	10,683,194
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Igembe South Constituency
National Government Constituencies Development Fund (NGCDF)
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Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	23,094,013	23,100,000
Transfers To Secondary Schools (See Attached List)	26,762,300	23,300,000
Transfers To Tertiary Institutions (See Attached List)	50,000,000	7,500,000
Total	99,856,313	53,900,000

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	45,127,460	21,059,661
Bursary – tertiary institutions (see attached list)	9,755,600	14,862,100
Bursary – special schools (see attached list)	46,400	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	12,000,000	-
Sports projects (see attached list)	2,741,777	2,742,379
Environment projects (see attached list)	1,741,777	1,742,378
Emergency projects (see attached list)	7,100,000	10,748,000
Other projects-Judiciary	1,500,000	-
Total	80,013,014	51,154,518

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	3,000,000
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	526,343
Purchase of computers, printers and other IT assets	-	1,028,599
Purchase of ICT Equipment, Software and Other ICT Assets	-	-

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Purchase of Specialized Plant, Equipment and Machinery	-	
Acquisition of Land	-	-
Total	-	4,554,942

Notes To the Financial Statements (Continued)

9. Other Payments

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

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)		
<i>Family Bank, Maua Branch , Account No. 86000008930</i>	5,768,891	15,024,289
Total	5,768,891	15,024,289
10 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

11: Outstanding Imprests

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

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Total		-	-	-
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12A. Retention

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

[Provide short appropriate explanations as necessary.]

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	~	1,004,400
Gratuity held during the year (B)	~	564,407
Gratuity paid during the Year (C)	~	1,568,807
Closing Gratuity as at 30 th June D= A+B-C	~	~

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	15,024,289	5,772,243
Cash in hand	~	~
Imprest	~	~
Total	15,024,289	5,772,243

[Provide short appropriate explanations as necessary]

Igembe South Constituency
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14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	~	~	~
Cash in hand	~	~	~
Accounts Payables	~	~	~
Receivables	~	~	~
Others (<i>specify</i>)	~	~	~
Total	~	~	~

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	~	~
Imprest issued during the year (B)	5,609,655	7,518,084
Imprest surrendered during the Year (C)	5,609,655	7,518,084
closing accounts in account receivables D= A+B-C	~	~
Changes in Account Receivables E= D-A	~	~

16. Changes in Accounts Payable – Deposits and Retentions

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

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Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

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

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	1,293,980	-
Others (<i>specify</i>)		-
Total	1,293,980	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	1,134,583	324,376
Use of goods and services		115,039
Amounts due to other Government entities (see attached list)		45,400,000
Amounts due to other grants and other transfers (see attached list)	4,498,308	14,226,752
Acquisition of assets		-
Funds pending approval	136,000	77,000
Total	5,768,891	60,143,168

Note: The 2020/2021 FY audited balances were sh 45,400,000: sh 37,900,000 (Amounts due to other governments) and sh 7,500,000 (Amounts due to other grants). These figures were inaccurate. I have certified the correct position and reconciled the Summary Statement of Appropriation, the Budget execution by sector statement and Annex 3 Unutilized funds.

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	22,279,391	34,812,069
Total	22,279,391	34,812,069

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Annexes
Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30th June 2022	Comments
NG-CDFC Staff				
1) Francis Gitari	Driver	Nov 2020	232,733	
2) Naftali Karithi	Account Assistant	May 2021	209,250	
3) James Thurahira	Secretary	Oct 2020	324,338	
4) David Mwenda	Clerk of Works	Oct 2020	324,338	
5) Joseph Kaberia	Watchman	Oct 2020	203,321	
Grand Total			1,293,980	

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		1,134,583	324,376	
Use of goods & services			115,039	
Amounts due to other Government entities				
Primary Schools				
Auki Primary School			1,200,000	
Itumbi Primary School			1,200,000	
Rigi Primary School			1,000,000	
Nkinja Primary School			1,000,000	
Athi Special Primary School			1,000,000	
Kithetu Primary School			1,000,000	
Kathambi Primary School			1,000,000	
Secondary Schools				
Antubuchiu Secondary School			3,000,000	
Auki Day Secondary School			2,500,000	
Tertiary Institutions				
Igembe North KMTC			25,000,000	
Sub-Total			37,900,000	
Amounts due to other grants				

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
and other transfers				
Bursary				
Tertiary institutions		517,860	11,888,174	
Secondary schools			940,339	
Social security		1,500,000		
Sub Totals		2,017,860	12,828,513	
Emergency Projects				
Emergency		92,207	1,398,241	
Sub Totals		92,207	1,398,241	
Monitoring and evaluation				
Monitoring and evaluation		1,524,241		
Sub totals		1,524,241		
Environment Projects				
Planting of trees		1,000,000		
Sub Totals		1,000,000		
Security Projects				
Maau Chiefs Office			1,000,000	
Kabuline Chiefs Office			1,000,000	
Thaicu Assistant Chiefs			1,000,000	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Itumi Assistant Chiefs			1,000,000	
Antubuchiu Assistant Chiefs			1,000,000	
Akachiu Chiefs Office			1,000,000	
Maau Law Courts			1,500,000	
Sub-Total			7,500,000	
Funds Pending Approval			77,000	
Sub Total			77,000	
Grand Total		5,768,891	60,143,168	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land				
Buildings and structures	14,961,001			14,961,001
Transport equipment	11,265,759			11,265,759
Office equipment, furniture and fittings	3,200,000			3,200,000
ICT Equipment, Software and Other ICT Assets	1,554,942			1,554,942
Purchase of photocopier				
Other Machinery and Equipment				
Heritage and cultural assets	~			~
Intangible assets	~			~
Total	30,981,702			30,981,702

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

PMC NAME	BANK	BRANCH	ACCOUNT NUMBER	BALANCE AS AT 30/6/2022	BALANCE AS AT 30/6/2021
NG-CDF: TIIRA DAY SECONDARY SCHOOL	Family Bank	Maua	86030009017	0	113,240
NG-CDF: RIAKI DAY SECONDARY SCHOOL	Family Bank	Maua	86030009057	1,400,663	5,002,830
MAUA DAY SECONDARY SCHOOL	Family Bank	Maua	86030009107	92	92
KITHETU KIRIAMENE DAY SECONDARY SCHOOL	Family Bank	Maua	86030009110	13	4,720,405
ITUMI DAY SECONDARY SCHOOL	Family Bank	Maua	86030009123	110	110
NG-ATHIRU GAITI CHIEFS OFFICE	Family Bank	Maua	86030009309	244	244
NG-CDF TIIRA PRIMARY SCHOOL	Family Bank	Maua	86030009526	824	824
NG-CDF:KATHAMBI PRIMARY SCHOOL	Family Bank	Maua	86030009636	91,211	151
NG-CDF NKARIA KINYALI PRIMARY SCHOOL	Family Bank	Maua	86030009663	119,156	497,974
NG-CDF: KARURUNE PRIMARY SCHOOL	Family Bank	Maua	86030009885	363	363
NG-CDF: NTHIRONE PRIMARY SCHOOL	Family Bank	Maua	86030010175	580	580
NG-CDF: SPOFTS COMMITTEE	Family Bank	Maua	86030010178	2,827	2,000
NG-CDF: IGEMBE SOUTH DISABILITY OFFICES	Family Bank	Maua	86030010182	256	256
NG-CDF: IGEMBE BOYS SECONDARY SCHOOL	Family Bank	Maua	86030010368	86,638	572,817
NG-CDF OFFICE	Family Bank	Maua	86030010597	205	205

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NG-CDF:ANTLAMBUI PRIMARY SCHOOL	Family Bank	Maua	86030011038	2,056	58,155
NG-CDF:AMUNGENTI PRIMARY SCHOOL	Family Bank	Maua	86030011341	10,713	1,291,159
IGEMBE SOUTH KMTC	Family Bank	Maua	86030011368	9,935,916	2,042,951
NG-CDF:IGEMBE SOUTH STORAGE TANK PROJECT'	Family Bank	Maua	86030011491	413	413
NG-CDF:THAICU MIXED DAY SEC SCHOOL	Family Bank	Maua	86030011561	-	426,823
NG-CDF:KANUNI POLICE POST	Family Bank	Maua	86030011924	92	92
NG-CDF:CHUKA UNIVERSITY IGEMBE CAMPUS	Family Bank	Maua	86030012192	24,857	240,026
NG-CDF:TIIRA DRAINAGE AND CULVERTS PROJECT	Family Bank	Maua	86030012201	650	650
NG-CDF:OFFICE DRAINAGE PROJECT	Family Bank	Maua	86030012210	2,093	2,093
NG-CDF:KARUMARU PRIMARY' SCHOOL	Family Bank	Maua	86030012343	-	225,479
NG-CDF:ANTLBOCHIU PRIMARY SCHOOL	Family Bank	Maua	86030012346	-	100
NG-CDF:NKIENE PRIMARY SCHOOL	Family Bank	Maua	86030012348	207	530,330
NG-CDF:DISTRICT ACCOUNTANT IGEMBE SOUTH	Family Bank	Maua	86030012568	878	878
NG-CDF:IGEMBE SOUTH OFFICE COMPOUND PROJECT.	Family Bank	Maua	86030012585	1	3,000,000
NG-CDF:LULLUMA PRIMARY SCHOOL	Family Bank	Maua	86030009018	1,741,811	34
NG-CDF:ATHIMBA PRIMARY SCHOOL	Family Bank	Maua	86030009019	146	146

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NG-CDF: ATHI SPECIAL SCHOOL	Family Bank	Maua	8600009029	92,373	185
NG-CDF: KATHIMA PRIMARY SCHOOL	Family Bank	Maua	8600009082	1,187	1,187
MBOONE DAY SECONDARY SCHOOL	Family Bank	Maua	8600009100	1,790	1,790
KIGUMA CHIRI PRIMARY SCHOOL	Family Bank	Maua	8600009111	1,634	1,634
AMWAMBA PRIMARY SCHOOL	Family Bank	Maua	8600009113	1,134	1,134
LAKATHI PRIMARY SCHOOL	Family Bank	Maua	8600009117	1,512	1,512
AKACHIU EDUCATION OFFICE	Family Bank	Maua	8600009118	1,171	1,171
ATHI CHIEFS OFFICE	Family Bank	Maua	8600009134	283	283
NG-CDF: IGEMBE SOUTH SPORTS PROJECT	Family Bank	Maua	8600009149	2,471	2,471
NG-CDF: KINLANI SECONDARY SCHOOL	Family Bank	Maua	8600009152	4,406	4,406
NG-CDF- AKACHIU DIVISION ACC OFFICE	Family Bank	Maua	8600009158	283	283
NG-CDF IGEMBE SOUTH DCC OFFICE	Family Bank	Maua	8600009523	434	434
NG-CDF:KAREMBWINE PRIMARY SCHOOL	Family Bank	Maua	8600009651	824	3,712
NG-CDF: MAUA PRIMARY SCHOOL	Family Bank	Maua	8600009904	4,634	4,634
KIANDA PRIMARY SCHOOL	Family Bank	Maua	8600009995	2,973	2,673
NG-CDF: ENVIRONMENT COMMITTEE	Family Bank	Maua	8600010174	1,534	1,534
NG-CDF: GIKA CHIEFS CAMP	Family Bank	Maua	8600010687	634	634

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NG-CDF: MUN'YARIKI PRIMARY SCHOOL	Family Bank	Maua	86030010691	756	756
KIGURU PRIMARY SCHOOL	Family Bank	Maua	86030010749	1,000	1,000
MAUA-NG CDF OFFICE DRAINAGE	Family Bank	Maua	86030011349	288	288
NG-CDF:IGEMBE SOUTH OFFICE CABRO PROJECT	Family Bank	Maua	86030011482	116	116
NG-CDF:IGEMBE SOUTH MAUA POLICE STATION	Family Bank	Maua	86030011532	252	252
NG-CDF: AUKI PRIMARY SCHOOL	Family Bank	Maua	86030013742	508,466	-
NG-CDF: ITUNII PRIMARY SCHOOL	Family Bank	Maua	08600019986	-	-
NG-CDF MAUA CHIEFS OFFICE CONSTRUCTION	Family Bank	Maua	86030019990	-	-
NG-CDF AKACHIU CHIEFS OFFICE CONSTRUCTION	Family Bank	Maua	86030019828	-	-
NG-CDF ITUMI ASS. CHIEFS OFFICE CONSTRUCTION	Family Bank	Maua	86030019986	-	-
NG-CDF THAICU ASS. CHIEFS OFFICE CONSTRUCTION	Family Bank	Maua	86030019993	-	-
NG-CDF ANTL BAKIRU ASS. CHIEFS OFFICE CONSTRUCTION	Family Bank	Maua	86030019893	2,000,000	-
NG-CDF KABULINE CHIEFS OFFICE CONSTRUCTION	Family Bank	Maua	86030020010	-	-
NG-CDF KIEGOI PRIMARY SCHOOL	Family Bank	Maua	86030019906	-	-
NG-CDF MAUA LAW COURTS	Family Bank	Maua	86030019996	-	-
KITHETU PRIM/ARY SCHOOL	Family Bank	Maua	86030013701	88,300	-
IKINGO PRIM/ARY SCHOOL	KCB	Maua	1237844068	-	-
AUKI DAY SECCNDARY SCHOOL	CO-OP BANK	Maua	1141024183600	2,272,251	4,096,721

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UGOTI PRIMARY SCHOOL	CO-OP BANK	Maua	1109024660700	1,619,035	
UGOTI DAY SECONDARY SCHOOL	CO-OP BANK	Maua	1109414808901	500,361	2,001,231
ATHIRU GAITI SECONDARY SCHOOL	CO-OP BANK	Maua	1109024655901	1,474,269	4,970,198
AKUI DAY SECONDARY SCHOOL	CO-OP BANK	Maua	1141414304100		2,897,700
KIGUMA CIIRI PRIMARY SCHOOL	CO-OP BANK	Maua	1141611235000	5,796	5,796
MURUMUNE PRIMARY SCHOOL	CO-OP BANK	Maua	1141612599600	-	1,068
IRIA RUUI PRIMARY SCHOOL	CO-OP BANK	Maua	1141611480300	-	116,443
ITUMBI PRIMARY SCHOOL	EQUITTY BANK	Maua	400191448791	283	-
NG-CDF: ST. RITAS GIRLS SECONDARY SCHOOL	ARIMA SACCO SOCIETY	Maua	691700600070	261,970	1,816,557
NG-CDF: KIEGOI DAY SECONDARY SCHOOL	ARIMA SACCO SOCIETY	Maua	691700600110	-	95,803
NG-CDF: RYENTIA PRIMARY SCHOOL	ARIMA SACCO SOCIETY	Maua	691700600031	-	47,044
RIIGI PRIMARY SCHOOL	NATIONAL BANK	Maua	122403900900	3,956	-
TOTAL				22,279,391	34,812,069

Annex 6: Progress On Follow Up of Auditor Recommendations

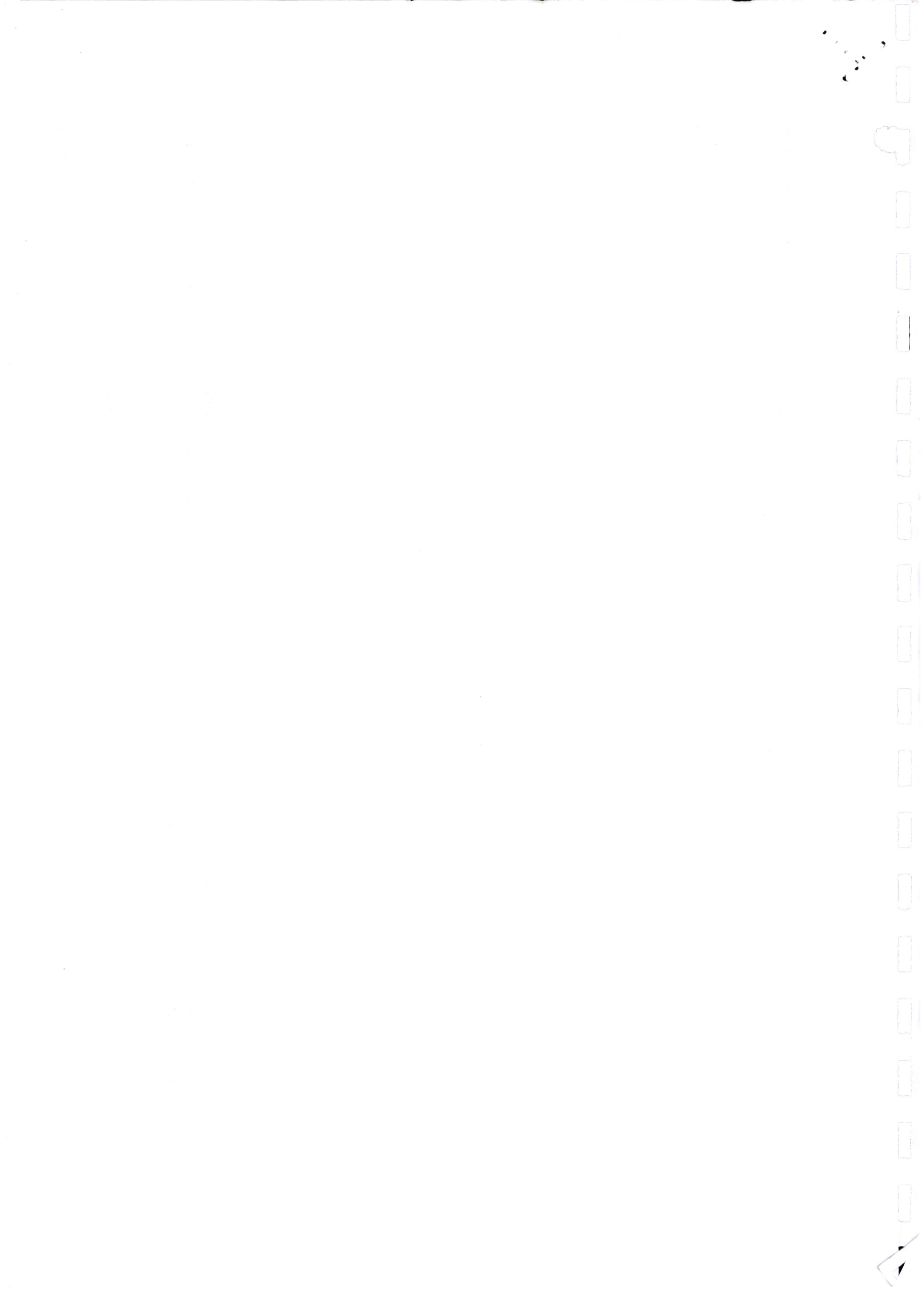
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1 Variances between the comparative and audited balances	Unutilized balance variance of sh 7,476,164, PMC balance of sh 10,196,779	Variance corrected	Not resolved	30.04.23
1.2 Accuracy of summary statement of appropriation	Budget utilization variance of sh 1,322,063	Variance corrected	Not resolved	30.04.23
1.3 Variance between statement of receipts and payments and notes to FS	Unreconciled variance of compensation to employees of sh 1,004,400	Variance corrected	Not resolved	30.04.23
1.4 Variance between the summary statement of appropriation and separate summary statements of appropriation	Original budget-629 Adjustments-(2,672,893) Final Budget-(2,672,893) Actual on comparison-(4,315,180) Budget utilization-2,964,979) Adjustments-(135,000) Final Budget-(135,000) Budget utilization-(135,000)	Variance corrected	Not resolved	30.04.23
1.5 Unutilized funds	Unreconciled variance of sh 135,001 for unutilized funds	Variance corrected	Not resolved	30.04.23
2.0 Cash and cash equivalent	Unreconciled variance of sh 179,868 for cash and cash equivalent	Variance corrected	Not resolved	30.04.23
3.0 Unsupported PMC balances	Supporting documents such as bank reconciliation, bank statements and cash book for PMC balances of 34,155,587	Supported documents are available	Not resolved	30.04.23
4.0 Irregular payment of committee allowances	Unauthorized airtime -20,000 Training expense of sh 66,000 charged to committee allowance	Issues addressed	Not resolved	30.04.23


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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Irregular committee allowances of sh 922,845			
5.0 Unacknowledged bursary disbursements	Bursary Unacknowledged-sh 10,375,103 No ICPAK number for the accountant Wrong page numbering 18 and 38 Incomplete information on note 6 and 7 Information presented with decimals on note 17.4 and annex 5	Acknowledgments are being pursued from the beneficiary institutions Errors have been corrected	Not resolved	30.04.23
6.0 Presentation of financial statements			Not resolved	30.04.23
7.0 Prior year adjustments	Adjustment of sh 1,322,063 was done procedurally	The anomaly has been addressed	Not resolved	30.04.23
Other matters Budgetary control and performance	Under performance of 45,139,967 or 33% Project was complete but not in use	The management has reviewed its internal processes	Not resolved	30.04.23
Lawfulness and effectiveness Construction of science lab at Maua day	Some items were in variance with the BOQ Poor workmanship on the floor and gas piping Projects worthy sh 103,756,388 were on going and sh 7,900,000 had not started	The project is fully in use The management has addressed this issue	Not resolved	30.04.23
Delay in project implementations			Not resolved	30.04.23



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Projects not put in use and poor workmanship	Rhenya Primary -3,300,000 Kialai Sec-10,065,840 Maua Mixed Sec-3,747,110	The three projects are in full use	Not resolved	30.04.23



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Jesse Mbutia
Fund Account Manager.

