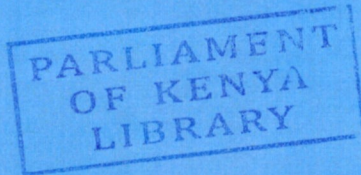


REPUBLIC OF KENYA



Enhancing Accountability

REPORT



OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND – MBEERE NORTH CONSTITUENCY**

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

23 JUN 2023 Thursday
Hon-Ndams Wago MP
Deputy Majority Party Whip
A. Shibebo



MBEERE NORTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

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

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

OFFICE OF THE ATTORNEY GENERAL
STATE OF TEXAS
DALLAS, TEXAS
APR 4 2021

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Mbeere North Constituency NGCDF day-to-day management is under the following key organs:

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

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(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	Richard M. Maingi
2.	Sub-County Accountant	Erastus M. Mwangi
3.	Chairman NGCDFC	Richard N. Thiriku
4.	Member NGCDFC	Lilian Mbuya

(d) Fiduciary Oversight Arrangements

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

P.O. Box 206-60104,
Mbeere North Sub-County HQs,
Siakago, Embu
KENYA

(f) Mbeere North Constituency NGCDF Contacts

Telephone: (254) 715027186
E-mail: mbeerenorthcdf@cdf.go.ke
Website: www.mbeerenorthcdf.go.ke

(g) Mbeere North Constituency NGCDF Bankers

Bank: Cooperative Bank of Kenya
Branch: Siakago Branch
Account No: 01120051117000

P.O BOX 193-60104,
Siakago, Kenya

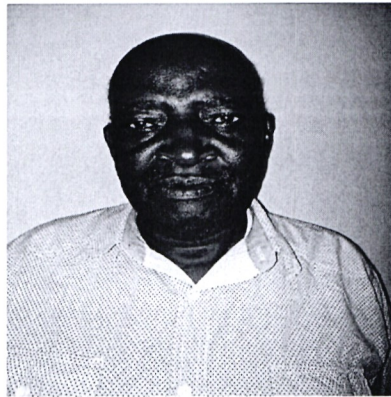
(h) Independent Auditors

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

(i) Principal Legal Adviser

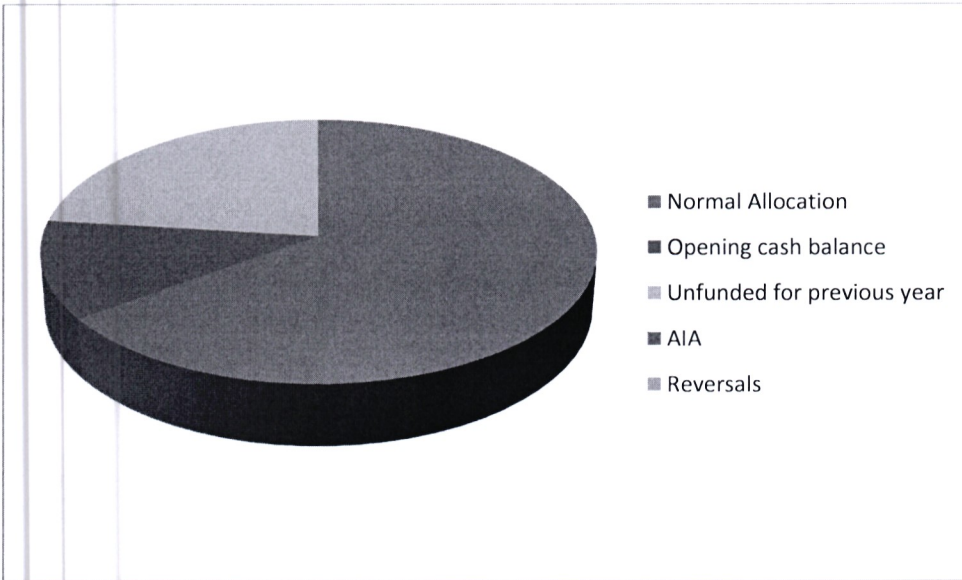
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. NG-CDFC Chairman's Report



**Richard Nyaga Thiriku Chairman,
Mbeere North NGCDF**

We are pleased to present the un audited financial statements for the financial year ended 30th June, 2022. During the year, the Constituency was allocated a total of Kshs. 137,088,879 normal allocation. The opening cashbook balance was Kshs. 25,402,324 adjusted by reversed cheques relating to previous financial year 2019/2020 totalling Kshs. 7,220, giving a grand adjustment total of Kshs. 25,409,544. Unfunded projects opening balances was Kshs. 48,688,879. The entity managed to raise Kshs. 47,000 as Appropriation in Aid (AIA), from the sale of tender documents and hire of NGCDFC hall. A total of Kshs. 7,220 came in as prior year adjustment, representing issued bursary payment cheque done during the previous financial year, cleared in the cashbook but not in the bank account. These have been reversed in the current financial year, providing a “receipt” and replaced under the same votes. The fund for utilization during the financial year 2021/2022 was Kshs. 195,227,082 for the implementing of various projects. This is represented as;

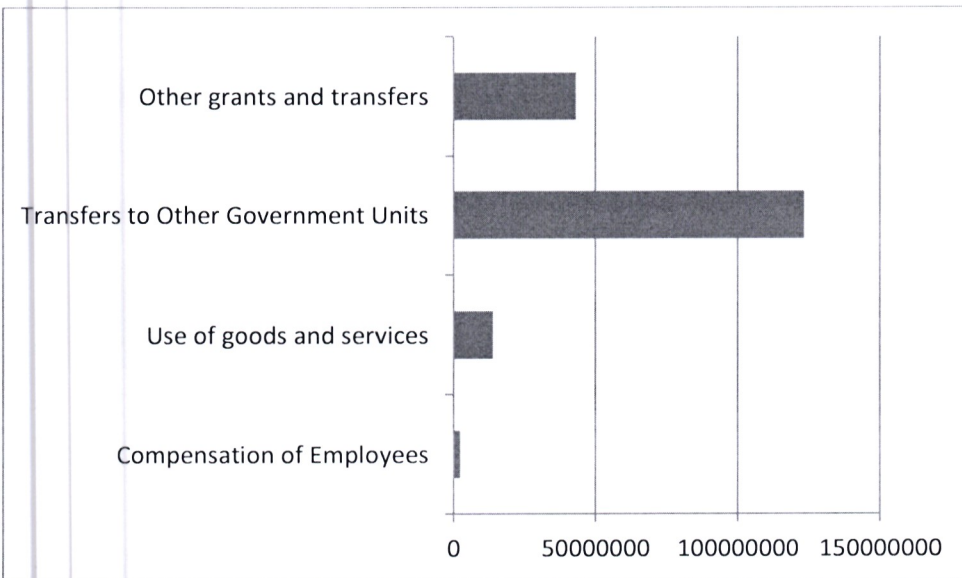


Budget performance against actual based on sectors

Of the Kshs. 211,180,082, the actual available fund for absorption to projects was Kshs. 195,227,082. The balance of Kshs. 16,000,000 represents amounts receivable from the Board as at close of the financial year.

The NGCDFC managed to absorb Kshs. 182,988,949 of the available funds, representing absorption rate of 92%. The absorption rate realised is summarised as per the column chart below;

Utilization of available funds



Kshs. 48,688,879 was yet to be released to the fund by the NGCDF Board as at 30/06/2021. Among this balance, Kshs. 1,000,000 related to the financial year 2018/2019 for Kiambere

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Complex Multipurpose hall and Kshs. 1M NGCDF Office for drainage improvement and cabros. The balance of Kshs. 46, 688,879 relates to current financial years' unfunded projects. Of this, Kshs. 2.759,000 is yet to be approved by the NGCDF Board.

Key achievements for the entity (under this section use pictorials to depict successful projects undertaken during the year),

a) The entity managed to absorb about 92% of the total available funds to implement various proposed projects.

Some of the projects implemented during the period are;

1. **Vote: Education Secondary;** Itiira Secondary School bus, Kshs. 7,200,000.

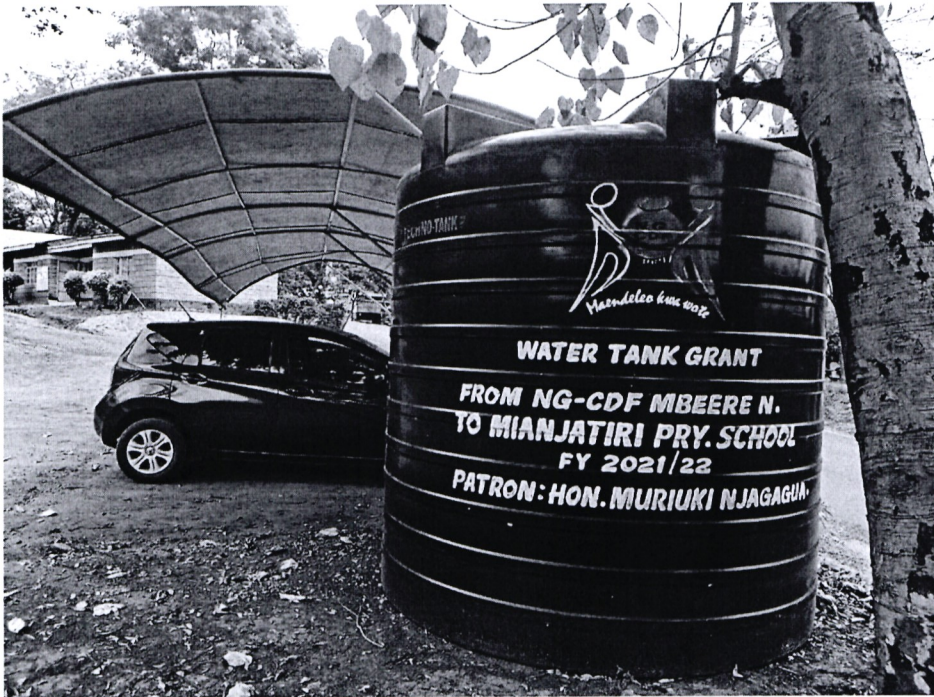




2. **Vote: Education Primary;** Mathai Primary School, two classrooms, Kshs. 1,000,000. Complete



3. **Vote: Environment;** Mianjatiri Primary School 10000 ltrs water tank, Kshs. 100,000.



- b) The NGCDFC managed to vet, process and disburse 98% of its total bursary allocation enabling students from the constituency remain in class.
- c) Utilization of the line departments by the PMCs improved significantly.
- d) During the current financial year, the entity has achieved a great milestone by implementing a Medical Training Collage in the constituency at Ishiara, Ishiara KMTTC. This will go a long way in opening up the constituency nationally to parents and students from other parts of the country. It will also lead to direct social and economic development as it will stimulate economic activities in the area. Above all, this project forms part in support to the agenda four initiative.

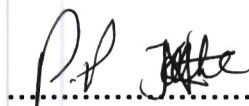
List emerging issues related to the entity,

- a) The aftermath of global effects and challenges emerging from year 2019/2020 Covid-19 pandemic, had most of the health ministry protocols relaxed. This gave the NGCDFC room to improve its operations, thus the 92% funds absorption rate, especially in bursary distribution as schools never closed and NGCDFC Trainings.
- b) **Implementation challenges and recommended way forward. Be (sure that you include what the entity is doing to overcome the challenges noted).**

The following are the challenges so far met by the NG-CDFC,

- (a) Underfunding of projects. The time offered by the Board to draw up budget proposals is insufficient to come up with a comprehensive budget that takes care of the underlying cost elements like BQ's, architectural designs, registration of projects with the county council, NEMA etc. Consequently these costs are not funded. This becomes a challenge during Implementation of projects, and sometimes calls for negotiations with the contractors. We have however involved the line departments in formulation of budget proposals to give guidelines on the costs of projects rather than relying on estimates. The Board should give adequate time; say two months, to come up with proper budget proposals.
- (b) 5% administration expenses. These allocations to PMCs' as funds for the administration of the projects are quite insufficient. These funds cannot adequately meet the requirements for PMC's to travel to bank, NG-CDFC offices, Pay allowances, stationery, procure BQs, architectural designs and registration of the projects. The NG-CDFC had to scale down on the number of times a PMC should meet during the implementation of a project to a maximum of four. The Board should look into ways of increasing these allocations in order to adequately meet the requirements of administering of projects monies.
- c) The Project Management Committees generally faced a major challenge in strict adherence to Public procurement procedures. There was minimal participation of Line Departments as well as poor record keeping, or if any, very sketchy. In most cases, the PMCs' were slow in submission of returns to the NGCDFC office accounting for the activities.
To mitigate the above, the NGCDFC resolved on PMC trainings, an exercise that should see PMCs trained prior to project implementation.

I take this opportunity to sincerely thank the MNA, NGCDF Board, FAM, NGCDFC members, the staff, PMCs and other stake holders for the cooperation and support accorded so far. Going forward, the Committee envisions achieving greater developmental milestone as we embark on meeting our performance targets for FY 2022/2023, 100%.



Richard N. Thiriku
CHAIRMAN NGCDF COMMITTEE



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

Introduction

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

The key development objectives of Mbeere North *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	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - Number of usable physical infrastructure build in primary, secondary, and tertiary institutions - Increase the number of classrooms by about 20 and renovate 21 other classrooms. - Increase the number of dormitories by 4. - Increase the number of laboratories by 6. - Increase the 	In F/Y 2020/2021 -We increased the number of classrooms by about 20, dormitories by 4, and laboratories by 6 Administration blocks by 3, Renovations to classrooms infrastructure by 21 units. -Four school buses were acquired all fully funded. - Construction of tuition and administration blocks for Ishiara KMTC

			<ul style="list-style-type: none"> number of Administration blocks by 3 - Purchase 4 school buses - Construct tuition and administration blocks for Ishiara KMTC - Number of bursary beneficiaries at all levels 	<ul style="list-style-type: none"> on going -Bursary beneficiaries at all levels were about 2500. Kshs. 26M had been spent on bursaries compared to Kshs. 26.2 M last financial year.
Security	To have a secure and conducive environment	<ul style="list-style-type: none"> -Enhanced economic growth through better security to private investments, infrastructural projects and personal property. -Reduced dependency on miraa business as the major means of livelihood, sustainability of infrastructure 	<ul style="list-style-type: none"> Numbers of usable physical infrastructure build in police lines and provincial administration offices. -Construction of 1 police stations, - Renovations to 2 chiefs 'offices. 	<ul style="list-style-type: none"> -Renovations to 2 chiefs 'offices done. - Construction of one major police station.
Environment	To provide and sustain a clean Environment	<ul style="list-style-type: none"> -Maintain a healthy population with reduced cases of sickness. -Reduce deforestation through planting of more trees. -Control soil erosion 	<ul style="list-style-type: none"> -Provision of clean water to national government instillations -Build sanitization infrastructure to improve on personal hygiene. -Plant trees to improve on the green cover in 2 Institutions. - Purchase of 10 water tanks for 	<ul style="list-style-type: none"> - Various tree planting exercises were carried out in 2 Institutions during the financial year and a programme for sustaining the seedlings and those previously planted through NGCDF initiative developed to avoid loss during drier seasons.

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			schools	-Acquired 10000 litres capacity water tanks for 10 schools for water supply.
Sports	-To empower the population through sporting activities -Improve on national cohesion by integration in sports	-Nature sporting talents amongst different age groups. -Present sports as an alternative income generating activity	-Organise and sustain various constituency sporting activities throughout the year -Provide sporting equipments and uniforms to well performing teams.	-There was a tremendous improvement in sporting activities in the constituency following lifting of covid-19 pandemic protocols. About Kshs. 2.7M was spent on sports.
Emergency	To put in place mechanism to mitigate disaster	-well equipped population in disaster preparedness. -Reduced numbers of/ or non-recurrence of disasters	-Provision of emergency funds to cushion the constituency against an emerging calamities affecting national government infrastructure. -Capacity build PMCs, NGCDFCs, NGCDFC staff on disaster mainstreaming. -Ensure implementation of infrastructure puts into consideration of disaster.	-Kshs. 10.7 M was spent on projects of emergency nature mostly weather related. Last year we spent Kshs. 4.2 M on the same. -All trainings for PMCs, NGCDFC staff and NGCDFC plus public forums had facilitator for disaster mainstreaming.

IV. Environmental and Sustainability Reporting

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

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

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

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

2. Environmental performance

- During the current financial year, various tree planting exercises were carried out in 2 Institutions. The NGCDFC also embarked on a programme for sustaining the tree seedlings and those previously planted through NGCDF initiative to avoid loss during drier seasons.
- The NGCDFC Acquired 10000 litres capacity water tanks for 10 schools for water supply.
- There was a tremendous improvement in sporting activities in the constituency following lifting of covid-19 pandemic protocols. About Kshs. 2.7M was spent on NG-CDF sponsored sporting activities/ tournament, bringing communities together and an opportunity to sensitize them on environmental conservation matters.

3. Employee welfare

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

Mbeere North 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-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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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.

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



**FUND ACCOUNT MANAGER
MBEERE NORTH NG-CDF**

Richard M. Maingi

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

The Accounting Officer in charge of the NGCDF Mbeere North 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

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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- Mbeere North Constituency financial statements were approved and signed by the Accounting Officer on 28th July, 2022.



.....
Name: Richard N. Thiriku
Chairman – NGCDF Committee



FUND ACCOUNT MANAGER
MBEERE NORTH NG-CDF

.....
Name: Richard M. Maingi
Finance Account Manager

REPUBLIC OF KENYA



Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MBEERE NORTH 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

Adverse Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Mbeere North Constituency set out on pages 1 to 51, which comprise the statement of assets and liabilities as at 30 June, 2022, and the

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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of National Government Constituencies Development Fund - Mbeere North 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 do not comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracy of the Financial Statements

The summary statement of appropriation reflects unutilized fund opening balance of Kshs.25,402,324 while Note 17.3 to the financial statements reflects unutilized fund balance of Kshs.29,106,691 resulting to unexplained variance of Kshs.3,704,367.

Further, Annex 3 reflects unutilized fund balance of Kshs.21,684,765 which differs with Note 17.3 balance of Kshs.29,106,691 resulting to unreconciled variance of Kshs.7,421,926.

In the circumstances, the accuracy of the summary statement of appropriation for the year could not be confirmed.

2. Use of Goods and Services

2.1 Unaccounted for Other Committee Expenses

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an amount of Kshs.13,916,752 in respect to use of goods and services which includes Kshs.3,442,000 in respect to other Committee expenses. Included in the Kshs.3,442,000 was Kshs.1,535,000 on monitoring and evaluation exercises. However, the payment vouchers, signed daily attendance registers and daily programme of events for the monitoring activities were not provided for audit.

In the circumstances, the accuracy and propriety of the expenditure of Kshs.1,535,000 could not be confirmed.

2.2 Unsupported Committee Allowances

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an amount of Kshs.13,916,752 in respect to use of goods and services which includes Kshs.1,940,000 relating to Committee allowances. However, the payment vouchers, Fund Committee agenda for the meetings and signed attendance registers for the meetings were not provided for audit.

In the circumstances, the accuracy and propriety of the Committee allowances expenditure of Kshs.1,940,000 could not be confirmed.

2.3 Unsupported Routine Maintenance - Other Assets

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an amount of Kshs.13,916,752 in respect to use of goods and services which further includes Kshs.800,000 in respect to routine maintenance of other assets. However, the expenditures were not adequately supported with payment vouchers, request for quotations, Committee opening and evaluation minutes, letters of offer and acceptance, delivery notes, inspection and acceptance certificate and invoices.

In the circumstances, the accuracy and propriety of the expenditure of Kshs.800,000 could not be confirmed.

2.4 Unsupported Hospitality Supplies and Services

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an amount of Kshs.13,916,752 in respect to use of goods and services which further includes Kshs.760,000 in respect to hospitality supplies and services. However, the expenditures were not adequately supported with payment vouchers, request for quotations, opening and evaluation minutes, letters of offer and acceptance, delivery notes, inspection and acceptance certificates and invoices.

In the circumstances, the accuracy and propriety of the expenditure of Kshs.760,000 could not be confirmed.

2.5 Unsupported Training Expenses

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an amount of Kshs.13,916,752 in respect to use of goods and services which further includes Kshs.2,522,000 in respect to training expenses. However, the payment vouchers, training programmes, back to office reports, invitation letters and list of participants and evidence of travelling to and from the venue were not provided for audit.

In the circumstances, the accuracy of the training expenditure of Kshs.2,522,000 could not be confirmed.

2.6 Unsupported Expenditure on Domestic Travel

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects an amount of Kshs.13,916,752 which further includes Kshs.560,000 in respect to domestic travel and subsistence. However, the payment vouchers, work tickets or bus tickets, back to office reports were not provided for audit review.

In the circumstances, the accuracy of the domestic travel expenditure of Kshs.560,000 could not be confirmed.

3. Unaccounted for Bursary Funds

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.43,135,893 in respect to other grants and transfers

which further includes Kshs.25,856,200 in respect to bursary-secondary, tertiary and special schools. However, the Vetting Committee appointment letters and Bursary Committee minutes were not provided for audit review.

In the circumstances, the accuracy of the expenditure amount of Kshs.25,856,200 could not be confirmed. Further, it was not possible to ascertain whether the bursaries benefited the intended beneficiaries and was expended appropriately.

4. Unprocessed Stale Cheques

The statement of assets and liabilities and as disclosed in Note 10A to the financial statements reflects an amount of Kshs.12,766,154 in respect to cash and cash equivalents. However, the bank reconciliation statement includes Kshs.12,941,744 relating to unpresented cheques which further includes eighteen (18) stale cheques totalling to Kshs.115,984 that have not been reversed or written back to the cash book.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.12,766,154 could not be confirmed.

5. Unsupported Project Management Committee (PMC) Bank Balances

Note 17.4 to the financial statements reflects Kshs.21,684,765 in respect to Project Management Committee (PMC) bank balances. However, the cashbooks and bank reconciliation statements as at 30 June, 2022 were not provided for audit. Further, one hundred and twelve (112) bank balances amounting to Kshs.17,614,133 were not supported with bank statements.

In the circumstances, the accuracy of PMC bank balances of Kshs.21,684,765 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Mbeere North Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Other Matter

1. Budgetary Control and Performance

The Fund's summary statement of appropriation reflects approved receipts budget of Kshs.211,227,082 and actual receipts of Kshs.195,227,082 resulting to a budget shortfall of Kshs.16,000,000 or 8% of the budget. Similarly, the statement reflects an approved expenditure budget of Kshs.211,227,082 and actual payments of Kshs.182,988,949 resulting to an under expenditure of Kshs.28,238,133 or 13% of the budget.

In addition, the statement reflects funds pending approval of Kshs.3,094,448 which was not approved by the NGCDF Board contrary to Section 5(1)(2) and Section 6(1)(2) of National Government Constituencies Development Fund Act, 2015.

In the circumstances, the receipts shortfall and the under expenditure affected the planned activities and may have impacted negatively on service delivery to the citizens of Mbeere North Constituency. In addition, the Fund was in breach of the law.

2. Unresolved Prior Year Matters

Review of the progress on follow up of auditor recommendations revealed that Management has not resolved or given explanation on several issues raised in previous years' audit reports contrary to the requirement of Section 31(1) of Public Audit Act, 2015 which states that within three months after Parliament or the County Assembly has debated and considered the final report of the Auditor-General and made recommendations, a state organ or a public entity that had been audited shall, as a preliminary step, submit a report on how it has addressed the recommendations and findings of the previous year's audit.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Transfers to Other Government Entities

1.1. Poor Workmanship and Incomplete Works at Kambaru Primary School

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.123,500,000 in respect to transfers to other Government units which includes Kshs.36,150,000 in respect to transfers to primary schools which further includes Kshs.1,000,000 transferred to Kambaru Primary School for the construction of an administration block from foundation to roofing vide voucher No.41 dated 9 March, 2022.

However, physical verification carried out in March, 2023 revealed that the building is being used as a makeshift store. The building materials were left on site, the floor had cracks due to poor workmanship, windows and doors were not installed and painting and plastering were not done.

In the circumstances, the value for money for the expenditure of Kshs.1,000,000 could not be confirmed.

1.2 Poor Workmanship at Rwanjeru Primary School

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.123,500,000 in respect to transfer to other Government units which includes Kshs.36,150,000 in respect to transfers to primary schools which further includes Kshs.900,000 transferred to Rwanjeru Primary School for the renovation of four (4) classrooms vide voucher number 23 dated 14 January, 2022.

However, physical verification carried out in March, 2023 revealed that the renovation was done on three (3) classrooms and the flooring was poorly done as there were cracks on the floor in two (2) classrooms, the corridor and on the wall in one of the classrooms. In addition, the tendering process was done by the NGCDF therefore the role of the PMC was not exercised and no explanation was provided.

In the circumstances, the value for money for Kshs.900,000 could not be confirmed.

1.3 Unsupported and Incomplete Classroom Works at Kathigagaceru Primary School

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.123,500,000 in respect to transfer to other Government units which includes Kshs.36,150,000 in respect to transfers to primary schools which further includes Kshs.850,000 transferred to Kathigagaceru Primary School for the renovation and face lifting of four (4) classrooms, plastering, flooring, painting and reroofing vide payment voucher number 183 dated 13 May, 2022.

However, physical verification carried out in March, 2023 revealed that the flooring and plastering were not done. Further, the project file containing the request for quotations, opening and evaluation minutes, letter of offer, letter of acceptance, form of tender, conditions of contract, specifications, drawings, priced bill of quantities, payment certificate and bank statements were not provided for audit review.

In the circumstances, the value for money for the expenditure of Kshs.850,000 could not be confirmed.

1.4 Incomplete and Unlabeled Classroom Works at Gitii Primary School

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.123,500,000 in respect to transfers to other Government units which includes Kshs.36,150,000 in respect to transfers to primary schools which further includes Kshs.850,000 transferred to Gitii Primary School for the renovation and face lifting of four (4) classrooms, plastering, flooring, painting and reroofing vide payment voucher number 169 dated 13 May, 2022.

However, physical verification carried out in March, 2023 revealed that the window panes were not installed and the labelling was not done contrary to a circular reference number NG-CDFB/CEO/BOARD Vol.II(014) dated 24 September, 2019 which stipulates that Constituency Committees ensure that cost of project labelling/branding is incorporated in bill of quantities for each project and that they should adhere to Board's guidelines on labelling of projects and Section 11 (1) (cc) and 15(1) (f) of the National Government Constituencies Development Fund Regulations, 2016 which state that the Constituency Committee or respective Project Management Committee shall ensure projects are labelled.

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

1.5 Incomplete Works and Poor Workmanship on Twelve Secondary Schools Projects

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.123,500,000 in respect to transfers to other Government units which includes Kshs.57,300,000 in respect to transfers to secondary schools which further includes Kshs.16,400,000 disbursed to twelve (12) projects.

However, physical verification carried out in March, 2023 revealed unsatisfactory implementation of the twelve projects as detailed below:

- i. An amount of Kshs.1,000,000 was transferred to Siakago Boys High School for completion of a storied dormitory currently at first floor slab, do first floor walling, roofing, painting, flooring and electrical installation plus ablution block vide payment voucher 53 dated 09 March, 2021. However, the roofing, painting, flooring, electrical installation and ablution block were not done.
- ii. St. Mary Magdalene High School for the deaf was allocated Kshs.1,000,000 for completion of a 40-student capacity science laboratory; flooring, plastering, shuttering, painting, gas installation and working benches vide voucher number 123 dated 14 January, 2022. However, the project proposal by the intended user was not provided for audit review. Further, the contractor was not on the site and some building materials (sand and bricks) were left on site. The flooring, plastering, shuttering, painting, gas installation was not done and work benches not installed.
- iii. An amount of Kshs.2,000,000 was transferred to Riandu Secondary School for completion of a storied dormitory currently at first floor slab, do first floor walling, roofing, painting, flooring and electrical installation plus ablution block vide payment voucher number 52 dated 09 March, 2021. First floor slab has been completed. However, first floor walling, roofing, painting, flooring, electrical installation and ablution were not done.
- iv. Kambaru Secondary School was allocated Kshs.2,000,000 for completion of administration block vide payment voucher number 119 of 14 January, 2022. However, the building materials were left on site and the project was not complete. Further, there were cracks on the floor, doors were not installed and painting was not done.
- v. An amount of Kshs.1,500,000 was transferred to Gitiburi Secondary School for completion of administration block from foundation to roofing vide payment voucher number 118 dated 14 January, 2022. However, the building materials were left on site and the building was being used as a makeshift store. Further, there were cracks on the floor, window panes and doors were not installed while painting and electrical installations was not done.
- vi. An amount of Kshs.700,000 was disbursed to Gikuyari Secondary School for completion of a 40-student capacity science laboratory; installation of benches, working platform, plumbing and fixation of gas system vide payment voucher 176 dated 13 May, 2022. However, the building materials were left on site. Further, there were cracks on the floor, window panes and doors were not installed, while painting and electrical installations was not done.

- vii. Itiira Secondary School was allocated Kshs.700,000 for completion of a 300 students' capacity dining hall and kitchen; plastering, flooring and painting vide payment voucher number 176 of 13 May, 2022. However, the plastering, flooring and painting was not done.
- viii. An amount of Kshs.2,000,000 was made to Gangara Secondary School for construction of a 200-student capacity multipurpose hall to roofing level vide payment voucher number 48 dated 9 March, 2021. However, the activity allocated the money was a multipurpose hall yet the structure found during inspection was just a dining hall. Further, plastering of floor and walls, painting and Installation of doors and windows were not done.
- ix. Karambari Secondary School was allocated Kshs.1,000,000 for completion of a 200-student capacity multipurpose hall plastering and keying, painting, flooring and electrical works vide payment voucher number 50 of 09 March, 2021. However, plastering and keying, painting, flooring and electrical works were not done.
- x. An amount of Kshs.500,000 was disbursed to Kanyuambora Secondary School for procurement of 80 beds vide payment voucher number 122 of 14 January, 2022. However, the funds were not disbursed to the Project Management Committee as required. The school Management explained that the procurement process was done by the NGCDF and the beds were only delivered to the school. The beds were not received using a goods receipt note.
- xi. An amount of Kshs.3,000,000 was made to Muthanthara Secondary School for construction of a laboratory vide payment voucher number 177 of 13 May, 2022. However, the project is ongoing but the contractor was not on site. Further, the flooring, plastering, painting, fixing of the work tables was not done and nine (9) windows installed without window glasses and panes.
- xii. An amount of Kshs.1,000,000 was disbursed to Ciangera Secondary School for construction of a multi-purpose hall vide payment voucher number 47 of 09 March, 2022. However, the project was ongoing but the contractor was not on site by time of audit in March, 2023. Further, the window panes were not installed on seven (7) windows. One of the partitions of the hall was being used as a boys' dormitory and 2 windows fixed were funded by the parents. Further, the flooring, plastering and painting was not done.

In the circumstances, the value for money for the expenditure amount of Kshs.16,400,000 transferred to secondary schools could not be confirmed.

1.6 Un-prioritized and Un-accounted for Funds to Ishiara Medical Training Centre

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects an amount of Kshs.123,500,000 in respect to transfers to other Government entities which includes Kshs.30,050,000 relating to transfers to tertiary institutions whose contract agreements with contractors and payment vouchers were not provided for audit including an expenditure of Kshs.8,000,000.

Further, physical verification carried out in March, 2023 revealed that the project was not operational and the contractor was not on site. Also, there were no sign post at the project site therefore, ownership of the projects could not be verified.

In addition, the project concept note, preliminary and detailed project designs and approvals from Kenya Medical Training College on this project were not provided for audit review. It was not clear whether the concept note was well conducted.

Further, there was no gazettelement of the medical training center contrary to Section 3(b) of the Kenya Medical Training College Act No 14 of 1990 which states that such other institutions as the Minister may, from time to time in consultation with the Board of Management, by notice in the Gazette, declare to be constituent training centers of the college. Ishiara Sub District Hospital is 15 kilometers away from the proposed medical training center. No explanation was made on how the students will carry out their practicals.

In addition, there was no prioritization of the projects being undertaken namely; the staff houses, administration block and tuition block. No explanation was provided for delay in implementation of the projects since substantial funding had already been provided yet project implementation was far much behind schedule.

In the circumstances, the propriety and value for money for the expenditure of Kshs.30,050,000 could not be confirmed. In addition, the Fund's Management was in breach of the law.

2.0 Completed but Unutilized Project, Incomplete Works, Poor Workmanship on Two Security Projects

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.43,135,893 in respect to other grants and other transfers which includes Kshs.2,500,000 in respect to security projects which further includes Kshs.1,400,000 transferred to two projects.

However, physical verification carried out in March, 2023 revealed the following:

- i. In Kanyuambora Chief's Camp, a disbursement of Kshs.400,000 was made for construction of 3 roomed Chief's Office vide payment voucher number 111 dated 14 January, 2022. However, the office was not in use and the contractor was not on site. Further, there were cracks on the floor which was evidence of poor workmanship and painting was not done.
- ii. An amount of Kshs.1,000,000 was disbursed to Kabubua Ka Nyama Police Post for construction of a police post. However, the construction was complete but not in use hence raising doubt whether there was need for construction of the police post. Further, there were cracks on the floor and the wall due to poor workmanship. Also, labelling was not done.

In the circumstances, the value for money for the expenditure amount of Kshs.1,400,000 could not be confirmed.

3.0 Unsupported Expenditure on Sports Projects

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.43,135,893 in respect to other grants and other transfers which further includes Kshs.2,741,000 in respect to sports projects. However, the expenditure was not supported with the names of officials, appointment letters, signed

attendance registers, rates used, number of days they officiated and criteria for identifying officials. Also, specifications of the sports kits in terms of colour, texture and size, stores records showing how the sport kits were taken on charge and the distribution list were not provided for audit review.

In the circumstances, it was not possible to ascertain whether the Kshs.2,741,000 expenditures were a proper charge to public funds and whether value for money was obtained.

4.0 Environment Project

4.1 Unsupported Expenditure on Environment Project

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.43,135,893 in respect to other grants and transfers which further includes Kshs.1,358,673 for environment projects. Review of the documents revealed that Kshs.1,008,673 was paid to Mbeere North Project Management Committee vide payment voucher number 126 dated 27 January, 2022. However, the activity paid for was not indicated and the support documents including quotations, opening and evaluations minutes, professional opinion, invoices and goods delivery notes were not provided for audit review.

In the circumstances, the propriety and value for money for the expenditure of Kshs.1,008,673 could not be confirmed.

4.2 Wasteful Expenditure on Purchase and Planting K-Apple Seedlings

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.43,135,893 in respect to other grants and transfers which includes Kshs.1,358,673 for environment projects which further includes Kshs.350,000 transferred to Ishiara Medical Training Centre for planting K-Apple fence.

However, physical verification carried out in March, 2023 revealed that the K-Apple fence was planted but dried up within a short period raising concerns whether the Committee in charge conducted tests to ascertain quality and viability of the seedlings' suitability for the soils before procurement was done. Further, the supporting documents including payment receipts for the seedlings, delivery notes, goods received notes and the payments made for planting were not provided.

In the circumstances, the value for money for the expenditure amount of Kshs.350,000 could not be confirmed.

5.0 Emergency Projects

5.1 Doubtful Expenditure on Emergency Projects

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.43,135,893 in respect to other grants and transfers which includes Kshs.10,680,000 for emergency projects which further includes Kshs.1,000,000 paid as an emergency grant for planting of trees during the rainy season. Review of the documents provided revealed that the money was transferred to Mbeere North Environment Project Management Committee. The minutes supporting the

expenditure revealed that it was an internal vote borrowing. However, there was no approval for reallocation from the Board contrary to Section 6(2) of the National Government Constituencies Development Fund Act, 2015 which requires that once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board.

In addition, the distribution lists, the criteria used to identify areas where the trees were planted, acknowledgements from the receiving institutions showing the number and type of trees distributed, stores records showing receipt and issuance of the tree seedlings were not provided for audit. Further, no report was presented showing whether the responsible department conducted tests to ascertain quality and viability of the seedling's suitability for the soils before procurement was done.

In addition, there was no evidence of an environmental impact assessment report giving guidelines on mechanisms for monitoring and evaluating the compliance and environmental performance of the project contrary to Section 58 (1) and (7) of the Environmental Management and Coordination Act, 1999 which states that notwithstanding any approval, permit or license granted under this Act or any other law in force in Kenya, any person, being a proponent of a project, shall, before financing, commencing, proceeding with, carried out, executing or conducting or causing to be financed, commenced, proceeded with, carried out, executed or conducted by another person any undertaking specified in the Second Schedule to this Act. Further, environmental impact assessment shall be conducted in accordance with the environmental impact assessment regulations, guidelines and procedures issued under this Act.

In the circumstances, the Fund may not have realized value from the expenditure and Management was also in breach of the law.

5.2 Failure to Provide Expenditure Returns and Incomplete Works on Emergency Projects

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.43,135,893 in respect to other grants and other transfers which includes Kshs.10,680,000 in respect to emergency projects which further includes Kshs.1,000,000 for two emergency projects.

Physical verification carried out in March, 2023 revealed the following;

- i. In Siakago Boys High School, the project had an allocation of Kshs.500,000 for intervention of a burnt dormitory. However, the project file to confirm the NGCDFC intervention was not provided and the only activity seemed to have been undertaken was roofing. Further, the expenditure returns containing the request for quotations, opening and evaluation minutes, letter of offer, letter of acceptance, form of tender, conditions of contract, specifications, drawings, priced bill of quantities and payment certificate and bank statements was not provided.
- ii. An amount of Kshs.500,000 was disbursed to Gitiburi Secondary School for intervention of burnt dormitory vide payment voucher number 113 dated 14 January, 2022. However, the project file containing the request for quotations,

opening and evaluation minutes, letter of offer, letter of acceptance, form of tender, conditions of contract, specifications, drawings, priced bill of quantities and payment certificate and bank statements were not provided. Also, the plastering of floor and wall, roofing and painting were not done. Further, the windows and doors were not installed.

In the circumstances, the propriety and value for money for the expenditure of Kshs.1,000,000 could not be confirmed.

6.0 Incomplete Projects Outstanding for More Than Three Years

The statement of receipts and payments and as disclosed in Notes 6 and 7 to the financial statements reflects Kshs.123,500,000 and Kshs.43,135,893 in respect to transfers to other Government units and other grants and other transfers respectively both totalling to Kshs.166,635,893 which was earmarked for project implementation during the year.

However, the project implementation status provided revealed projects costing Kshs.40,100,000 have been ongoing for the last three years. No explanation was provided why the projects were still ongoing hence raising doubts on the criteria used to prioritize the projects.

In the circumstances, the value for money of these projects could not be confirmed.

7.0 Incomplete Project Implementation Status Report (PIS)

The statement of receipts and payments and as disclosed in Notes 6 and 7 to the financial statements reflects Kshs.123,500,000 and Kshs.43,135,893 in respect to transfers to other Government units and other grants and other transfers respectively both totalling to Kshs.166,635,893 which was earmarked for project implementation during the year. However, the project implementation status provided was incomplete and did not include all the projects carried out in the financial year under review.

In the circumstances, the status of the undertaken projects worth Kshs.166,635,893 as budgeted could not be confirmed.

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, because of the significance of the the matter discussed in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of an Approved ICT Policy

Review of the Fund's ICT environment revealed that there was no approved ICT Policy, Security Policy, Environmental Policy, IT Continuity Plan and Disaster Recovery Plan in place.

In the circumstances, the security and reliability of the Fund's data including management information system could not be confirmed.

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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Fund's ability to 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 controls that are identified during the audit.

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


CPA Nancy Gathungu, ACBS
AUDITOR-GENERAL

Nairobi

23 May, 2023

*Mbeere North 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	169,777,758	163,866,724
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	47,000	97,000
Total Receipts		169,824,758	163,963,724
Payments			
Compensation Of Employees	4	2,436,304	3,817,002
Use Of Goods and Services	5	13,916,752	11,839,988
Transfers To Other Government Units	6	123,500,000	86,400,000
Other Grants and Transfers	7	43,135,893	47,697,238
Acquisition Of Assets	8	-	775,000
Other Payments	9	-	1,866,687
Total Payments		182,988,949	152,395,915
Surplus/(Deficit)		(13,164,191)	11,567,809

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 28th July, 2022 and signed by:

Fund Account Manager

Name: Richard M. Maingi

National Sub-County
Accountant

Name: Erastus M. Mwangi
ICPAK M/No: 18050

Chairman NG-CDF Committee

Name: Richard N. Thiriku

*Mbeere North Constituency
National Government Constituencies Development Fund (NGCDF)
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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	12,766,154	25,402,324
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		12,766,154	25,402,324
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		12,766,154	25,402,324
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	520,800	1,281,440
Total Financial Liabilities		520,800	1,281,440
Net Financial Assets		12,245,354	24,120,884
Represented By			
Fund Balance B/Fwd	13	25,402,324	5,703,074
Prior Year Adjustments	14	7,220	6,850,000
Surplus/Deficit for The Year		(13,164,191)	11,567,809
Net Financial Position		12,245,354	24,120,883

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 28th July, 2022 and signed by:

Fund Account Manager

Name: Richard M. Maingi

National Sub-County
Accountant

Name: Erastus M. Mwangi
ICPAK M/No: 18050

Chairman NG-CDF Committee

Name: Richard N. Thiriku

*Mbeere North Constituency
National Government Constituencies Development Fund (NGCDF)
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Statement of Cash Flows for the Year Ended 30th June 2022

	Notes	2021 - 2021	2021 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	169,777,758	163,866,724
Other Receipts	3	47,000	97,000
Total Receipts		169,824,758	163,963,724
Payments			
Compensation Of Employees	4	2,436,304	3,817,002
Use Of Goods and Services	5	13,916,752	11,839,988
Transfers To Other Government Units	6	123,500,000	86,400,000
Other Grants and Transfers	7	43,135,893	47,697,238
Other Payments	9	-	1,866,687
Total Payments		182,988,949	151,620,915
Total Receipts Less Total Payments		(13,164,191)	12,342,809
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	520,800	1,281,440
Prior Year Adjustments	14	7,220	6,850,000
Net Adjustments		528,020	8,131,440
Net Cash Flow from Operating Activities		(12,636,171)	20,474,249
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-

**Mbeere North Constituency
National Government Constituencies Development Fund (NGCDF)
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Acquisition Of Assets	8	-	775,000
Net Cash Flows from Investing Activities		-	(775,000)
Net Increase In Cash And Cash Equivalent		(12,636,171)	19,699,249
Cash & Cash Equivalent At Start Of The Year	10	25,402,323	5,703,074
Cash & Cash Equivalent At End Of The Year	10	<u>12,766,153</u>	<u>25,402,323</u>

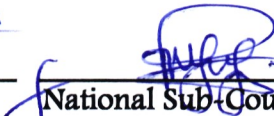
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 28th July, 2022 and signed by:


**FUND ACCOUNT MANAGER
MBEERE NORTH NG-CDF**

Fund Account Manager

Name: Richard M. Maingi


**THE NATIONAL SUB-COUNTY
ACCOUNTANT
MBEERE NORTH**

National Sub-County
Accountant

Name: Erastus M. Mwangi
ICPAK M/No: 18050


**MBEERE NORTH
31 MAR 2023
CONSTITUENCY DEVELOPMENT FUND**

Chairman NG-CDF Committee

Name: Richard N. Thiriku

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

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

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a	b	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements				
	2021/2022		Kshs	Kshs	2021/2022	30/06/2022	Kshs	
Receipts								
Transfers From NGCDF Board	137,088,879		25,402,324	48,688,879	211,180,082	195,180,082	16,000,000	
Proceeds From Sale of Assets					0	-	-	0.0%
Other Receipts			47,000		47,000	47,000	-	0.0%
Totals	137,088,879		25,449,324	48,688,879	211,227,082	195,227,082	16,000,000	92.4%
Payments								
Compensation Of Employees	2,626,120		1,738,586	0	4,364,706	2,436,304	1,928,402	55.8%
Use Of Goods and Services	9,711,879		3,873,800	534,442	14,120,121	13,916,752	203,369	98.6%
Transfers To Other Government Units	90,700,000		14,100,000	38,677,028	143,477,028	123,500,000	19,977,028	86.1%
Other Grants and Transfers	31,291,880		5,401,490	7,842,835	44,536,205	43,135,893	1,400,312	96.9%
Acquisition Of Assets	0		0	533,313	533,313	-	533,313	0.0%
Other Payments	-		-	1,101,261	1,101,261	-	1,101,261	0.0%
Funds Pending Approval**	2,759,000		335,448		3,094,448	-	3,094,448	0.0%
Totals	137,088,879		25,449,324	48,688,879	211,227,082	182,988,949	28,238,133	86.6%

**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.


**Mbeere North Constituency
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- i. Revenue has been adjusted by,
- a) Allocations receivables from NGCDF Board relating to the previous financial years carried forward to the current year, Kshs. 48.7 M.
 - b) Opening balance Kshs. 25.4 M adjusted by reversed cheques relating to previous financial year 2019/2020 totalling Kshs. 7,220.
 - c) AIA Kshs. 47,000 mainly from sale of tender.
- ii. The receipts from the Board were Kshs. 169.8 M representing 81% of expected funds. The rate of absorption of these funds greatly improved following ease of covid 19 protocols.
- iii. Compensation of employees absorbed Kshs. 2.4 M representing a 56% absorption rate. The un utilized funds largely represent allowance for gratuity as well as funds yet to receive from the Board.
- iv. Use of Goods and Services utilized about 13.9 M representing 98% usage rate. This can be attributed to high NGCDF vehicle maintenance costs that were in excess of Kshs. 1.5M during the year.
- v. Transfers to Other Government Units utilized Kshs. 123.5 M representing a 86% absorption rate, an improvement owing to easing of ministry of health protocols.
- vi. Other Grants and Transfers utilized Kshs. 43.1 M representing a 97% absorption rate an improvement owing to easing of ministry of health protocols.


Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	28,238,133
Less undisbursed funds receivable from the Board as at 30 th June 2022	16,000,000
	12,238,134
Add Accounts payable	520,800
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	7,220
Cash and Cash Equivalents at the end of the FY 2021/2022	12,766,154

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

The Constituency financial statements were approved on 28th July, 2022 and signed by:


FUND ACCOUNT MANAGER
MBEERE NORTH NG-CDF

Name: Richard M. Maingi


NATIONAL SUB-COUNTY ACCOUNTANT
THE NATIONAL ASSEMBLY
MBEERE NORTH

Name: Erastus M. Mwangi
ICPAK M/No: 18050


CHAIRMAN NG-CDF COMMITTEE
P.O. BOX 10000
MBEERE NORTH
NG-CDF DEVELOPMENT FUND
1 MAR 2023

Name: Richard N. Thirikwa

*Mbeere North Constituency
National Government Constituencies Development Fund (NGCDF)
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X. Budget Execution by Sectors and Projects for the Year Ended 30th June 2022

Programme/Sub-programme	Original Budget 2021/2022 Kshs	Adjustments		Final Budget 2021/2022 Kshs	Actual on comparable basis 30/06/2022 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA Kshs	Previous Years' Outstanding Disbursements Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,626,120	1,738,586		4,364,706	2,436,304	1,928,402
1.2 Committee allowances	2,116,480	908,400		3,024,880	3,024,880	-
1.3 Use of goods and services	3,482,733	1,311,355	534,442	5,328,530	5,125,161	203,369
2.0 Monitoring and evaluation						
2.1 Capacity building	2,000,000	1,506,252		3,506,252	3,506,252	-
2.2 Committee allowances	1,612,666	97,793		1,710,459	1,710,459	-
2.3 Use of goods and services	500,000	50,000		550,000	550,000	-
3.0 Emergency						
3.1 Primary Schools	492,207	2,737,793		3,230,000	3,230,000	-
3.2 Secondary schools	2,000,000	-	-	2,000,000	2,000,000	-
3.3 Tertiary institutions	4,100,000	500,000		4,600,000	4,600,000	-
3.4 Security projects	600,000	250,000	-	850,000	850,000	-
4.0 Bursary and Social Security						
4.1 Special Schools	500,000	14,900	-	514,900	511,000	3,900

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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			
4.2 Secondary Schools	10,000,000	1,248,797	5,273,335	16,522,132	18,129,720	(1,607,588)
4.3 Tertiary Institutions	7,000,000		2,470,500	9,470,500	7,215,500	2,255,000
4.4 Universities						
4.5 Social Security						
5.0 Sports						
5.1	2,741,000		99,000	2,840,000	2,741,000	99,000
5.2						
5.3						
6.0 Environment						
6.1 NG-CDF Office	258,673			258,673	258,673	-
6.2 Kamugu Primary School	100,000			100,000	100,000	-
6.3 Kamukanya Primary School	100,000			100,000	100,000	-
6.4 Kanthenge Primary School	100,000			100,000	100,000	-
6.5 Katheru Primary School	100,000			100,000	100,000	-
6.6 Kianjoya Primary School	100,000			100,000		100,000
6.7 Mianjatiri Primary School	100,000			100,000		100,000
6.8 Michegethiu Secondary School	100,000			100,000		100,000
6.9 Mungau Primary School	100,000			100,000		100,000

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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			
6.10 Ndutori Secondary School	100,000			100,000		100,000
6.11 Rwagori Primary School	100,000			100,000		100,000
6.12 Ishiara Kenya Medical Training Collage	700,000			700,000	700,000	-
7.0 Primary Schools Projects (List all the Projects)						
Ceria Primary School			600,000	600,000		600,000
Ciaikunguku Primary School	500,000		750,000	1,250,000	1,250,000	-
Cianthia Primary School			750,000	750,000	750,000	-
Ciany Primary School	850,000			850,000	850,000	-
Ciany Primary School	800,000			800,000	800,000	-
Ceria Primary School	850,000			850,000	600,000	250,000
Gangara Primary School	850,000	750,000		1,600,000	750,000	850,000
Gitii Primary School	850,000			850,000	850,000	-
Gwakaithi Primary School			2,250,000	2,250,000	2,250,000	-
Iiri Primary School	850,000			850,000	850,000	-
Itira Primary School	850,000	750,000		1,600,000	750,000	850,000
Itururi Primary School		400,000		400,000	400,000	-
Kabachi Primary School	850,000			850,000	850,000	-
Kageri Primary School	850,000		677,028	1,527,028	850,000	677,028

*Mbeere North Constituency
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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			
Kamarindo Primary School		250,000		250,000	250,000	-
Kamarindo Primary School		750,000		750,000	750,000	-
Kambaru Primary School			1,000,000	1,000,000	1,000,000	-
Kamigua Primary School	850,000			850,000	850,000	-
Kanganga Primary School	850,000			850,000	850,000	-
Kanthege Primary School		250,000		250,000	250,000	-
Karambari Primary School	850,000			850,000	850,000	-
Karangare Primary School	850,000			850,000	850,000	-
Karimari Primary School	850,000			850,000	850,000	-
Karimari Primary School			750,000	750,000	750,000	-
Kathagutari Primary School	850,000			850,000	850,000	-
Kathigagaceru Primary School	850,000			850,000	850,000	-
Kathitu Primary School	850,000			850,000	850,000	-
Kavengero Primary School	850,000			850,000	850,000	-
Kavui Primary School		250,000		250,000	250,000	-
Kiamugongo Primary School	400,000			400,000	400,000	-
Kiamugongo Primary School	1,500,000			1,500,000		1,500,000
Kianamu Primary School	850,000			850,000	850,000	-
Kianganja Primary School		250,000		250,000	250,000	-

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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			
Kianjogu Primary School		200,000		200,000	200,000	-
Kianjogu Primary School			2,000,000	2,000,000	1,000,000	1,000,000
Kirie Primary School	850,000			850,000		850,000
Kirie Primary School			750,000	750,000	750,000	-
Kogari Primary School	850,000			850,000	850,000	-
Kwanduambogo Primary School	1,000,000			1,000,000		1,000,000
Makunguru Primary School	850,000			850,000	850,000	-
Mathai Primary School	1,000,000			1,000,000	1,000,000	-
Mbaci Primary School	850,000			850,000	850,000	-
Mbingori Primary School	1,000,000			1,000,000	1,000,000	-
Mianjatiri Primary School	850,000			850,000	850,000	-
Michegethiu Primary School			250,000	250,000	250,000	-
Mukororia Primary School	850,000		400,000	1,250,000	400,000	850,000
Mung'au Primary School		750,000		750,000	750,000	-
Muteriairugu Primary School		750,000		750,000	750,000	-
Muthanthara Primary School		750,000		750,000	750,000	-
Mwundu Primary School	850,000			850,000	850,000	-
Ndutori Primary School	850,000			850,000	850,000	-
Rwanjeru Primary School	850,000			850,000		850,000

*Mbeere North Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
8.0 Secondary Schools Projects (List all the Projects)	2021/2022			2021/2022	30/06/2022	
Ciangeri Secondary School			1,000,000	1,000,000	1,000,000	-
Cianthia Secondary School	500,000	500,000		1,000,000	500,000	500,000
Gangara Secondary School			3,000,000	3,000,000	2,000,000	1,000,000
Gikuyari Secondary School	700,000			700,000	700,000	-
Gitiburi Secondary School	1,500,000			1,500,000	1,500,000	-
Gwakaithi Secondary School	7,200,000			7,200,000	7,200,000	-
Itiira Secondary School	600,000			600,000	600,000	-
Itiira Secondary School			6,900,000	6,900,000	6,900,000	-
Kambaru Secondary School	2,000,000			2,000,000	2,000,000	-
Kamigua Secondary School	3,000,000			3,000,000	3,000,000	-
Kamwaa Secondary School			1,500,000	1,500,000	1,500,000	-
Kanyuambora Secondary School	1,000,000			1,000,000	1,000,000	-
Karambari Secondary School			200,000	200,000		200,000
Karangare Secondary School	1,000,000			1,000,000	1,000,000	-
Kathiga Gacheru Secondary School		1,000,000		2,000,000	2,000,000	-
Kavengero Secondary School			1,000,000	1,000,000	1,000,000	-
Kiambere Complex			1,000,000	1,000,000		1,000,000

**Mbeere North Constituency
National Government Constituencies Development Fund (NGCDF)
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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			
Kigwambiti Secondary School	7,200,000			7,200,000	7,200,000	-
Mbarwari Secondary School		500,000		500,000	500,000	-
Muchonoke Secondary School	3,000,000			3,000,000		3,000,000
Muthanthara Secondary School	3,000,000			3,000,000	3,000,000	-
Ngoce Secondary School			6,900,000	6,900,000	6,900,000	-
Ngoce Secondary School			500,000	500,000		500,000
Riandu Secondary School	1,000,000		3,000,000	4,000,000	2,000,000	2,000,000
Siakago Boys Secondary School	3,000,000		1,000,000	4,000,000	1,000,000	3,000,000
Siakago Day Secondary School			2,000,000	2,000,000	2,000,000	-
Siakago Girls Secondary School	800,000			800,000	800,000	-
Siakago Girls Secondary School			500,000	500,000		500,000
St Magdalene school for the deaf Riandu	2,000,000			2,000,000	2,000,000	-
9.0 Tertiary institutions Projects (List all the Projects)						
Ishara Kenya Medical Training Collage	1,700,000			1,700,000	1,700,000	-
Ishara Kenya Medical Training Collage	1,500,000			1,500,000	1,500,000	-

*Mbeere North 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			
Ishara Kenya Medical Training Collage	13,350,000			13,350,000	13,350,000	-
Ishara Kenya Medical Training Collage	7,000,000			7,000,000	7,000,000	-
Ishara Kenya Medical Training Collage	500,000			500,000	500,000	-
Ishara Kenya Medical Training Collage		4,000,000		4,000,000	4,000,000	-
Ishara Kenya Medical Training Collage		2,000,000		2,000,000	2,000,000	-
10.0 Security Projects						
10.1 Kabubua Ka Nyama Police Post	1,000,000			1,000,000	1,000,000	-
10.2 Kamugu Sub-Chief Office		50,000		50,000	50,000	-
10.3 Kanyuambora chiefs office	400,000			400,000	400,000	-
10.4 Kiogogo Sub-Chiefs Office		600,000		600,000	600,000	-
10.5 Nthawa chiefs office	500,000			500,000	450,000	50,000
11.0 Acquisition of assets						
11.1 NG-CDF Office Motorcycle			533,313	533,313		533,313
11.2 Construction of CDF office						

*Mbeere North 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			
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						
12.01 NG-CDF Office			93,911	93,911		93,911
12.02 Strategic Plan			7,350	7,350		7,350
12.2						
12.21 Unapproved projects	2,759,000			2,759,000		2,759,000
12.22 AIA		301,000		301,000		301,000
12.23 PMC savings		34,448		34,448		34,448
Total	137,088,879	25,449,324	48,688,879	211,227,082	182,988,949	28,238,133

(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-Mbeere North 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 relate to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Board		
AIE NO. B105213	33,000,000	-
AIE NO. B105700	34,000,000	-
AIE NO. B105872	30,000,000	-
AIE NO. B128624	6,000,000	-
AIE NO. B128938	12,000,000	-
AIE NO. B154134	12,000,000	-
AIE NO. B164365	20,000,000	-
AIE NO. B155895	10,088,879	-
AIE NO. B155999	12,688,879	-
AIE NO. B104571	-	6,099,000
AIE NO. B104528	-	62,367,724
AIE NO. B124727	-	8,000,000
AIE NO. B119573	-	8,500,000
AIE NO. B119965	-	12,000,000
AIE NO. B128206	-	6,900,000
AIE NO. B129168	-	7,000,000
AIE NO. B132261	-	6,000,000
AIE NO. B138930	-	12,000,000
AIE NO. B105018	-	11,000,000
AIE NO. B105148	-	4,000,000
AIE NO. B126223	-	7,000,000
AIE NO. B140661	-	13,000,000
TOTAL	169,777,758	163,866,724

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	44,000	97,000
Hire of plant/equipment/facilities	3,000	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	47,000	97,000

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Notes To the Financial Statements (Continued)

4. Compensation of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,416,344	1,959,356
Personal allowances paid as part of salary		
House Allowance	199,400	202,200
Transport Allowance	204,000	204,000
Responsibility Allowance	2,800	
Leave allowance	26,000	26,000
Gratuity to contractual employees	520,800	1,347,686
Employer Contributions Compulsory national social security schemes	66,960	77,760
Total	2,436,304	3,817,002

5. Use of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses	-	-
Utilities, supplies and services	71,820	162,880
Communication, supplies and services	209,450	144,450
Domestic travel and subsistence	560,000	650,000
Printing, advertising and information supplies & services	500,000	696,650
Rentals of produced assets	-	-
Training expenses	2,522,000	2,354,500
Hospitality supplies and services	760,000	500,000
Other committee expenses	3,442,000	3,017,400
Committee allowance	1,940,000	1,224,000
Insurance costs	359,109	359,149
Specialized materials and services	-	204,800
Office and general supplies and services	329,900	99,900
Other operating expenses	246,707	107,100
Routine maintenance – vehicles and other transport equipment	2,175,766	1,511,917

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Routine maintenance – other assets	800,000	807,242
Total	13,916,752	11,839,988

Note: Routine maintenance- vehicles and other transport equipment also includes cost of fuel for the NGCDFC vehicle during the period under review.

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	36,150,000	32,600,000
Transfers To Secondary Schools (See Attached List)	57,300,000	43,800,000
Transfers To Tertiary Institutions (See Attached List)	30,050,000	10,000,000
Total	123,500,000	86,400,000

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	18,129,720	12,347,000
Bursary – tertiary institutions (see attached list)	7,215,500	13,370,874
Bursary – special schools (see attached list)	511,000	490,000
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	2,500,000	14,300,000
Sports projects (see attached list)	2,741,000	1,875,000
Environment projects (see attached list)	1,358,673	1,164,673
Emergency projects (see attached list)	10,680,000	4,149,691
Total	43,135,893	47,697,238

8. Acquisition Of Assets

	2021-2022	2020-2021
	Kshs	
Purchase of Buildings	-	-
Construction of Buildings	-	775,000
Refurbishment of Buildings	-	-

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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	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
Total	-	775,000

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
NGCDF Office Compound	-	1,866,687
ICT Hub	-	-
	-	1,866,687

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)		
Cooperative Bank of Kenya, Siakago Branch A/C No: 01120051117000	12,766,154	25,402,324
Total	12,766,154	25,402,324
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

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Name of Officer	dd/mm/yy	-	-	-
Name of Officer	dd/mm/yy	-	-	-
Total		-	-	-

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

12A. Retention

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

[Provide short appropriate explanations as necessary.]

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	1,281,440	0
Gratuity held during the year (B)	520,800	1,347,686
Gratuity paid during the Year (C)	0	66,246
Closing Gratuity as at 30 th June D= A+B-C	1,802,240	1,281,440

[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	25,402,324	5,703,074
Cash in hand		
Imprest		
Total	25,402,324	5,703,074

[Provide short appropriate explanations as necessary]

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14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	25,402,324	7,220	25,409,544
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	25,402,324	7,220	25,409,544

****** *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)	1,281,440	0
Deposit and Retentions held during the year (B)	520,800	1,347,686
Deposit and Retentions paid during the Year (C)	0	66,246
closing account payables D= A+B-C	1,802,240	1,281,440
Changes in Accounts Payable E= D-A	520,800	1,281,440

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Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

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

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	520,800	1,281,440
Others (<i>specify</i>)	-	-
Total	520,800	1,281,440

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	1,928,402	1,038,587
Use of goods and services	(331,073)	(565,710)
Amounts due to other Government entities (see attached list)	20,977,028	53,777,028
Amounts due to other grants and other transfers (see attached list)	1,803,312	17,636,836
Acquisition of assets	533,313	533,313
Others- Strategic plan	7,350	7,350
- NGCDFC office	93,911	93,911
-NGCDFC office	1,000,000	-
Funds pending approval	3,094,448	288,448
Total	29,106,691	72,809,763

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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	21,684,765	38,645,255
Total	21,684,765	38,645,255

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Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Name of Staff	Designation	Date employed	Outstanding Balance 30th June 2022	Comments
NG-CDFC Staff				
GENARD MURATHI NDWIGA	Grounds Man	1st August, 2018	91,234	
PETER NGARI NJUE	Security	1st August, 2018	76,061	
PAUL NYAGA MWENDWA	Driver	1st August, 2018	110,697	
MARY MUTHONI NDWIGA	Office Assistant	1st August, 2018	97,037	
HARRIET WANJUE NJERU	Clerical Officer	1st June, 2014	145,771	
Sub-Total			520,800	
Grand Total				

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		1,928,402	1,738,586	
Use of goods & services		(331,073)	-565,710	
Amounts due to other Government entities				
Primary Schools				
Cieria Primary School	Completion of a kitchen		600,000	
Cieria Primary School	Renovation of four classrooms	850,000		
Ciaikunguku Primary School	Renovation of three classrooms		750,000	
Cianthia Primary School	Renovation of three classrooms		750,000	
Gangara Primary School	Renovation of four classrooms	850,000		
Gangara Primary School	Completion of a dormitory		750,000	
Gwakaithi Primary School	Construction of a dormitory		2,250,000	
Itiira Primary School	Renovation of four classrooms	850,000		
Itiira Primary School	Renovation of three classrooms		750,000	
Itururi Primary School	Purchase of 2 acres land		400,000	
Kageri Primary School	Fencing 2 acres school compound (reallocation)	677,028	677,028	
Kamarindo Primary School	Completion of classroom		250,000	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Kamarindo Primary School	Renovation of three classrooms		750,000	
Kambaru Primary School	Construction of administration block		1,000,000	
Kanthenge Primary School	Completion of classroom		250,000	
Karimari Primary School	Completion of an administration Block		750,000	
Kavui Primary School	Completion of classroom		250,000	
Kiamugongo Primary School	Water supply to school	1,500,000		
Kianganja Primary School	Completion of classroom		250,000	
Kianjogu Primary School	Completion of a kitchen		200,000	
Kianjogu Primary School	Construction of a dormitory	1,000,000	2,000,000	
Kirie Primary School	Renovation of four classrooms	850,000		
Kirie Primary School	Renovation of three classrooms		750,000	
Kwanduambogo Primary School	Construction of an administration block	1,000,000		
Michegethiu Primary School	Completion of classroom		250,000	
Mukororia Primary School	Renovation of four classrooms	850,000		
Mukororia Primary School	Construction of a kitchen		400,000	
Mung'au Primary School	Renovation of three classrooms		750,000	
Muteriairugu Primary School	Renovation of three classrooms		750,000	
Muthanthara Primary School	Renovation of three classrooms		750,000	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Rwanjeru Primary School	Renovation of four classrooms	850,000		
Secondary Schools				
Ciangera Secondary School	Completion of a Laboratory		1,000,000	
Cianthia Secondary School	Completion of an administration Block	500,000	500,000	
Gangara Secondary School	Construction of a multipurpose hall	1,000,000	3,000,000	
Itiira Secondary School	Purchase of school bus		6,900,000	
Kamwaa Secondary School	Completion of a dormitory		1,500,000	
Karambari Secondary School	Completion of a multipurpose hall	200,000	200,000	
Kathiga Gacheru Secondary School	Construction of a dormitory		2,000,000	
Kavengero Secondary School	Completion of a multipurpose hall		1,000,000	
Kiambere Complex	Completion of a multipurpose hall	1,000,000	1,000,000	
Mbarwari Secondary School	Purchase of two acres of Land		500,000	
Muchonoke Secondary School		3000000		
NGCDF Office		1000000	1,000,000	
Ngoce Secondary School	Purchase of school bus		6,900,000	
Riandu Secondary School	Construction of a dormitory	2,000,000	3,000,000	
Siakago Boys Secondary School	Construction of an administration Block	3,000,000	1,000,000	
Siakago Day Secondary School	Completion of purchase of school bus. Kshs. 4.5M allocated last year		2,000,000	

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Tertiary				
Ishara Kenya Medical Training Collage	Construction of an administration Block		4,000,000	
Ishara Kenya Medical Training Collage	Purchase of 5.5 acres of collage Land		2,000,000	
Amounts due to other grants and other transfers				
Security				
Nthawa Chiefs office	Renovation of chiefs office	500,000		
Kamugu Sub-Chief Office	Completion of two door pit latrine		50,000	
Kiogogo Sub-Chiefs Office	Construction of Sub-Chiefs office		600,000	
Sports				
Sports	Constituency sports tournament	99,000	99,000	
Emergency				
Emergency	To cater for any unforeseen occurrences	-	3,331,684	
Bursary and Social Security				
Secondary Schools	Payment of bursary to needy students in secondary schools	(1,654,588)	11,070,751	
Tertiary Institutions	Payment of bursary to needy students in tertiary Institutions	2,255,000	2,470,500	
Special Needs	Payment of bursary to needy disabled students	3,900	14,900	
Acquisition of assets				

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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
NG-CDF Office Motorcycle	Purchase of a motor cycle Yamaha DT175	533,313	533,313	
Other payments				
NG-CDF Office	Paving of the NGCDF office compound	93,911	93,911	
Strategic Plan	Printing of strategic plan	7,350	7,350	
NG-CDF Office	Improving drainage and cabros	1,000,000	-	
Environment				
Kianjoya Primary School	Purchase of 10000 litre water tank	100,000		
Mianjatiri Primary School	Purchase of 10000 litre water tank	100,000		
Michegethiu Secondary School	Purchase of 10000 litre water tank	100,000		
Mungau Primary School	Purchase of 10000 litre water tank	100,000		
Ndutori Secondary School	Purchase of 10000 litre water tank	100,000		
Rwagori Primary School	Purchase of 10000 litre water tank	100,000		
Funds pending approval				
AIA	Receipts mainly from sale of tender documents	301,000	254,000	
PMC savings	Unspent FMC funds	34,448	34,448	
Unapproved projects		2,759,000		
Grand Total		29,106,691	73,509,762	

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land	-	-	-	-
Buildings and structures	19,706,224	-	-	19,706,224
Transport equipment	6,700,653	-	-	6,700,653
Office equipment, furniture and fittings	4,001,260	-	-	4,001,260
ICT Equipment, Software and Other ICT Assets	412,590	-	-	412,590
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	30,820,727	-	-	30,820,727

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

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
A.C.K. St. Luke Ciangera Secondary School	Cooperative bank, Siakago	1139570010800	19,520	2,241,719
A.C.K. Emmanuel Cianthia Secondary School	Cooperative bank, Siakago	1139407773500	65,726	1,126,491
A.C.K. Kamigua Mixed Day Secondary School	Cooperative Bank, Siakago	1139570095300	-	754,806
Arch Angels Secondary School-Kanyuери	Cooperative bank, Siakago	1139570004800	520	1,000
Ciaikungugu Primary School	Cooperative bank, Siakago	1139052736603	298,729	68,892
Ciangera Primary School PMC	Cooperative bank, Siakago	1139052738602	1,099	1,579
Ciangera Sub Chiefs office	Cooperative Bank, Siakago	1141570117400	-	345
Cianthia Primary School	Cooperative bank, Siakago	1139570250100	3,560	1,040
Cianyи Primary School	Cooperative bank, Siakago	1139051832100	2,286	80,631
Cieria Chiefs office	Cooperative bank, Siakago	1141570105900	857	1,257
Cieria Primary School	Cooperative bank, Siakago	1139570211000	1,135	25,704
DCC Office	Cooperative bank, Siakago	1141570220900	2,707	3,187
F.G.C.K. Kamaua Primary School	Cooperative bank, Siakago	1139570039400	1,495	1,975
Gacuriri Primary School	Cooperative bank, Siakago	1139344451102	1,520	1,520
Gangara Primary School	Sidian Bank, Embu	10070300003638	314,001	27,284

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Gangara Secondary School	Sidian Bank, Embu	1007030003598	140,140	-
Gatatha Primary School PMC	Sidian Bank, Embu	1007030003558	1,075	1,075
Gatothia Primary School	Cooperative bank, Siakago	1139344640201	58,179	322,341
Gikuyari Primary School	Sidian Bank, Embu	1007030003938	23	23
Gikuyari Secondary School	Cooperative bank, Siakago	1139344108102	38,602	76,002
Gikuyari Secondary School	Sidian Bank, Embu	1007030003928	6,403	135,943
Gitiburi Secondary School	Sidian Bank, Embu	1007030003708	787,096	465,998
Gitiburi Primary School	Sidian Bank, Embu	1007030003688	3,375	3,375
Gitii Primary School	Cooperative bank, Siakago	1139570394700	2,020	-
Gwakaiti Primary School	Cooperative bank, Siakago	1139570226701	37,466	69,605
Ibutuka Primary School	Cooperative Bank, Siakago	1139344119801	-	1,981
Iriaitune Chiefs office	Cooperative bank, Siakago	1141570229200	505	106,935
Iriri Primary School	Sidian Bank, Embu	1007030004526	29,855	-
Ishiera KMTC	Sidian Bank, Embu	1007030003168	18,231	3,001,597
Ishiera Social Hall	Cooperative Bank, Siakago	1141570052700	-	1,775
Itiira Primary School	Sidian Bank, Embu	1007030004326	825	-

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Itiira Secondary School	Cooperative bank, Siakago	1139051604602	826,566	368,996
Itiira Sub-Chief office	Cooperative Bank, Siakago	1141570127900	-	25
Itururi Primary School	Sidian Bank, Embu	10070300004346	398,975	-
Kabachi Primary School	Cooperative Bank, Siakago	1139052537801	-	1,570
Kabachi Secondary School	Cooperative bank, Siakago	1139569163202	1,737,771	1,737,771
Kabubua Ka Nyama Police Post	Sidian Bank, Embu	10070300003788	611,189	1,184,584
Kageri Primary School	Cooperative Bank	11395700004400	-	3,230
Kamarindo Primary School	Sidian Bank, Embu	10070300002561	24,707	70,761
Kambaru Primary School	Sidian Bank, Embu	10070300004356	43	18,231
Kambaru Secondary School	Sidian Bank, Embu	10070300003538	917,091	-
Kambungu Primary School	Cooperative bank, Siakago	1139052735504	83,372	492,262
Kamigua Primary School	Cooperative bank, Siakago	1139570086700	862,555	12,505
Kamugu Sub Chiefs office	Sidian Bank, Embu	10070300004296	250	250,015
Kamukanya Primary School	Cooperative bank, Siakago	1139570229700	1,002	1,002
Kamwaa Secondary School	Cooperative bank, Siakago	1139570226600	120,503	105,046
Kanganga Primary School	Cooperative bank, Siakago	1139570054001	850,720	1,000

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Kanthenge Primary School	Sidian Bank, Embu	1007030002531	80,252	79,932
Kanyangi Primary School	Cooperative bank, Siakago	1139570237600	1,000	1,000
Kanyuambora Chiefs office	Cooperative bank, Siakago	1141570064800	138,795	725
Kanyuambora Police Station PMC	Sidian Bank, Embu	1007030003828	5	5
Kanyuambora Secondary School	Cooperative bank, Siakago	1139051033603	242,763	805,581
Karambari Police Post	Sidian Bank, Embu	1007030004116	-	350,000
Karambari Primary School	Sidian Bank, Embu	1007030004576	855	-
Karambari Secondary School	Cooperative bank, Siakago	1139344179502	388,614	1,283,949
Karangare Primary School	Sidian Bank, Embu	1007030004566	855	-
Karangare Secondary School	Sidian Bank, Embu	1007030004106	548,217	2,998,975
Karigiri Primary School	Cooperative bank, Siakago	1139052737401	21,628	70,103
Karigiri Secondary School	Cooperative bank, Siakago	1139569250704	131,965	132,446
Karimari Primary School	Sidian Bank, Embu	1007030004366	761,205	-
Kathagutari Primary School	Cooperative bank, Siakago	1139051163901	3,020	-
Kathera Assistant Chiefs office	Sidian Bank, Embu	1007030004586	155	-
Katheru Primary School	Cooperative Bank, Siakago	1139570005500	-	708

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Kathiga Gaceru Secondary School	Cooperative bank, Siakago	1139051697301	44,922	1,689,746
Kathitu Primary School	Sidian Bank, Embu	10070300004546	615	-
Kathutheri Primary School	Sidian Bank, Embu	10070300002541	17,469	167,589
Kavairi Primary School	Sidian Bank, Embu	10070300002551	21,375	998,975
Kavengero Secondary School	Cooperative bank, Siakago	1139569475900	18,199	63,845
Kavui Primary School	Cooperative bank, Siakago	1139570053900	295,290	45,770
Kiamugongo Primary School	Cooperative bank, Siakago	1139344523100	476,146	76,626
Kianamu Primary School	Cooperative bank, Siakago	1139570393000	1,270	-
Kianganja Primary School	Sidian Bank, Embu	10070300002791	545	21,405
Kianjeru Primary School	Cooperative bank, Siakago	1139569655600	48,578	-
Kianjeru Primary School	Cooperative Bank, Siakago	1139569655600	-	-
Kianjeru Secondary School	Cooperative bank, Siakago	1139570071000	72,245	72,146
Kianjeru Secondary School	Cooperative Bank, Siakago	1139570071000	-	157,852
Kianjogu Primary School	Cooperative bank, Siakago	1139344515000	414,180	164,440
Kianjoya Primary School	Cooperative Bank, Siakago	1139569750701	-	3,050
Kianthenge Primary School	Cooperative bank, Siakago	1139344657000	76,695	76,496

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Kiathambu Secondary School	Cooperative Bank, Siakago	1108569199300	-	97,957
Kigwambiti Secondary School	Cooperative bank, Siakago	1139344561503	228,566	2,011,989
Kiogogo Sub-Chiefs office	Sidian Bank, Embu	1007030004316	735	-
Kirie ACCs office PMC	Cooperative bank, Siakago	1141570126400	291,065	132,446
Kirie Administration Police Line	Cooperative Bank, Siakago	1141570074900	-	1,199
Kirie AP Post PMC	Sidian Bank, Embu	1007030002571	68,967	68,967
Kirie Primary School	Cooperative bank, Siakago	1139052734902	22,635	-
Kirigo Primary School	Sidian Bank, Embu	1007030003798	1,655	1,655
Kirigo Secondary School	Sidian Bank, Embu	1007030003808	2,805	2,805
Kivue Primary School	Cooperative bank, Siakago	1139052732701	5,460	5,460
Kivue Secondary School	Cooperative bank, Siakago	1139052929302	46,097	46,497
Kogari Secondary School	Sidian Bank, Embu	1007030003498	1,533	84,533
Kune Sub Chief office	Cooperative Bank, Siakago	1141570052300	-	1,463
Kwandambogo Primary School	Cooperative bank, Siakago	1139570229400	21,348	70,303
Makunguru Primary School	Cooperative bank, Siakago	1139570392700	849,520	-
Mang'ote Primary School	Cooperative bank, Siakago	1139052739703	2,380	-

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Mathai Primary School	Cooperative Bank, Siakago	1139570052600	-	4,238
Mbaci Primary School	Sidian Bank, Embu	1007030004536	33	-
Mbaraga Secondary School	Cooperative Bank, Siakago	1139570269900	-	751,015
Mbarwari Primary School	Cooperative bank, Siakago	1139052736901	1,410	11,891
Mbeere North Ng-Cdf office	Sidian Bank, Embu	1007030002471	1,610	1,610
Mbeere North Environment	Sidian Bank, Embu	1007030002431	993	350
Mbeere North Ng-Cdf office Equipment	Sidian Bank, Embu	1007030002481	1,635	1,635
Mianjatiri Primary School	Sidian Bank, Embu	1007030003508	98,575	9,515
Michegethiu Primary School	Cooperative bank, Siakago	1139570223100	24,841	69,841
Muchonoke Primary School	Sidian Bank, Embu	1007030003678	55	55
Mugwanjogu Primary School	Sidian Bank, Embu	1007030003768	175	175
Mukororia Primary School	Cooperative bank, Siakago	1139344244401	2,055	1,315
Muminji Chiefs office	Sidian Bank, Embu	1007030002841	14,653	14,653
Murangu Primary School	Cooperative Bank, Siakago	1139407575002	-	1,015
Muthantara Secondary School	Cooperative bank, Siakago	1139344130502	463,382	1,107
Muthanthara Primary School	Sidian Bank, Embu	1007030003648	1,025	145

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Muthanu Sub-Chiefs office	Cooperative bank, Siakago	1141570222700	16,255	16,256
Mutirieguru Primary School	Cooperative bank, Siakago	1139051167201	4,170	-
Mwundu Primary School	Cooperative bank, Siakago	1139052752901	2,020	-
Ndutori Primary School	Cooperative bank, Siakago	1139052752602	45,293	27,839
Ndutori Secondary School	Cooperative bank, Siakago	1139569515002	1,320	1,320
Ngarwereri Primary School	Sidian Bank, Embu	1007030003438	777	-
Ngiiri Primary School	Cooperative bank, Siakago	1139051182401	520	251,000
Ngoce Primary School	Cooperative bank, Siakago	1139570105800	96,215	825,057
Ngoce Secondary School	Cooperative bank, Siakago	1139344247002	815,213	555,693
Ngunyumu Secondary School	Sidian Bank, Embu	1007030003738	1,255	-
Njarange Primary School	Sidian Bank, Embu	1007030003548	61,023	61,023
Nthigirani Primary School	Sidian Bank, Embu	1007030003848	85	85
Ovarire Primary School	Cooperative bank, Siakago	1139052737102	3,380	101,380
Riandu Police Post	Cooperative bank, Siakago	1141570066500	110,141	2,855,430
Riandu Secondary School	Cooperative bank, Siakago	1139344739600	1,671,447	1,594,605
Rwagori Primary School	Cooperative bank, Siakago	1139344247601	3,000	3,000

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Rwanjeru Primary School	Cooperative bank, Siakago	1139051167601	3,830	1,410
Siakago Boys Secondary School	Cooperative bank, Siakago	1139569021400	2,315,160	2,445,974
Siakago Girls High School	Cooperative Bank, Siakago	1139344348500	290,246	1,899
Siakago Law Courts	Cooperative bank, Siakago	1141570256200	1,075	1,075
Siakago Police Headquarters	Cooperative bank, Siakago	1120570002900	249,338	2,076,918
Siakago Primary School	Cooperative bank, Siakago	1139569762300	27,809	-
Siakago Technical Training Institute	Sidian Bank, Embu	1007030002811	1,589	4,909
Sports PMC	Sidian Bank, Embu	1007030002461	1,489	5,189
St. Anthony Siakago Mixed Secondary School	Cooperative bank, Siakago	1139344430900	456,303	1,861,568
St. Mary Magdalene High School for the Deaf Riandu	Cooperative bank, Siakago	1139570363700	1,059,311	-
St. Peter's Upper Primary School	Cooperative Bank, Siakago	1139570110600	-	8,093
St. John's The Baptist Kirie Day Secondary School	Cooperative Bank, Siakago	1139051129802	164,970	418,527
Usambara Primary School	Cooperative bank, Siakago	1139570143800	2,580	3,060
Witwa Primary School	Cooperative bank, Siakago	1139344761400	47,191	97,669
Total			21,684,765	38,645,255

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Annex 6: Progress On Follow Up of Auditor Recommendations

The following is the summary of issues raised by the external auditor during audit for the financial statements of the financial year 2019/2020, and the management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0.	Basis for Qualified Opinion Inaccurate adjustment on Un utilized Funds-The summary statement of appropriation (Recurrent and Development combined) for the year ended 30th June 2020 reflects Kshs.102,902,140 in respect to adjustments for the year being the unutilized funds in the previous year. However, the financial statements for the year 2018/2019 reflects Ksh.90,510,692 in respect to the same item resulting to un reconciled and unexplained variance of Kshs.12,391,448.	We are looking into this and will provide the necessary information in due course	Not resolved	One month
2.0.	Unsupported Expenditure on Other Grants and Transfers-The statement of receipts and payments and note 7 to the financial statements reflect other grants and transfers of Kshs.37,497,046 which include Kshs.10,736,600 in respect of bursaries but only Ksh.4,523,100 worth of those bursaries were acknowledged by the respective beneficiaries thus leaving a balance of ksh.6,213,500 or 58% unacknowledged.	We are looking into this and will provide the necessary information in due course	Not resolved	One month
	Budget Control Performance	We are looking into this and will provide the necessary information in due course	Not resolved	One month

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0.	Budgetary Control Performance -Revenue Shortfall Kshs.76,166,725 and Under expenditure of Kshs.81,869,798.-	We are looking into this and will provide the necessary information in due course	Not resolved	One month
2.0.	Project Implementation Status Report -Projects worth Kshs.52,983,023 not started	We are looking into this and will provide the necessary information in due course	Not resolved	One month
3.0.	Idle Projects :Kirie Administration Police Line- Kshs.1,300,000 disbursed to the project, for construction of 4 staff houses and Kirie Assistant County Commissioners Office Kshs.3,000,000 in respect of construction of 2 bedroom staff house to completion .The two projects were complete but not in use.	We are looking into this and will provide the necessary information in due course	Not resolved	One month
4.0.	Presentation of Financial Statements-Financial statements do not include a separate summary statement of appropriation for recurrent and development as required by PSASB template. The statement of receipt and payment and statement of cash flows do not indicate for the year ended 30th June 2020 and statement of asset and liabilities does not indicate as at 30th June 2020.	We are looking into this and will provide the necessary information in due course	Not resolved	One month
	Lawfulness and effectiveness in use of public funds	We are looking into this and will provide the necessary information in due course	Not resolved	One month
1.0.	Unallocated amount in the combined statement of Appropriation (Recurrent and Development) of 191,448 which was not approved by the Board contrary	We are looking into this and will provide the necessary information	Not resolved	One month

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.0.	to section 5(1)(2) of the National Government Constituencies Development Fund Act 2015. Tender for fencing of Siakago Technical training-Kshs. 3,400,000 for fencing with concrete poles and chain link. Request for quotations method was used without justification contrary to the first schedule of Public Procurement and Disposal (Amendment) Regulations 2013, which caps amount for request of quotations to Kshs. 500,000 for class C procurement entities. In addition the respondents local service order (LSOs) and invoices were not availed for audit review; In addition the concrete posts were crumbling indication of poor quality.	in due course We are looking into this and will provide the necessary information in due course	Not resolved	One month

**FUND ACCOUNT MANAGER
MBEERE NORTH NG-CDF**

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Name: Richard M. Maingi
Fund Account Manager.