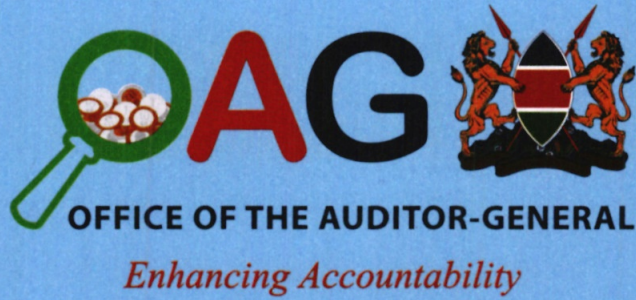


REPUBLIC OF KENYA



REPORT

OF



THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	24 AUG 2023
ON	OURS
TABLED BY:	Hon Kimani Ichungwala, MP The Leader of the Majority Party
CLERK AT THE TABLE:	Anne Shubiko

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KIAMBAA CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2022



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
22 MAY 2023
RECEIVED



KIAMBAA 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

Table of Contents

	Page
I. Key Constituency Information and Management	ii
II. NG-CDFC Chairman's Report.....	vi
III. Statement Of Performance Against Predetermined Objectives for FY2021/22	xi
IV. Environmental and Sustainability Reporting	xiv
V. Statement Of Management Responsibilities	xviii
VI. Report Of the Independent Auditors On The NGCDF- xx Constituency	xx
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022.....	1
VIII. Statement Of Assets and Liabilities As At 30 th June, 2022	2
IX. Statement Of Cash Flows for The Year Ended 30th June 2022.....	3
X. Summary Statement of Appropriation for The Year Ended 30 th June 2022.....	4
X. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2022.....	6
XI. Significant Accounting Policies.....	11
XII. Notes To the Financial Statements.....	17

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;

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

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

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

Kiambaa Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

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	LORNA MUTHONI
2.	Sub-County Accountant	ELIAS MUNGAI
3.	Chairman NGCDFC	JACKSON MBUGUA
4.	Member NGCDFC	GEORGE WAMBUI

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kiambaa 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) Kiambaa Constituency NGCDF Headquarters

P.O. Box 86-002191

Next to Kiambaa Sub-County Headquarters
Karuri,
KENYA

(f) Kiambaa Constituency NGCDF Contacts

Telephone: (254)

E-mail: cdfkiambaa@ngcdf.go.ke

Website: www.ngcdf.go.ke

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

(g) Kiambaa Constituency NGCDF Bankers

1. Co-operative Bank
Ruaka Branch
P.O Box 2070-00621, Village Market
Nairobi, Kenya

(h) Independent Auditors

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

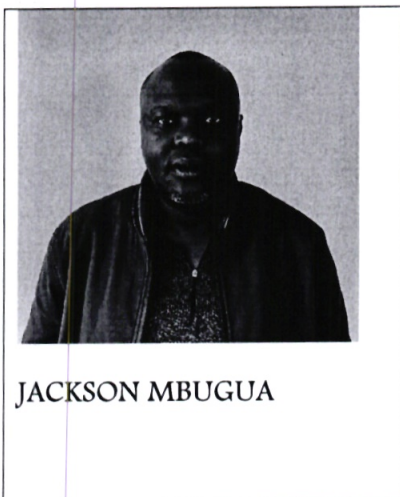
(i) Principal Legal Adviser

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

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

Nairobi, Kenya

II. NG-CDFC Chairman's Report



I am delighted to present the Kiambaa NG-CDF report for the year ended 30th June 2022. I am proud of the strides that we have realized in the year under review despite the setbacks and challenges occasioned by the Covid -19 Pandemic and 2022 General Elections. The report presents yet another milestone encapsulating our achievements throughout the transformative path the constituency had embarked on.

As the NG-CDF Committee, we have strived to implement the objectives we had envisioned in the strategic plan faithfully and diligently and in furtherance of our mandate as stipulated by the National Government Constituency Development Board under the NG-CDF Act, 2015. As summed up in this Report, I am pleased to report that the performance of Kiambaa NG-CDF for the year ended 30th June 2022 has been good. As witnessed, Kiambaa

constituency has a thriving blend of rural and urban economies and is now inhabited by residents with dignity.

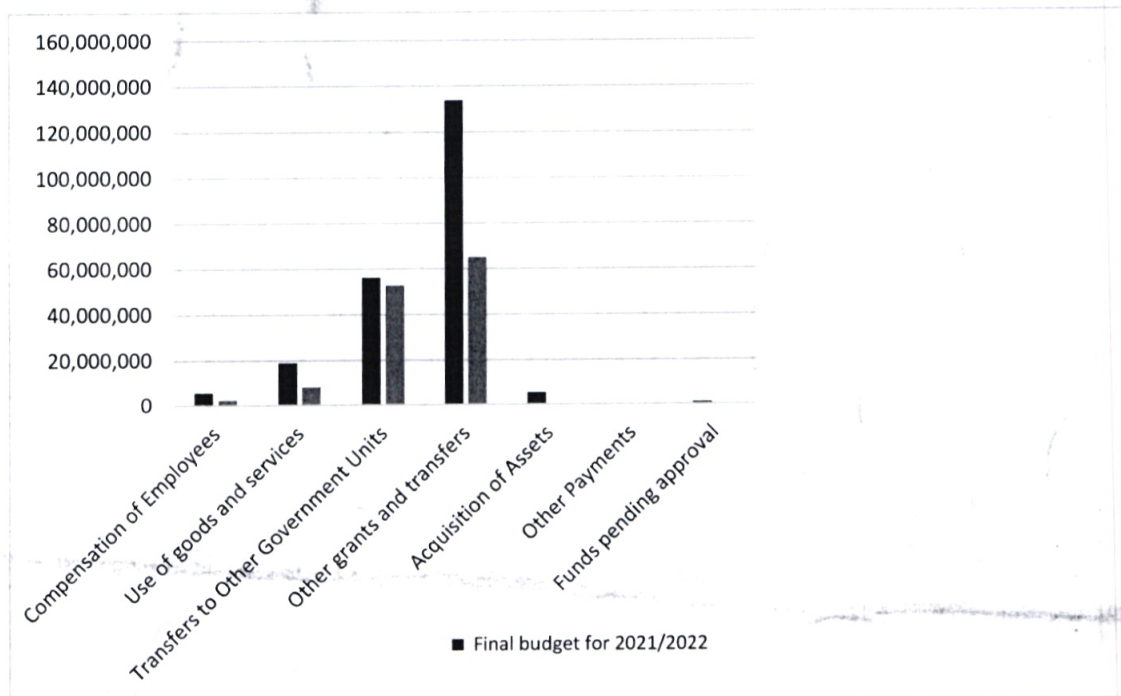
Budget performance in the financial year 2021/2022

Table 1 overview of expenditure (Kshs.)

	Final budget for 2021/2022	Expenditure as at 30th June 2021	% Budget Spent
Compensation of Employees	4,345,618	5,513,837	78.8%
Use of goods and services	12,083,748	18,354,246	65.8%
Transfers to Other Government Units	71,290,950	72,140,285	98.8%
Other grants and transfers	123,680,390	132,283,436	93.4%
Acquisition of Assets	486,292	673,708	69.5%
Other Payments	0	177,000	0.0%
Funds pending approval	0	0	
Total	211,796,998	229,142,512	92.4%

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

Chart 1



ACHIEVEMENTS

Education and Training

Our key objective in this sector is to improve schools' infrastructure and learning environment. We were able to improve sanitation by constructing to completion bio-aqua ablution blocks in various primary schools and constructed to completion perimeter wall in one primary Schools (Wangunyu Primary School). We were also able to supply two thousand four hundred.

To improve the Constituency's education quality, we have ensured atleast 100% retention and transition rates by awarding bursary to over five thousand (5,000) needy students.

Kawainda primary school complete 12 door Aqua toilet block

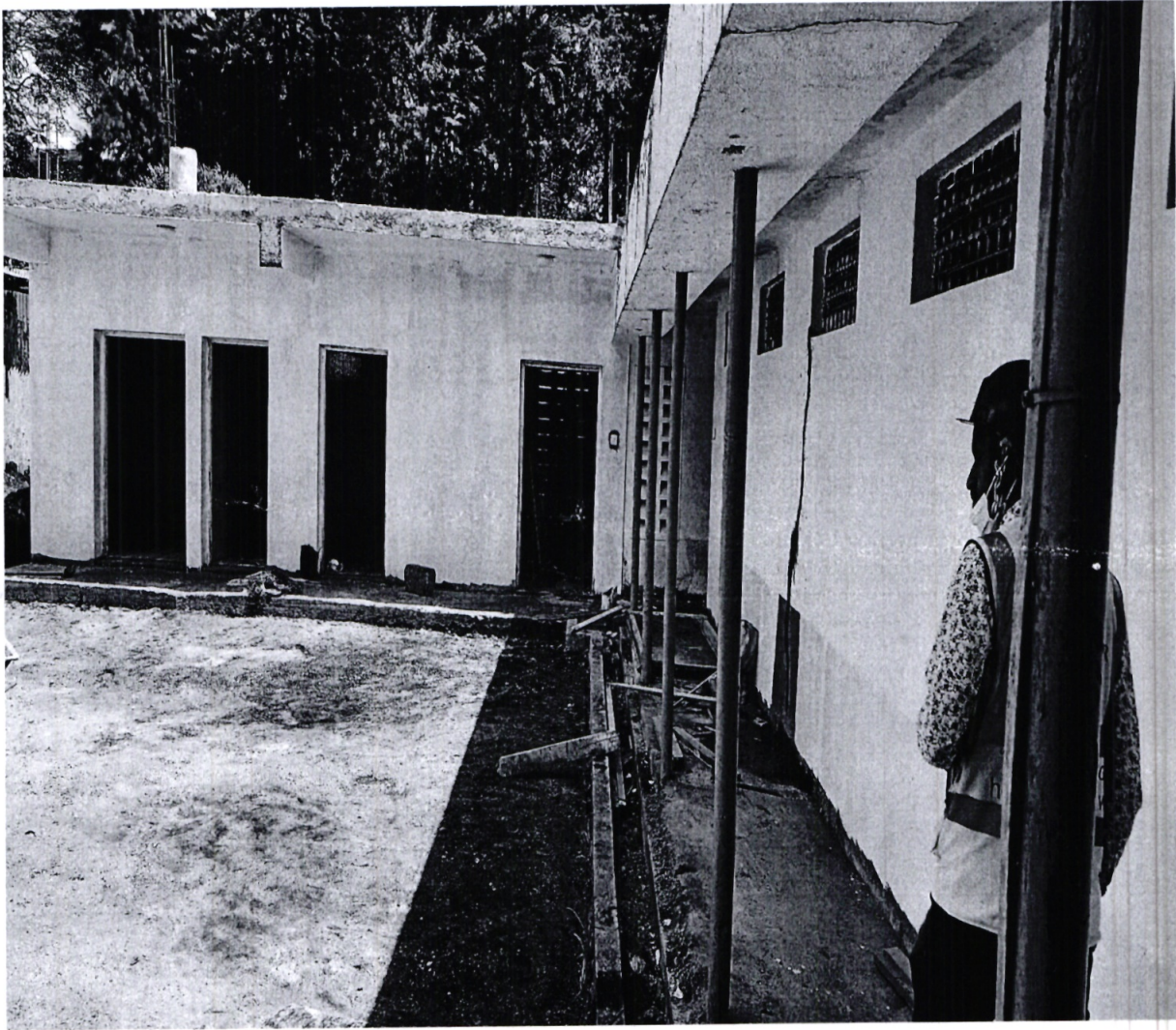


Public Administration, Security, Law & Order

In order to improve and enhance security in the Constituency we continue constructing modern police offices and facilities

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

Ongoing Construction Of Karuri Police Station.



Kiambaa Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

Emerging Issues

- Information on NG-CDF Act 2015 across and within the constituents, is still patchy. There's need for a continuous sensitization of CDFCs and PMCs on the pertinent Acts (e.g., NGCDF Act, PFM Act, Public Procurement Act, EMCA, Anti-Corruption and Economic Crimes Act, etc).
- The committee has realized the need to partner with other developing partners in order to achieve goals set within the five years.
- Under the implementation of Social Security project (NHIF) to older persons (70+) there is the need of establishment of at least one residential home in our constituency could help most of these older persons who lack caregivers, neglected abandoned and lack proper shelter.

Challenges

- NG-CDF Board to ensure timely disbursement of the allocated funds for projects to be completed in time;
- The NG-CDF Board should also ensure continuity for the Constituency staff to manage transition and ensure pending projects are completed even when the leadership of the Constituency changes

Conclusion

Co-operation from all stakeholders and proper planning of the fund will lead to better management and delivery of timely projects to the expectation of our constituents. We acknowledge the support given by our Patron (Hon John Njuguna Kwanjiku), NGCDF Board, the technical teams in various Government departments and the constituents at large.



.....
Name: JACKSON MBUGUA
CHAIRMAN NGCDF COMMITTEE

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

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 *Kiambaa Constituency 2018-2022* plan are to:
(Enumerate all the objectives of the constituency as per the Strategic Plan)

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	<ul style="list-style-type: none"> To improve and expand infrastructure for both primary and secondary education To improve the Constituency's education quality 	<ul style="list-style-type: none"> Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions 	<ul style="list-style-type: none"> -70 classrooms to be renovated in primary schools. -Construct 20 new classrooms -10,000 student's bursary beneficiaries 	<ul style="list-style-type: none"> - 7no classrooms constructed as follows: 4no classroom block at Muchatha High School and 3 No classroom block at Kawaida primary school. -3 no- 12 door ablution blocks constructed at Cianda High school, Gacharage Primary School and Kawaida primary school -75 classrooms renovated as follows: 15 no. at Karuri Primary school, 10 no. each at Waguthu, lower kihara and Gacii

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

				<p>primary school, 6 no. each at Mayuyu, Ndenderu, Thimbigua, Muchatha, and Muthurwa primary schools</p> <ul style="list-style-type: none"> -Renovation of Kiambaa primary school -construction of a kitchen and rain water collection system at Gatatha primary schools -Renovation of school hall and cabro works at Muongoiya primary school -Construction of a boundary wall at Wangunyu Primary school -Construction of 2 no. classrooms and an office at Gatono primary school <p>- In 2021/2022we awarded bursary to 3000 beneficiaries</p>
Security	To improve and enhance security in the area	Establishment of new police posts and stations	<ul style="list-style-type: none"> • 4 police posts established • 1 Sub-County Police headquarter 	<ul style="list-style-type: none"> - 2 Police posts (Muongoiya and Kiambaa police posts) constructed - 2 police stations (Karuri & Kihara police stations) Constructed
Environment	To promote environmental protection and conservation	<ul style="list-style-type: none"> • Supporting planting of trees in public institutions and places • Construction 	<ul style="list-style-type: none"> • 1000 of trees planted • 15 Bio-aqua toilets Constructed • 5 Incinerators 	<ul style="list-style-type: none"> • 1000 of trees planted • 13 Bio-aqua toilets Constructed

Kiambaa Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

		of bio aqua toilets in public institutions and places <ul style="list-style-type: none">• Putting up of accessible garbage collection points		
Sports	To ensure youth energy is directed towards positive and meaningful endeavours	<ul style="list-style-type: none">• Organizing sports tournaments and supplying participating teams with kits and other sports equipment	<ul style="list-style-type: none">• 5 of youth tournament organised•	<ul style="list-style-type: none">• 3 of youth tournament
Emergency	Institutionalizing the disaster risk reduction (DRR) strategy	Management of emergencies and disasters	100 % emergency kitty used	62% of the emergency was utilised

IV. Environmental and Sustainability Reporting

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

- **Education and Training:** Kiambaa 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.
- **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.
- **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.

- **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:** 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.
- **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.

3. Employee welfare

We invest in providing the best working environment for our employees. Kiambaa 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. Kiambaa 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-

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

Kiambaa 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.

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

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.

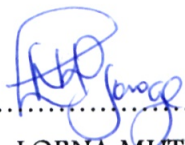
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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.

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



.....
Name: LORNA MUTHONI

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-Kiambaa 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-Kiambaa 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 June 30, 2022. The Accounting Officer charge of the NGCDF- Kiambaa 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.

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

The Accounting Officer in charge of the NGCDF Kiambaa 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- Kiambaa Constituency financial statements were approved and signed by the Accounting Officer on 11-05- 2023.



.....
Name: JACKSON MBUGUA
Chairman – NGCDF Committee



.....
Name: LORNA MUTHONI
Finance Account Manager

REPUBLIC OF KENYA

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



HEADQUARTERS
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NAIROBI

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

***PREAMBLE**

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituency Development Fund (NGCDF) - Kiambaa Constituency set out on pages 1 to 38, 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

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

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

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

Basis for Qualified Opinion

1. Long Outstanding Reconciling Items in Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Note 10 to the financial statements reflects cash and cash equivalents balance of Kshs.17,345,515. Review of the bank reconciliation statement, cash book and bank statements revealed payments in cash book not yet recorded in the bank statement (unpresented cheques) totalling to Kshs.30,238,199, out of which an amount of Kshs.376,844 were stale cheques which had not been reversed in the cash book as at 30 June, 2022. The stale cheques included payments in respect of statutory deductions which had not been remitted to Kenya Revenue Authority (KRA), National Social Security Fund (NSSF) and National Hospital Insurance Fund (NHIF) of Kshs.53,490, Kshs.123,016 and Kshs.3,450 respectively. No explanation was provided for failure to remit statutory dues on time.

In addition, the bank reconciliation statement reflects receipts in the bank statement not yet recorded in the cash book totaling to Kshs.2,799,354, which relates to bank credits. Transactions totaling to Kshs.2,100 relating to the month of March, 2022 were not recorded in the bank statement while transactions totaling to Kshs.55,450 were not dated.

Further, Management did not submit a copy of the twelve (12) monthly bank reconciliation statements to the Office of the Auditor General for audit by 10th of the subsequent month.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.17,345,515 as at 30 June, 2022 could not be confirmed.

2. Unsupported Bursary Payments

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers of Kshs.123,608,390 which includes bursary payments of Kshs.73,604,000, out of which Kshs.36,352,000 was in respect of secondary schools, Kshs.35,719,000 was for tertiary institutions while Kshs.1,533,000 was for special schools. Review of a sample of lists of bursary payments to various institutions amounting to Kshs.6,552,000 revealed payments totalling to Kshs.1,054,000 were not supported with students details including their gender and registration/admission numbers.

In the circumstances, the accuracy and completeness of bursary disbursements of Kshs.1,054,000 for the year ended 30 June, 2022 could not be confirmed.

3. Unsupported Social Security Programmes Expenditure

Included in the other grants and transfers balance of Kshs.123,608,390 is social security programmes (NHIF) expenditure of Kshs.13,200,000 as disclosed in Note 7 to the financial statements. Review of records revealed that the amount related to NHIF premiums for people above seventy (70) years and people living with disabilities. However, seventeen (17) individuals in the list of beneficiaries had no identification numbers while sixty-seven (67) individuals in the list of beneficiaries had no allocated NHIF numbers.

In the circumstances, the accuracy and completeness of social security programme expenditure of Kshs.13,200,000 for the year ended 30 June, 2022 could not be confirmed.

4. Lack of Land Ownership Documents

Annex 4 on summary of fixed asset register reflects a historical balance of Kshs.30,328,842, which includes buildings and structures of Kshs.26,712,292. Review of records revealed that the Fund's offices are constructed within the Karuri Police Station compound. However, the title deed, memorandum of agreement or lease documents for the parcel of land on which the buildings and structures are constructed were not provided for audit review.

In the circumstances, the ownership of the parcel of land 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 Constituency Development Fund - Kiambaa 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 audit 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. Failure to Remit Statutory Deductions

The statement of receipts and payments reflects compensation of employees balance Kshs.4,345,618 as disclosed in Note 4 to the financial statements. Review of records revealed that an amount of Kshs.802,073 related to statutory deductions. However, a total of Kshs.342,899 and comprising of Kshs.140,400 in respect of NSSF, Kshs.30,550 in respect of NHIF and Kshs.171,949 in respect of KRA respectively were not remitted to the respective agencies. This was contrary to Section 19(4) of the Employment Act, 2007 which provides that an employer who deducts an amount from an employee's remuneration shall pay the amount so deducted in accordance with the time period and other requirements specified in the law, agreement court order or arbitration as the case may be.

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

2. Irregular Procurement of Hospitality Services

The statement of receipts and payments reflects use of goods and services of Kshs.12,083,748 which includes training expenses of Kshs.2,769,872 as disclosed in Note 5 to the financial statements, and out of which an amount of Kshs.1,039,680 was paid to a service provider for provision of accommodation and conference services. However, review of records revealed the following anomalies:

- i. The service provider was not among the prequalified service providers for the financial year 2021/2022. This was contrary to Section 106(2)(a) of the Public Procurement and Asset Disposal Act, 2015 which requires the Accounting Officer to give the request for quotation to such persons as are registered by the procuring entity.
- ii. The payment was made to an entity which was different from the one contracted to offer the service. In addition, the tender opening and evaluation reports were combined into one report which was done by the same committee members. This was contrary to Section 44(2)(h) of the Public Procurement and Assets Disposal Act, 2015 which requires the Accounting Officer to ensure that the procurement processes are handled by different professional offices in respect of initiation, processing and receipt of goods, works and services.
- iii. There was no evidence that the Accounting Officer notified the successful bidder in writing that his bid was accepted, and that the successful bidder accepted the award in writing. This was contrary to Section 87(2) of the Public Procurement and Assets Disposal Act, 2015 which provides that the successful bidder shall signify in writing the acceptance of the award within the time frame specified in the notification of award.
- iv. There was no evidence that the head of supply chain management issued a professional opinion for approval by the Accounting Officer, as required under Section 84(1) of the Public Procurement and Asset Disposal Act, 2015 which provides that the head of procurement function of a procuring entity shall,

alongside the report to the evaluation committee as secretariat comments, review the tender evaluation report and provide a signed professional opinion to the accounting officer on the procurement or asset disposal proceedings,

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

3. Irregular Payment of Committee Allowances

Included in the use of goods and services balance of Kshs.12,083,748 is committee allowances of Kshs.6,259,600 as disclosed in Note 5 to the financial statements. However, review of records revealed that payments amounting to Kshs.754,000 were paid to non-committee members and reported under committee allowances. This was contrary to Section 104(1) of the Public Finance Management (National Government) Regulations, 2015 states that all receipts and payments voucher of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation

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

4. Irregularities in the Procurement of Goods, Works and Services

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to other Government units of Kshs.71,290,950. The amount relates to funds transferred to various Project Management Committees (PMC) during the year under audit. Review of payment and related records revealed the following irregularities in respect of procurement of goods, works and services:

4.1 Construction of Aqua Toilet at Gacharage Primary School

The Management of the Fund placed an advertisement for construction of aqua toilet block at Gacharage Primary School, in a local publication on 24 January, 2022. The tender opening minutes reveal that there were two (2) bidders who quoted Kshs.2,274,460 and Kshs.2,943,069 respectively. The tender was awarded to the higher bidder at Kshs.2,943,069. The professional opinion dated 16 February, 2022 indicated that the Accounting Officer approved negotiation with the winning bidder for price variation. However, written communication approving the negotiation by the Accounting Officer, recommendation by the evaluation committee and negotiation report or commitment by the contractor were not provided for audit review.

In addition, it was observed that evaluation was conducted on 15 February, 2022, a professional opinion was issued and approved on 16 February, 2022 and the letter of notification of award was issued on 17 February, 2022. This casted doubt on when the bidder was notified and invited for negotiations and the result communicated and approved before conclusion of the process.

This was contrary to Section 82 of the Public Procurement and Asset Disposal Act, 2015 which states that the tender sum as submitted and read out during the tender opening shall be absolute and final and shall not be the subject of correction, adjustment or amendment in any way by any person or entity.

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

4.2 Construction of a Wall at Wangunyu Primary School

An evaluation report dated 25 May, 2021 recommended award of contract for construction of wall at Wangunyu Primary School to a contractor at a contract sum of Kshs.9,949,195. Review of the Project Management Committee (PMC) records revealed that while the contract was for construction of a wall at Wangunyu Primary School, the approved professional opinion dated 27 May, 2021 refers to proposed extension and refurbishment at Gatono Primary School, to the same contractor and price, casting doubt on the maintenance of proper records by the Management. This was contrary to Section 44(2)(d) of the Public Procurement and Asset Disposal Act, 2015 which requires the Accounting Officer to ensure proper documentation of procurement proceedings and safe custody of all procurement records in accordance with the Act.

In addition, according to the contract signed on 25 June, 2021 the works were supposed to be delivered by 28 October, 2021. However, review of records revealed that the first certificate was raised on 21 March, 2022 approximately five (5) months after the expected date of contract completion. There was no evidence that extension was sought and granted. This is contrary to Section 139(2) of the Public Procurement and Asset Disposal Act, 2015 which states that an Accounting Officer of a procuring entity, on the recommendation of an evaluation committee, may approve the request for the extension of contract period.

Further, minutes of a site visit made by the PMC members on 12 January, 2022 were not signed casting doubt on their authenticity. The unsigned minutes were used as evidence for allowances paid for the site visit. This was contrary to Section 104(1) of the Public Finance Management (National Government) Regulations 2015 states that all receipts and payments voucher of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation

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

4.3 Renovation of 10No. Classrooms at Kihara Primary School

The Fund Management awarded a contract for renovation of ten (10) classrooms to completion, including flooring with tiles, painting of walls and roof works, with an allocation of Kshs.2,000,000. However, review of procurement documents in relation to the award of the contract indicates that Management issued the letter of award to the successful bidder and notification to the unsuccessful bidder on 30 June, 2022. The contract was signed on 12 July, 2022 before expiry of fourteen (14) days. This was contrary to Section 135(3) of the Public Procurement and Asset Disposal Act, 2015 which, in relation to creation of procurement contracts, states that the written contract shall be entered into within the period specified in the notification, but not before fourteen (14) days have lapsed following the issuance of that notification. Further, letters of notification to unsuccessful bidders did not provide explanation for the unsuccessful bid.

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

5. Construction of Kagongo Police Station on a Disputed Parcel of Land

The statement of receipts and payments reflects other grants and transfers balance of Kshs.123,608,390 which includes security projects expenditure of Kshs.30,114,036 in as disclosed in Note 7 to the financial statements. Review of records revealed that the Fund Management placed an advertisement for the proposed construction of police post and police housing at Kagongo Police Post, on 28 April, 2021 in the Star Newspaper. The tender closed on 13 May, 2021 and opened on the same day. The head of supply chain management issued a professional opinion on 27 May, 2021 recommending the award of the contract to a local contractor at a contract sum of Kshs.14,159,560. The award was approved by the Accounting Officer on 2 June, 2021 and notification to the parties issued on the same day. A contract was signed on 28 June, 2021 for a contract duration of five (5) months ending 6 December, 2021.

Although the Management advertised and awarded a contract for construction of the police post and police houses at a contract sum of Kshs.14,159,560, only Kshs.3,000,000 was approved for the financial year 2020/2021 for construction of reporting office to lintel level and police houses to lintel level at Kshs.1,000,000 and Kshs.2,000,000 respectively. There was no evidence indicating the source of the additional funding required to complete the project within the contract duration of five (5) months. Management did not comply with the phasing requirement in planning for the project.

Further, in a letter dated 10 September, 2021 residents of Kiambaa lodged complaint with the County Commissioner indicating intention by the Member of Parliament's office to construct a police post on their property. This implied that that the Fund awarded a contract for construction on non-existent land and without carrying out due diligence to ascertain the ownership and availability of the land, before initiating the procurement process. This resulted in wastage of public resources in form of advertisement and sitting allowances.

In addition, the contract awarded expired before implementation of the project, arising from failure on the part of the Management, which may result in litigation and additional loss of public resources. Management has commenced the process of acquiring land as evidenced by a letter dated 6 January, 2022 requesting the Kiambu District Land Valuer to value the identified land for purpose of purchase. However, field inspection of the proposed site in March, 2023 indicated that a significant part of the land is a road reserve, casting doubt on the suitability of the land for a police post and police houses.

In the circumstances, value for money in the implementation of the project could not be confirmed.

6. Failure to Constitute a Bursary Committee

The statement of receipts and payments and Note 7 to the financial statements indicate that other grants and transfers totaled to Kshs.123,608,390. Included in the payments of Kshs.123,608,390 were bursary payments totaling to Kshs.73,604,000, out of which Kshs.36,352,000 was in respect of secondary schools, Kshs.35,719,000 was for tertiary institutions while Kshs.1,533,000 was for special schools. However, Management did not establish the Education Bursary, Mock Examinations and Continuous Assessment Tests Committee whose core mandate is to vet applicants. This is contrary to Regulation 21(3)

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

of the National Government Constituencies Development Fund Regulations, 2016 which states that a Constituency Committee shall vet all applicants for bursary consideration in accordance with guidelines issued by the Board.

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

7. Irregular Payments of Emergency Expenditure

The statement of receipts and payments reflects other grants and transfers balance of Kshs.123,608,390 which includes emergency projects expenditure of Kshs.2,500,000 in as disclosed in Note 7 to the financial statements. Review of records revealed that the National Government Constituencies Development Fund Board in its meeting held on 14 March, 2022 approved use of Kshs.2,500,000 from emergency fund to construct bio aqua toilets at Cianda Primary School. The funds were transferred to the PMC account on 27 April, 2022. Review of the PMC records revealed the following anomalies;

- i. Management advertised the tender for the construction project on 19 February, 2022 approximately 24 days before the Board discussed and approved the project.
- ii. The process of procurement was completed on 10 March, 2022 and a letter of offer issued to the successful bidder before the project approval on 14 March, 2022.
- iii. The Head Teacher wrote a letter dated 28 March, 2022 requesting review of the proposed toilet design from bio aqua to exhauster toilet, casting doubt on whether the school Management, being the user was involved in developing user requirements. Further, variation of the nature of works meant that sanitary fittings valued at Kshs.200,000 as per the bill of quantities were no longer required.
- iv. Review of the bank statements reveals that before depositing the funds to the PMC account, the bank balance was Kshs.141,500. However, Management made a payment of Kshs.194,712 to another contractor executing a different job on 7 June, 2022, which implied that Kshs.53,212 was diverted from the approved project without approval.
- v. The fourth and fifth certificates for the construction of a septic tank which was ongoing before the current year's project, indicates that the contractor was owed Kshs.161,511 for the final certificate. However, Management paid Kshs.194,712 resulting in a possible overpayment by Kshs.33,201.
- vi. According to Section 8(3) of the National Government Constituencies Development Fund Act, 2015, construction of adequate number of toilets was not an emergency since other activities like construction of a septic tank was on going and no tangible evidence or letter from the Public Health Official requiring drastic action on the matter were provided for audit.

In the circumstances, value for money on the emergency expenditure of Kshs.2,500,000 could not be confirmed. In addition, Management was in breach of the law.

8. Irregularities in Tender Opening and Evaluation Process

Review of minutes of a sample of projects implemented by the Fund through various PMCs revealed that tender opening and evaluation committees comprised members of CDF Committee, who performed both functions without proper segregation of duties. In addition, there were instances of minutes being signed by a number of committee members beyond to members present. For instance, in the case of Muchatha Primary School, the tender opening and evaluation committee comprised three (3) members. However, the minutes were signed by four (4) members and allowances paid to the four (4) members with the additional member paid Kshs.2000, even though he was not listed as a member of the tender opening and evaluation committee. This was contrary to Regulation 31(1) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that each member of the evaluation committee shall evaluate independently from the other members prior to sharing his or her analysis questions and evaluation including his or her rating with the other members of the technical evaluation committee.

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

9. Irregular Branding of Projects

Inspection of projects implemented by the Fund in March, 2023 revealed various instances of non-compliance with requirement of branding. The projects were branded with the name of the Constituency Member of Parliament. The branding referred to above may be construed as enhancing political activities, contrary to Section 25(3) of the National Government Constituencies Development Fund Act, 2015 which states that funds provided under this Act shall not be used for the purpose of supporting political bodies or activities or for supporting religious bodies or activities.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and 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 misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

20 July, 2023

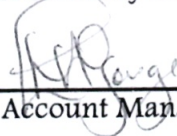
Kiambaa Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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

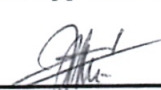
	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	189,177,758	154,367,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	876,484
Total Receipts		189,177,758	155,244,209
Payments			
Compensation Of Employees	4	4,345,618	2,387,699
Use Of Goods and Services	5	12,083,748	8,325,776
Transfers To Other Government Units	6	71,290,950	52,544,343
Other Grants and Transfers	7	123,608,390	65,063,721
Acquisition Of Assets	8	468,292	65,450
Other Payments	9	-	383,753
Total Payments		211,796,998	128,770,742
Surplus/(Deficit)		(22,619,239)	26,473,466

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

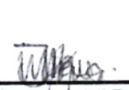
The Constituency financial statements were approved on 11-05- 2023 and signed by:


 Fund Account Manager

Name: LORNA MUTHONI


 National Sub-County
 Accountant

Name: ELIAS MUNGAI
 ICPAK M/No: 15267


 Chairman NG-CDF
 Committee

Name: JACKSON MBUGUA

Kiambaa 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	17,345,515	39,964,754
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		17,345,515	39,964,754
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		-	-
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		=	=
Net Financial Assets		<u>17,345,515</u>	<u>39,964,754</u>
Represented By			
Fund Balance B/Fwd	13	39,964,754	13,491,288
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(22,619,239)	26,473,466
Net Financial Position		<u>17,345,515</u>	<u>39,964,754</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 11-05- 2023 and signed by:


Fund Account Manager

Name: LORNA MUTHONI


National Sub-County
Accountant

Name: ELIAS MUNGAI
ICPAK M/No: 15267


Chairman NG-CDF Committee

Name: JACKSON MBUGUA


Kiambaa 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

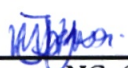
	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	189,177,758	154,367,724
Other Receipts	3	-	876,484
Total Receipts		189,177,758	155,244,209
Payments			
Compensation Of Employees	4	4,345,618	2,387,699
Use Of Goods and Services	5	12,083,748	8,325,776
Transfers To Other Government Units	6	71,290,950	52,544,343
Other Grants and Transfers	7	123,608,390	65,063,721
Other Payments	9	-	383,753
Total Payments		211,328,706	128,705,292
Total Receipts Less Total Payments		(22,150,947)	26,538,916
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		(22,150,947)	26,538,916
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	(468,292)	(65,450)
Net Cash Flows from Investing Activities		(468,292)	(65,450)
Net Increase In Cash And Cash Equivalent		(22,619,239)	26,473,466
Cash & Cash Equivalent At Start Of The Year	10	39,964,754	13,491,288
Cash & Cash Equivalent At End Of The Year	10	17,345,515	39,964,754

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 11-05' 2023 and signed by:


Fund Account Manager


National Sub-County
Accountant


Chairman NG-CDF
Committee

Name: LORNA MUTHONI

Name: ELIAS MUNGAI
ICPAK M/No: 15267

Name: JACKSON MBUGUA

Kiambaa 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

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2021/2022	30/06/2022		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers From NGCDF Board	137,088,879	39,964,754	52,088,879	229,142,512	229,142,512	-	0.0%
Proceeds From Sale of Assets	0	0	0	0	-	-	0.0%
Other Receipts	0	0	0	0	-	-	0.0%
Totals	137,088,879	39,964,754	52,088,879	229,142,512	229,142,512	-	100.0%
Payments							
Compensation Of Employees	2,219,720	3,294,117		5,513,837	4,345,618	1,168,219	78.8%
Use Of Goods and Services	8,212,668	7,607,838	2,533,740	18,354,246	12,083,748	6,270,498	65.8%
Transfers To Other Government Units	52,598,595	5,525,991	14,015,699	72,140,285	71,290,950	849,335	98.8%
Other Grants and Transfers	73,616,188	23,359,808	35,307,440	132,283,436	123,608,390	8,675,047	93.4%
Acquisition Of Assets	441,708	0	232,000	673,708	468,292	205,416	69.5%
Other Payments	0	177,000	0	177,000	-	177,000	0.0%
Funds Pending Approval**				0	-	-	
Totals	137,088,879	39,964,754	52,088,879	229,142,512	211,796,998	17,345,515	92.4%

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

Explanatory Notes .

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

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

a) Utilization

- Compensation of Employees – 78.8%- Staff gratuity that will be paid out in this financial year.
- Use of goods and services – 65.8% - this is because of delayed disbursement of funds.
- Acquisition of Assets – 69.5%- this is because of delayed disbursement of funds and its work in progress.
- Other payments– 0% - An AIA awaiting approval from the board.

(b)

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	17,345,515
Less undisbursed funds receivable from the Board as at 30 th June 2022	-
	17,345,515
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	17,345,515


The Constituency financial statements were approved on 11-05- 2023 and signed by:


 Fund Account Manager

Name: LORNA MUTHONI


 National Sub-County Accountant

Name: ELIAS MWANGI
 ICPAK M/No: 15267


 Chairman NG-CDF Committee

Name: JACKSON MBUGUA

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

X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
	2021/2022	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2021/2022	30/06/2022	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,219,720	3,294,117	-	5,513,837	4,345,618	1,168,219
1.2 Committee allowances	2,500,000	3,152,028	1,000,000	6,652,028	4,267,100	2,384,928
1.3 Use of goods and services	2,000,002	471,556.87	1,765,725	7,417,753	4,267,100	3,150,653
2.0 Monitoring and evaluation						
2.1 Capacity building	1,000,000	1,900,000.00	-	2,900,000	2,769,872	130,128
2.2 Committee allowances	2,500,000	1,062,559	-	3,562,559	1,992,500	1,570,059
2.3 Use of goods and services	212,666	1,021,701.00	-	1,234,367	35,000	1,199,367
3.0 Emergency						
3.1 Primary Schools						
3.2 Secondary schools						
3.2 CIANDA HIGH SCHOOL	2,500,000	-	57	2,500,207	2,500,000	57
3.3 Tertiary institutions						
3.4 Security projects						
3.5 Un utilized fund	4,692,207			4,692,207		4,692,207
4.0 Bursary and Social Security						

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.1 Primary Schools(special schools)	800,000	-	800,000	1,600,000	1,533,000	67,000
4.2 Secondary Schools	19,581,108	19,439.00	18,359,852	37,960,398	36,352,000	1,608,398
4.3 Tertiary Institutions	20,609,140	1,269,712	13,840,148	35,719,000	35,719,000	0
4.5 Social Security	6,600,000	6,600,000.00	-	13,200,000	13,200,000	-
5.0 Sports						
5.1 Constituency	2,441,777	-	321,578	2,763,354	2,441,777	321,578
5.2						
5.3						
6.0 Environment						
6.1 opening balance(karuri police)	-	1,348,578	-	1,348,578	1,348,577	1
6.2 Gacharage Primary School 2020-21	-	100,000	-	100,000	100,000	-
6.3 Wangunyu primary school - 2020-21	-	100,000	-	100,000	100,000	-
6.4 Munya Primary 2020-21	-	100,000	-	100,000	100,000	-
6.5 Ndenderu Primary School 2020-21	-	100,000	-	100,000	100,000	-
7.0 Primary Schools Projects (List all the Projects)						
7.1 Gatono Primary school	3,930,000	-	150	3,930,000	3,930,150	-
7.2 Kiambaa Primary School	8,219,400	-	-	8,219,400	8,219,400	-
7.3 Wangunyu Primary School	6,949,195	-	-	6,949,195	6,949,195	-
7.4 Waguthu Primary School	2,000,000	-	-	2,000,000	2,000,000	-
7.5 Kihara Primary School	2,000,000	-	-	2,000,000	2,000,000	-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
7.6 Gatatha Primary School	2,000,000	-	-	2,000,000	2,000,000	-
7.7 Muongoiya Primary School	2,000,000	-	-	2,000,000	2,000,000	-
7.8 Gachie Primary School	2,000,000	-	-	2,000,000	2,000,000	-
7.9 Karuri Primary School	5,000,000	-	-	5,000,000	5,000,000	-
7.10 Gacharage Primary School	2,500,000	-	-	2,500,000	2,500,000	-
7.11 Kawaida Primary School	10,000,000	-	-	10,000,000	10,000,000	-
7.12 Karuri Primary School 2019-2020	-	150,000	-	150,000	-	150,000
7.13 wangunyu Primary School 2020-21	-	3,000,000	-	3,000,000	3,000,000	-
7.14 karuri primary 2020-21	-	229,257	-	229,257	229,256	1
7.15 gachie Primary School 2020-21	-	180,000	-	180,000	180,000	-
7.16 pmc balances	-	699,484	-	699,484	-	699,484
7.17 Thimbigua Primary school 2020-21	-	1,267,250	732,750	2,000,000	2,000,000	-
7.18 Ndenderu Primary School 2020-21	-	-	2,000,000	2,000,000	2,000,000	-
7.19 Muchatha Primary School 2020-21	-	-	2,000,000	2,000,000	2,000,000	-
7.19 Mayuyu Primary School 2020-21	-	-	2,000,000.00	2,000,000	2000000	-
7.20 Kawaida Primary School 2020-21	-	-	5,282,949.00	5,282,949	5282949	-
Muthurwa Primary School 2020-21	-	-	2,000,000.00	2,000,000	2000000	-
8.0 Secondary Schools Projects (List all the Projects)						
Muchatha High School	6,000,000			6,000,000	6,000,000	-

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
9.0 Tertiary institutions Projects (List all the Projects)						
10.0 Security Projects						
Karuri Police Station	5,000,000	-	-	5,000,000	5,000,000	-
Kihara Police Station (existing)	5,000,000	-	-	5,000,000	5,000,000	-
Muongoiya Police Post	3,000,000	-	-	3,000,000	3,000,000	-
Kiambaa Police Post (existing)	3,391,957	-	-	3,391,957	3,391,957	-
karuri Police Station 2020-21	-	4,050,000	-	4,050,000	4,050,000	-
kiambaa Police Post 2020-21	-	657,742	-	657,742	657,742	-
muongoiya Police Post 2020-21	-	3,000,000	-	3,000,000	3,000,000	-
kihara Police Station 2020-21	-	5,000,000	-	5,000,000	5,000,000	-
Kathungu Police station 2020-21	-	1,014,337	-	1,014,337	1,014,337	-
Kagongo Police Post 2020-21	-		1,985,663	1,985,663		1,985,663
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office (Renovation)	441,708	-	0	441,708	236,292	205,416
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						

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

Programme/Sub-programme	Original Budget 2021/2022	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
12.0 Others						
12.1 Strategic Plan						
12.2 Innovation Hub						
12.2						
Funds pending approval**		177,000	-	177,000	-	177,000
Total	137,088,880	39,787,753	52,088,672	229,142,512	211,796,998	17,345,514

(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-Kiambaa 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.

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

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.

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 3th 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.

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

XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
B104614		19,000,000
A823535		35,000,000
B104547		15,367,724
B124547		9,000,000
B124980		10,000,000
B119834		13,000,000
B128124		6,900,000
B128436		6,000,000
B132180		6,000,000
B138848		12,000,000
B126435		10,100,000
B128853		12,000,000
B140929	33,000,000	
B105653	44,000,000	
B105801	22,000,000	
B128541	5,000,000	
B140579	12,000,000	
B154049	15,000,000	
B164491	20,000,000	
B155847	19,088,879	
B155963	19,088,879	
TOTAL	189,177,758	154,367,724

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

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	-	177,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	699,484
Other Receipts Not Classified Elsewhere	-	-
Total	=	<u>876,484</u>

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

Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,635,232	1,338,068
Personal allowances paid as part of salary		
House Allowance	1,030,000	529,000
Transport Allowance	308,000	208,000
Leave allowance	190,439	-
Gratuity to contractual employees	98,787	256,679
Employer Contributions Compulsory national social security schemes	83,160	55,952
Total	<u>4,345,618.00</u>	<u>2,387,699</u>

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	-	-
Utilities, supplies and services	60,690	76,030
Communication, supplies and services	89,326	-
Domestic travel and subsistence	86,800	-
Printing, advertising and information supplies & services	-	280,019
Rentals of produced assets	-	-
Training expenses	2,769,872	-
Hospitality supplies and services	148,229	895,000
Other committee expenses	-	-
Committee allowance	6,259,600	4,410,900
Insurance costs	-	-
Specialized materials and services	309,865	402,082
Office and general supplies and services	1,173,4560	2,242,605
Other operating expenses	1,135,552	-
Banchargesk c	20,760	19,140
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	29,594	-
Total	<u>12,083,748</u>	<u>8,325,776</u>

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

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)	65,290,950	47,534,343
Transfers To Secondary Schools (See Attached List)	6,000,000	5,010,000
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	71,290,950	52,544,343

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	36,352,000	19,022,500
Bursary – tertiary institutions (see attached list)	35,719,000	14,587,508
Bursary – special schools (see attached list)	1,533,000	800,000
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	13,200,000	-
Security projects (see attached list)	30,114,036	20,559,004
Sports projects (see attached list)	2,441,777	2,747,354
Environment projects (see attached list)	1,748,577	2,747,354
Emergency projects (see attached list)	2,500,000	4,600,000
Total	123,608,390	65,063,721

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	236,292	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	232,000	65,450
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
Total	468,292	65,450

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

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)	17,345,515	39,964,754
<i>Cooperative Bank, Ruaka branch 1141475527500.</i>	-	-
Total	17,345,515	39,964,754
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	-	-	-
Total		-	-	-

[Include an annex if the list is longer than 1 page.]
Notes to the Financial Statement Continued

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

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)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
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	39,964,754	13,491,288
Cash in hand	-	-
Imprest	-	-
Total	39,964,754	13,491,288

[Provide short appropriate explanations as necessary]

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

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	-	-	-

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
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	-	-

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

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	-	-
Others (<i>specify</i>)	-	-
Total	-	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	1,168,219	3,294,117
Use of goods and services	6,270,498	10,713,579
Amounts due to other Government entities (see attached list)	849,335.00	3,559,2567
Amounts due to other grants and other transfers (see attached list)	8,675,047	68,553,497
Acquisition of assets	205,416	5,396,699
Funds pending approval	-	876,484
Others (AIA)	177,000.00	876,484
Total	17,345,514	92,393,633

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

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	52,318,670	40,450,483
Total	52,318,670	40,450,483

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

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					

Annex 2 - Analysis of Pending Staff Payables

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

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

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

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		1,168,219.00	3,294,117	
Use of goods & services		6,270,498	10,713,579	
Amounts due to other Government entities			3,559,257	
Gatono Primary school		(150)		
Karuri Primary School 2019-2020		150,000		
karuri primary 2020-21		1		
pmc balances		699,484		
Sub-Total		849,335.00	3,559,257	
Amounts due to other grants and other transfers			68,553,497	
Secondary Schools		1,608,390		
Special Needs		67,000		
Unutilised (EMERGENCY) 2021-2022		4,692,207		
Unutilised (EMERGENCY) 2020-2021		207		
Constituency Sports 2021-2022		321,578		
karuri police		1		
Kagongo Police Post 2020-21		1,985,663		
Sub-Total		8,675,047	68,553,497	
Acquisition of assets			5,396,699	
renovation(Kiambaa Ngcdf Office		205,416		
Others (ALA)		177,000		
Sub-Total		177,000		
Funds pending approval		-	876,484	

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

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021/22	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land				
Buildings and structures	26,476,000	236,292		26,712,292
Transport equipment				
Office equipment, furniture and fittings	1,912,000			1,912,000
ICT Equipment, Software and Other ICT Assets	1,472,550	232,000		1,495,750
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	29,860,550			30,328,842

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

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

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
GATONO PRIMARY SCHOOL KCDF	01141700585900	cooperative	2,570,235	6,097,065
KARURI POLICE STATION KCDF	01141475392600	cooperative	2,043,307	2,575,842
KARURA PRIMARY SCHOOL KCDF	01141475881700	cooperative	0	0
KIAMBAA FOOTBALL LEAGUE KCDF	01141475837200	cooperative	103,111	3,245,728
KAMUIRU PRIMARY SCHOOL KCDF	01141475762200	cooperative	98,407	0
KIAMBAA CHIEF OFFICE KCDF	01141700687700	cooperative	2,994,896	5,468,616
KARURI PRIMARY SCHOOL KCDF	01141475858400	cooperative	5,806,966	0
MUTHURWA PRIMARY SCHOOL KCDF	01141475833100	cooperative	179,321	0
ACK KARURA SECONDARY SCHOOL KCDF	01141475597300	cooperative	49,030	0
GACHIE PRIMARY SCHOOL KCDF	01141475679000	cooperative	772,536	4,709,853
MUCHATHA PRIMARY SCHOOL KCDF	01141475640600	cooperative	619,669	741,269
KAWAIDA PRIMARY SCHOOL KCDF	01141475905000	cooperative	2,813,527	0
MUTHURWA SECONDARY SCHOOL KCDF	01141475766800	cooperative	284,557	1,054,372
WANGUNYU PRIMARY SCHOOL KCDF	01141475752500	cooperative	5,249,146	0
WAGUTHU PRIMARY SCHOOL KCDF	01141475832400	cooperative	310,143	0
MUONGOIYA PRIMARY SCHOOL KCDF	01141475837000	cooperative	2,179,824	110,280
GATATHA PRIMARY SCHOOL KCDF	01141475852500	cooperative	98,281	0

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

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
KIHARA PRIMARY SCHOOL KCDF	01141700178800	cooperative	2,111,219	0
MUONGOIYA POLICE STATION	01141701636400	cooperative	1,830,855	256,867
THIMBIGUA PRIMARY SCHOOL KCDF	01141700517300	cooperative	318,770	602,878
KIBUBUTI PRIMARY SCHOOL KCDF	01141475645800	cooperative	440,929	968,095
KIAMBAA PRIMARY SCHOOL KCDF	01141475675300	cooperative	2,708,537	6,322,751
KIAMBAA POLICE POST KCDF	01141701876300	cooperative	2,576,062	1,506,944
LOWER KIHARA PRIMARY SCHOOL KCDF	01141700178800	cooperative	2,111,219	616,239
GACHARAGE PRIMARY SCHOOL	01141475629900	cooperative	290,304	0
KAWAIDA PRIMARY SCHOOL KCDF	01141475905000	cooperative	3,856,772	0
CIANDA HIGH SCHOOL KCDF	01141475640200	cooperative	465,894	261,621
KIAMBAA CHIEF CAMP	01141700687700	cooperative	2,994,896	0
NDENDERU PRIMARY SCHOOL	01141475610200	cooperative	437,746	0
MUTHURWA SECONDARY SCHOOL KCDF	01141475766800	cooperative	284,557	0
ST JOSEPH GATHANGA SECONDARY	01141701993700	cooperative	4,181	404,781
KIAMBAA SECONDARY SCHOOL	01141475674500	cooperative	98,007	101,007
SNR CHIEF KOINANGE GIRLS	01141475614600	cooperative	180,611	1,091,537
ASSISTANT CHIEF MUCHATHA	01141701870800	cooperative	1,080,046	2,287,997
ASSISTANT CHIEF NJIKU	01141701861000	cooperative	207	207
ST ANDREWS NDENDERU SEC SCHOOL	01141475608200	cooperative	17,825	0

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

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
MUCHATHA HIGH SCHOOL	01141700417701	cooperative	3,120,668	0
UPPER KIHARA PRIMARY SHOOL	01141475836400	cooperative	507,029	859,608
MUYA PRIMARY SCHOOL	01141475762100	cooperative	194,990	521,597
MAYUYU PRIMARY SCHOOL	01141701783000	cooperative	206,119	0
KARURI KMTC	01141475643200	cooperative	0	0
ST ANGELAS GIRLS HIGH SCHOOL	01141701693800	cooperative	6,036	539,241
NJENGA KARUME PRIMARY SCHOOL	01141475661200	cooperative	119,887	0
ACK KARURA SECONDARY SCHOOL	01141475597300	cooperative	49,030	0
KINGOTHUA PRIMARY SCHOOL	01141475853600	cooperative	106,091	106,091
KIBATHI PRIMARY SCHOOL	01141475681000	cooperative	27,227	0
THIMBIGUA SEC SCHOOL	01141475642900	cooperative	0	0
Total			52,318,670	40,450,483

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Ref: CEN/KBU.C/KIAMBAA CDF/2018/2019/2	<p>I. Unutilized facility - Gachie Primary School</p> <p>Gachie Primary was allocated Kshs.2,500,00 for the construction of 14 doored aqua toilets in the financial year 2017/2018. This was completed; however, the facility has been closed and is not in use since there were no adequate ventilations installed rendering it a health hazard due to bad smell emanating from the block.</p>	<p>The management has noted the omission of ventilations pipes from the 14 doored aqua toilet however, we wrote to the contractor and the pipe have been installed. Letter to the contractor and photo of the installed pipes have been availed for audit review. (Annex I)</p>	Resolved	Resolved
	<p>I. Karuri Primary school</p> <p>In the year under review Karuri</p>	<p>The breakdown on the use of provisional sum of</p>	Resolved	Resolved

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Primary school was allocated Kshs.1,808,000 for the construction of a playing field perimeter wall while in the year 2017/2018 the same project was allocated Kshs.5,794,352. M/S Nafrie International Co. Ltd and NG-CDF Kiambaa signed a contract of Kshs.6,450,000 on 3rd September 2018 and the works were executed, however the use of provisional sum of Kshs.300,000 was not justified.</p>	<p>Kshs. 300,000 has been availed for audit review. (Annex II)</p>		
	<p>II. Njenga Karume Primary School. A total of, KshS.3,000,000 was allocated to Njenga Karume</p>	<p>Proposed renovations of 10 classrooms and external works at Njenga Karume Primary School were</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Primary school for renovation of the floor with terrazzo, roofing, plastering of walls and painting of 10 classrooms and M/S Stockholm International was awarded the contract. The audit however revealed that;</p> <ul style="list-style-type: none"> • The tenderer, M/S Stockholm international Company Ltd had National Construction Authority license category (NCA 4) instead of category (NCA 8) as stipulate in the advertisement. • A copy of certificate of registration in a target 	<p>advertised under the open category and not the reserved group. The National Construction Authority (NCA) Certificate required was NCA 8 and above. M/S Stolkholm International Company is licenced NCA 4 which is higher than NCA 8. A copy of the advertisement has been availed for audit review. (Annex III)</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>group issued by the ministry, of finance (Treasury) for the preferences and reservations- (30%) group, i.e. Youth, Women and persons with, disability was not availed for audit review</p> <ul style="list-style-type: none"> • A letter of completion was also 'not availed for audit review • The use of provisional sum of Kshs. 250,000 was not justified. 	<p>The final accounts and completion certificate is yet to be submitted to our office.</p>		
	I. KMTc Karuri	Management	Resolved	Resolved

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>In the financial year 2018/2019 KMTC Karuri was allocated Kshs.600,000 for the completion of 17 toilets, fittings, finishing, biodigester, walling and plumbing while in the year 2017/2018 it was awarded Kshs.1,500,000 for the construction of a toilet block. However, the following observations were made:</p> <ul style="list-style-type: none"> • A completion certificate was not availed for audit review. • A written approval for additions of Kshs.205,300 	<p>Response</p> <p>The management has availed Completion certificate, approval for additional works, drawings for the 17-door toilet and a breakdown of provisional works for audit review. (Annex IV)</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>was not availed.</p> <ul style="list-style-type: none"> • Drawings for the project were not availed for audit., • The use of-provisional sum of Kshs.300,000 was not justified 			



.....
 Name : LORNA MUTHONI
 Fund Account Manager.