

REPUBLIC OF KENYA




Enhancing Accountability



REPORT

PARLIAMENT
OF KENYA
LIBRARY

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 11 th April,	DAY: Wednesday
TABLED BY:	Hon Orin Bump, MP Deputy Leader of Majority
CLERK-AT THE-TABLE:	Esther Ngunya

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2024**



OFFICE OF THE AUDITOR GENERAL
P. O. Box 3008-00100, NAIROBI
REGISTRY
Maandao kwa hizi
30 SEP 2024
RECEIVED

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

KIAMBU TOWN CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

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

Table of Contents	Page
1. Acronyms and Definition of Key Terms.....	2
2. Key Constituency Information and Management	3
3. NG-CDFC Chairman's Report	6
4. Statement of Performance Against Predetermined Objectives for FY 2023/24.....	10
5. Governance Statement.....	13
6. Environmental and Sustainability Reporting.....	14
7. Statement of Management Responsibilities.....	17
8. Report of the Independent Auditors on The NGCDF- Kiambu Constituency	18
9. Statement of Receipts and Payments for the Year Ended 30th June 2024.....	18
10. Statement of Assets and Liabilities as at 30th June, 2024	19
11. Statement Of Cash Flows for The Year Ended 30th June 2024	20
12. Summary Statement of Appropriation for The Year Ended 30 th June 2024	21
13. Budget Execution By Sectors And Projects For The Year Ended 30 th June 2024.....	23
14. Significant Accounting Policies	30
15. Notes To the Financial Statements.....	34
16. Annexes	44

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

1. Acronyms and Definition of Key Terms

A. Acronyms

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

B. Definition of Key Terms

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

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background Information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2023. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

Mandate

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

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;
- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and

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

- n) Provide for a public finance system that promotes an equitable society and, in particular, expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	AIE holder	Edwin Kibet Rotich
2.	National Sub-County Accountant	Fracia Githua
3.	Chairman NGCDFC	Joseph Kariuki Karanja
4.	Member NGCDFC	Veronica Wanjiru Wambui

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Kiambu Town Constituency. The reports and recommendations of ARMC, when adopted by the NGCDF Board, are forwarded to the

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

Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(e) NGCDF Kiambu Town Constituency Headquarters

P.O. Box 1767 - 00900

Kiambu NG-CDF Tower Building, 1st Floor

Kiambu Road

KIAMBU, KENYA

(f) NGCDF Kiambu Town Constituency Contacts

Telephone: (254) 725753171

E-mail: cdffiambu.go.ke

Website: www.kiambungcdf.go.ke

(g) NGCDF Kiambu Town Constituency Bankers

Equity Bank Kenya Limited (Kiambu National Government Constituencies Development Fund)

A/C Number: 0640261707042

Kiambu Branch

P.O.Box 783 - 00900

Kiambu, Kenya

(h) Independent Auditor

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya



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

3. NG-CDFC Chairman's Report

JOSEPH KARIUKI KARANJA – KIAMBU NG-CDF CHAIRMAN



Dear Stakeholders,

I am pleased to present the unaudited financial statements for Kiambu Constituency for the Financial Year ended 30th June 2024. During the year, the Constituency was allocated a total of Kshs 173,993,953.

On receipt of the above allocations, Kiambu Constituency National Government Constituencies Development Fund Committee (NGCDFC) pursuant to the provisions of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to the priorities of the public participation meetings held across the Constituency.

During the year, the bulk of the funds were allocated to the education sector. A total of Kshs. 50,796,663 was allocated as transfers to other Government Units which consist of transfers to primary schools & secondary schools and a total of Kshs. 66,637,488 was allocated as Bursaries/mocks/cats.

Project allocation	Amount allocated
Primary school projects	38,796,663
Secondary school projects	12,000,000
Security	6,000,000
Bursaries/mocks/cats	66,637,488

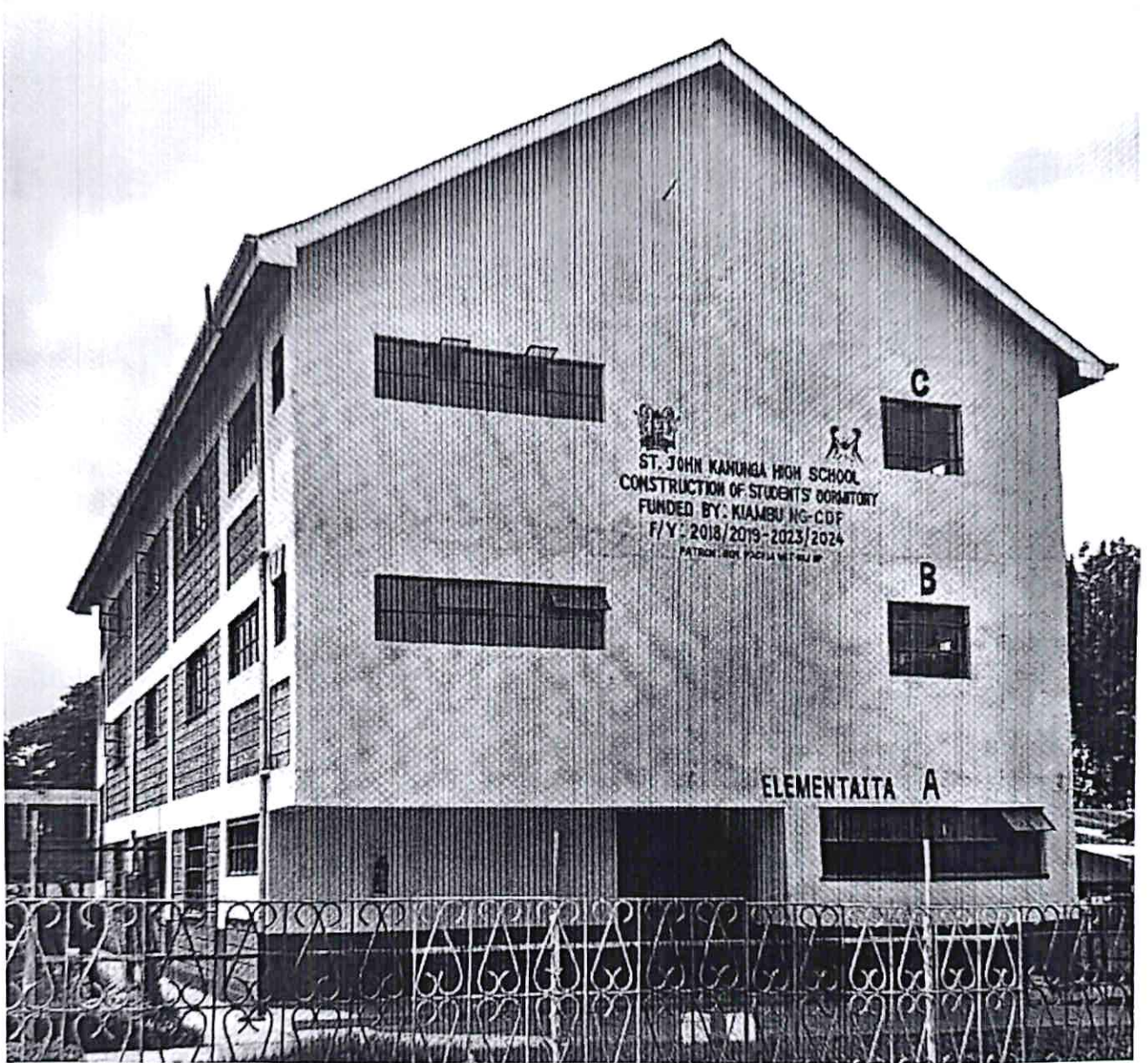
**National Government Constituencies Development Fund (NGCDF)
 Kiambu Town Constituency
 Annual Report and Financial Statements for The Year Ended June 30, 2024**

NG CDF Office	2,500,000
Administration & recurrent	9,995,623
Monitoring and Evaluation	4,997,811
Emergency	8,768,091
Digital Hubs	4,997,811
Climate Change Mitigation	4,500,000
Ministry of Education – Infrastructure Development	7,400,233
NG-CDF – Infrastructure Development	7,400,233
Total	173,993,953

The continued funding towards the education sector in the Constituency has contributed to increased enrolment in primary, secondary and tertiary institutions whilst increasing retention and transition rates while equally reducing the burden of education for low income families.

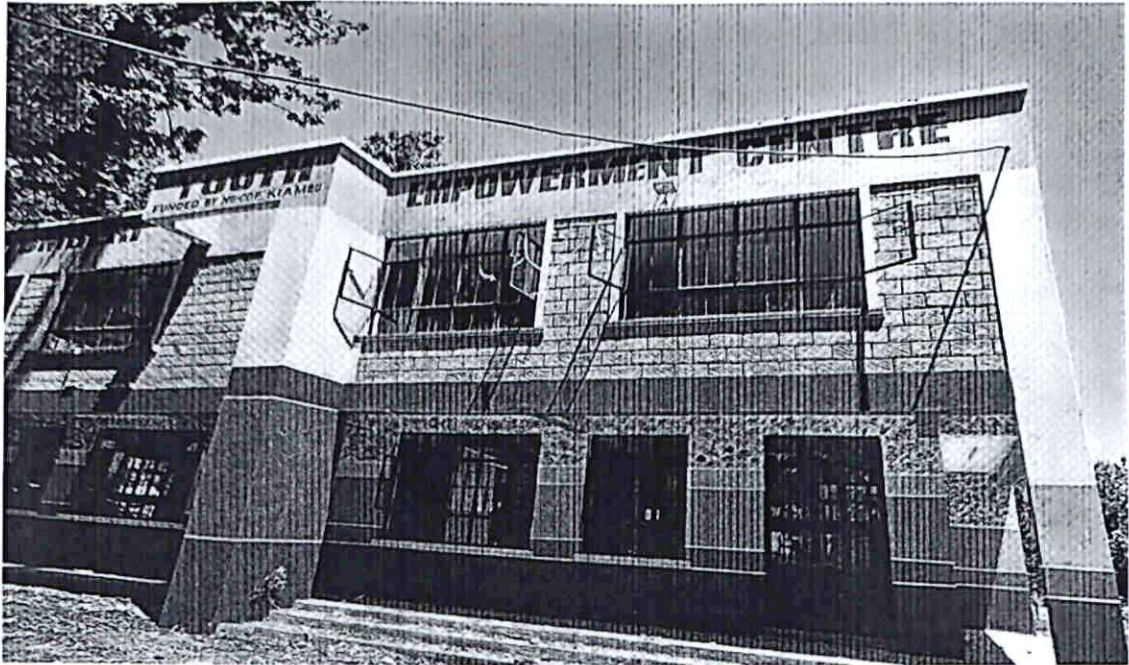
The bulk of the funds during the financial year went towards improving infrastructure in the primary and secondary schools. During the year the committee constructed several modern administration blocks in different schools. Some of them are as shown below:

In the spirit of creating conducive environment for learning, the committee has constructed a dormitory at Kanunga High School as follows:



The committee has also constructed Youth Centers for our youths as shown below;

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



[Handwritten Signature]

Name: Joseph Kariuki Karanja
CHAIRMAN NGCDF COMMITTEE



4. Statement of Performance Against Predetermined Objectives for FY 2023/2024

Introduction

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

The key development objectives of the *NGCDF Kiambu Town Constituency 2023-2028* plan are to:

Education

- Improving access to primary and secondary education through construction of science laboratories, dormitories & classrooms
- Facelift all public primary schools and gradually equip with lockers to improve learner's moral.
- Build modern septic ablution blocks in all primary schools

Security

- Build new police post, chiefs offices and ACC offices
- Renovation of administrative offices, police stations and police posts.
- Upgrading police post to police stations

Youth empowerment

- Equip and furnish our fully constructed youth empowerment centres within the constituency
- Set up ICT hubs where youths can access internet-based economic opportunities
- Effecting the 30% tender opportunities for youth and women (AGPO) in every financial year.
- Impacting youth's livelihoods through sports and talents

People/staff

- Create conducive working environment for the CDF staff
- Capacity building for the CDF staff and committee members
- Benchmark and harmonize salaries/wages of the CDF employees
- Effect performance management to ensure remuneration is aligned to performance geared towards improving service delivery.

Others

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

- Complete construction of 6 storey Kiambu NG-CDF offices
- Facelift all special needs classes within the primary schools

Progress on the attainment of Strategic development objectives

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

Sector	Objective	Outcome	Indicator	Performance
Education	<i>To have all children of school going age attending school</i>	<i>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</i>	<i>number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary's beneficiaries at all levels</i>	<i>In FY 2023/24 we increased number of classrooms, dormitories, laboratories etc. from ... to... in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules</i>
Security	To equip the security agents with necessary infrastructure to handle insecurity cases within the constituency	Improved security within the constituency	Number of physical infrastructure built in chiefs offices and police stations	In FY 2023/2024 we allocated funds to construct chiefs and assistant chiefs offices
Emergency	We supported several projects which were Emergency in nature.	There is conducive learning environment in our schools	We funded facelift and renovation of the ground and first floor of Tinganga Model Primary School, Facelift and	During the financial year, we managed to cater for any unforeseen occurrences in the constituency

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

			renovation of Tinganga Youth Centre, Chief Wandie Primary School (backfilling the sinking ablution block which was affected by the heavy rains. Kamiti Anmer Primary School - construct toilets at the school. Thindigua Police Station - construction of toilets that were washed away by the heavy rains. Mungai Chengecha Primary School - funding to backfill the sinking ablution block which was affected by the heavy rains & Tinganga Secondary School - construction of toilets at the school which were affected by the heavy rains	
Others (Specify)				

5. Governance Statement

Kiambu NG-CDF Committee comprises of ten members, five recruited by a Selection Panel constituted in accordance with section 5 (1) of the NG-CDF Act Regulations 2016, two nominated by the Constituency Office in accordance with section 43 (2) (e) of the NG-CDF Act 2015, one member co-opted by the NG-CDF Board in accordance with Regulations made by the Board as provided for in section 43 (2) (g) of the NG-CDF Act 2015, the national government official responsible for coordination of national government functions as provided for in section 43 (2) (a) of the NG-CDF Act 2015 and the officer of the Board seconded to the Constituency Committee by the Board who is an ex officio member without a vote as provided for in section 43 (2) (f) of the NG-CDF Act 2015.

The duties and responsibilities of the NG-CDF Committee entail: -

- i) To consider all project proposals from all wards in the Constituency and any other projects which a Constituency Committee considers beneficial to the Constituency.
- ii) To ensure that project proposals submitted to the NGCDF Board include detailed budget proposals, procurement plans and work plans.
- iii) To rank projects proposals in order of priority while ensuring that on-going projects take precedence.
- iv) To consult with relevant government departments to ensure that cost estimates for projects are realistic.
- v) Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies.
- vi) To build the capacity of project management committees and sensitize the community on the operations of National Government Constituency Development Fund.
- vii) To ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board.
- viii) To monitor implementation of projects in accordance with the monitoring and evaluation framework prescribed by the NGCDF Board.
- ix) To ensure that project reports are prepared and submitted to the NGCDF Board.
- x) To ensure formation of project management committees, opening of project accounts, project implementation and closure of projects.

A member of the Constituency Committee may be removed from office on any one or more of the following grounds-

- (a) Lack of integrity
- (b) Gross misconduct
- (c) Embezzlement of public funds
- (d) Bringing the committee into disrepute through unbecoming personal public conduct
- (e) Promoting unethical practises
- (f) Causing disharmony within the committee
- (g) Physical or mental infirmity

6. Environmental and Sustainability Reporting

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

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

2. Environmental performance

- *Report on the frequency of how often NG-CDF supported students carry out environmental conservation activities e.g. planting trees once in an academic calendar*
- *Sensitization of youth/ community on the impact of drugs after by construction of police stations supported NG-CDF.*

- *NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.*

3. Employee welfare

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

Kiambu Town Constituency is committed to fair and ethical market practices.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

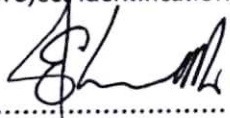
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

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

Public Awareness

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

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



Name: Edwin Kibet Rotich
Fund Account Manager.



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

7. Statement of Management Responsibilities

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

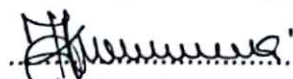
The Accounting Officer in charge of the NGCDF- Kiambu Town Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

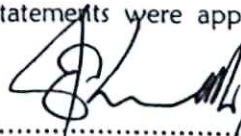
The Accounting Officer in charge of the NGCDF- Kiambu Town Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2024, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Kiambu Town 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 Kiambu Town Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Kiambu Town Constituency financial statements were approved and signed by the Accounting Officer on _____ 2024.

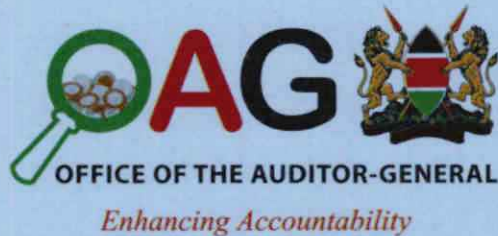

.....
Name: Joseph K. Karanja
Chairman – NGCDF Committee


.....
Name: Edwin Kibet Rotich
Fund Account Manager



REPUBLIC OF KENYA

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



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

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

PREAMBLE

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

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

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Kiambu Constituency set out on pages 18 to 80, which comprise of the statement of assets and liabilities as at 30 June, 2024 and the

statement of receipts and payments, statement of cash flows and the 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 the National Government Constituencies Development Fund - Kiambu Constituency as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and do not comply with the National Government Constituencies Development Fund Act, 2015 (Amended 2023) and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

The financial statements presented for audit revealed the following anomalies;

- i. The date of signing the financial statements by the Chairman, fund manager and accountant is blank.
- ii. The payee descriptions in the ledgers do not match those in the payment vouchers, cash book, and bank statement for committee expenses and goods and services expenses totaling Kshs.14,208,816. The ledgers record the account charged instead of the actual recipient of the funds.
- iii. The statement of assets and liabilities reports nil balances under accounts payables for retention and gratuity. However, the Fund employs contracted staff entitled to gratuity at the end of their contracts and withholds retention money from contractors, which have not been disclosed as payables.
- iv. The ledgers for bursaries to secondary schools and tertiary institutions lack detailed statements specifying the payee, cheque numbers, and corresponding amounts. Upon breaking down the summarized amounts as per the cheques, it was noted that some payments intended for bursary-tertiary institutions were erroneously charged to the bursary-secondary schools account, resulting in misclassification between the two categories.
- v. Annex 5 to the financial statements reflects PMC balances as at 30 June, 2024. However, bank balances for the PMCs for the comparative year are not indicated.

- vi. Report of the Independent Auditors on the NGCDF - Kiambu Constituency is not on a page of its own.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Cash and Cash Equivalents

2.1 Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.46,436,033 as disclosed in Note 11 to the financial statements. However, review of the bank reconciliation statement provided for audit revealed the following;

- i. Stale cheques amounting to Kshs.301,000 which dates back to 18 April, 2023 were not reversed in the cashbook.
- ii. The bank confirmation certificate and bank statement for the month of June, 2024 was not provided for audit review.
- iii. Review and sample analysis of the cashbook revealed that Kiambu NGCDF management made cash withdrawals totaling Kshs.12,069,800 for the procurement of goods and services as well as payment of allowances. These transactions were conducted in cash instead of being done electronically transfers or cheques, as required by the Public Finance Management (PFM) Act, 2012. Further, the Fund did not maintain a memorandum cashbook to record the use of cash withdrawn, further compromising accountability and transparency.
- iv. No review, checking or approval of bank reconciliation statement as regulations require.
- v. Cashbook has numerous cancellations which are not counter-signed as required.

2.2 Failure to Submit Monthly Bank Reconciliation Statements for Audit

During the financial year, Management did not submit monthly bank reconciliation statements to the Office of the Auditor-General. This was contrary to Section 90(1) of the Public Finance Management Act, 2012 which require accounting officers to ensure bank accounts reconciliations are completed for each bank account held by that accounting officer, every month and submit a bank reconciliation statement not later than the 10th of the subsequent month to The National Treasury with a copy to the Auditor-General.

In the circumstances, the accuracy, completeness and existence of bank balance of Kshs.46,436,033 could not be confirmed.

3. Unaccounted for Bursary Payments

The statement of receipts and payments reflects other grants and transfers of Kshs.93,761,309 as disclosed in Note 8 to the financial statements. Included in this amount is Kshs.15,940,500 which relates to bursary for tertiary schools. However, the bursary application register, vetting forms, vetting minutes, awarding criteria and cheque dispatch register were not provided for audit. In addition, review of bursary records and schedules supporting financial statements revealed that the names of the students with class and admission numbers from the beneficiary schools were not submitted for audit review. Further, Kshs.1,952,000 bursaries paid to tertiary institutions remains unacknowledged through official receipts or acknowledgement letters by the beneficiary institutions.

In the circumstances, the accuracy, completeness and regularity of other grants and transfers of Kshs.93,761,309 could not be confirmed.

4. Cash Purchases

The statement of receipts and payments reflects an amount of Kshs.11,499,687 in respect of use of goods and services. Included in this amount is Kshs.5,634,661 for goods and services procured through cash. However, this amount was wrongly classified as travelling expenses.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

5. Unsupported Committee Expenses

The statement of receipts and payments reflects committee expenses of Kshs.2,709,139 as disclosed in Note 5 to the financial statements. Included in this amount are unsupported amounts of Kshs.313,139 as shown below:

Item	Amount (Kshs.)
Other Committee Expenses	200,000
Administration Committee Expenses	67,000
Other Allowances	46,139
Total	313,139

In the circumstances, the accuracy and completeness of committee expenses balance of Kshs.2,709,139 could not be confirmed.

6. Unsupported Project Management Committee (PMC) Account Balances

Note 19.4 reflects Kshs.31,492,619 in respect of PMC account balances. However, the cashbooks, bank confirmations and bank reconciliations were not provided for audit

review. Further, review of records of the bank accounts held by the various Project Management Committees and quarterly reports to the constituency committee were not maintained by NG-CDF Kiambu Office.

In the circumstances, the accuracy and completeness of the PMC account balances could not be confirmed.

7. Irregular and Unaccounted for Emergency Projects

The statement of receipts and payments statements reflects other grants and transfers amount of Kshs.93,761,309 as disclosed in Note 8 to the financial statements. Included in this amount is Kshs.4,498,397 incurred on emergency projects. However, Management did not report to the National Constituencies Development Board on the utilization of the emergency funds within 30 days as stipulated in the Regulations.

In addition, the amount was transferred to different PMC accounts, however, the project files procurement documents such as evaluation minutes, award letters, inspection reports and completion certificates were not attached to the payment vouchers nor provided for audit review. In addition, it was not confirmed how the funds were utilized. This was contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which requires that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

In the circumstances, the accuracy, completeness and value for money for the emergency expenditure amount could not be confirmed. In addition, Management was in breach of the law.

8. Unsupported and Irregular Use of Cash to Procure Goods and Services

The statement of receipts and payments reflects use of goods and services amount of Kshs.11,499,687 as disclosed in Note 6 to the financial statements. However, the Fund used cash amounting to Kshs.5,634,661 to purchase goods and services instead of procuring using procurement methods prescribed by the law. Further, review of payment vouchers and supporting records revealed that the cash purchases were not supported with an Electronic Tax Register (ETR) receipts signed by the officer undertaking the cash purchases. In addition, the cash purchases for different goods were not taken on charge in the store.

Further, procurement for computers accessories totalling Kshs.975,000 was done through low value procurements method. However, the amount was above the maximum threshold of Kshs.50,000 for that procurement method. This was contrary to Second Schedule of threshold matrix of Public Procurement and Asset Disposal Regulations 2020 and Section 108 of the Public Procurement and Asset Disposal Act, 2015 which prescribes that the procedure and conditions for the use of low value procurement method

by different classes of public entities or for different classes of goods, works or services being procured shall be as prescribed in the regulations.

In the circumstances, the accuracy and value for money for the expenditure of Kshs.5,634,661 could not be confirmed.

9. Unsupported and Irregular Expenditure on Sport Project

The statement of receipts and payments reflects other grants and transfers amount of Kshs.93,761,309 as disclosed in Note 8 to the financial statements. Included in the amount is Kshs.2,000,000 in respect of sports projects which was not supported with quotation from various bidders, quotation opening minutes, quotation evaluation reports and professional opinion. The amount was also not supported with distribution list or details of the beneficiaries of the sports equipment and proof of how the beneficiaries of the sports equipment were identified. This was contrary to Regulation 104(1) of the Public Finance Management (National Government) Regulations, 2015 which requires that all receipts and payments voucher of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation.

In the circumstances, the accuracy of the expenditure amount could not be confirmed. In addition, Management was in breach of the law.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Kiambu Constituency Management in accordance with ISSAI 130 on the 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.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects budgeted receipts totalling Kshs.278,535,169 against actual receipts of Kshs.224,541,216 resulting in a revenue under-collection of Kshs.53,993,953 or 19% of the budget. However, the Fund spent Kshs.178,105,183 against actual receipts of Kshs.224,541,216 resulting to an under-utilization of Kshs.46,436,033 or 21% of actual receipts.

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

My opinion is not modified in respect of this matter

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management had not resolved the issues as at 30 June, 2024.

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page 3 to 17 which comprise of Key Constituency Information and Management, NGCDF Chairman's Report, Statement of Performance against Predetermined Objectives, Governance Statement, Environmental and Sustainability Reporting and Statement of Managements Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Open a Deposit Account

During the year under review, the Fund did not open and maintain a deposit account for holding third party monies as stipulated by the law despite carrying out construction work such as construction of the NGCDF office. This was contrary to Section 12(1A) National Government Constituencies Development Fund Act, 2015 (amended 2023) which states that each constituency shall open one deposit bank account for holding third party monies which shall so be designated and such an account shall be known by the name of the constituency for which it is opened.

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

2. Irregular Payments of Bursary to Secondary Schools Students

The statement of receipts and payments reflects other grants and transfers of Kshs.93,761,309 as disclosed in Note 8 to the financial statements. Included in this amount is Kshs.50,332,412 in respect of bursary for secondary schools. Review of records provided revealed the following;

- i. The bursary application register, vetting forms, vetting minutes, bursary application list (database) detailing the number of applicants and status of their applications and vetting and awarding criteria and cheque dispatch register were not provided for audit.
- ii. Review of bursary records and schedules supporting financial statements revealed that the committee paid Kshs.25,016,910 for many students notwithstanding their financial need in secondary schools studying in Kiambu Constituency. However, review of the expenditure revealed that the bursary allocation and disbursements was not done as per the National Government Constituencies Development Fund Regulations, 2016 that requires the committee to vet all applicants for bursary consideration in accordance with guidelines issued by the Board.
- iii. According to Fourth Schedule of the Constitution of Kenya, secondary school education is a function of the National Government. By paying school fees for all students in secondary schools, it appears the NGCDF Kiambu Constituency is funding a National Government function without an agreement between the NGCDF Kiambu and Ministry of Education.
- iv. For bursary to secondary schools, the names of the students with class and admission numbers from the schools were not submitted for audit review.
- v. Kshs.10,831,500 out of the bursary paid directly to high schools was not acknowledged by the respective schools. Similarly, bursaries amounting to Kshs.3,679,500 to tertiary schools were not acknowledged making a total of

Kshs.14,511,000 of unacknowledged bursary through official receipts or acknowledgement letters by the beneficiary institutions

- vi. Bursary amounting to Kshs.2,246,000 relating to tertiary institutions was recorded under payment to secondary schools.
- vii. The list of students awarded bursary in tertiary schools does not show the class of each beneficiary while Kshs.1,206,535 was paid to students with no admission numbers. However, it was not ascertained if the beneficiary students existed.

This was contrary to Regulation 21(3) of the National Government Constituencies Development Fund Regulations, 2016 which states that a Constituency Committee shall vet all applicants for bursary consideration in accordance with guidelines issued by the Board and Regulation 21(5) which states that a Constituency Committee shall allocate not less than twenty-five percent of the funds allocated to a constituency for bursaries.

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

4. Payment of Bursaries for Short Courses

The Fund paid Kshs.11,962,500 on 20 June, 2024 to a service provider for offering short courses to 870 students in areas such as plumbing and artisan training. However, several anomalies were noted;

- i. The beneficiaries of the program were not identified through the bursary committee vetting process, and Management did not provide documentation or an explanation of the criteria or process used for selecting the beneficiaries. This raises concerns about transparency and fairness in the allocation of funds.
- ii. The service provider was engaged through direct procurement, which contravenes procurement regulations as the amount exceeds the threshold for quotation bidding. Only three quotations were provided for review, and there was no evidence of advertising for bids, maintaining a prequalified list of suppliers, or preparing minutes of the opening and evaluation process. Further, key procurement documentation, including the award letter, regret letters, and a signed contract agreement, were not provided for audit.
- iii. The bidder was required to have a valid business permit, however, the provided documentation did not include a valid permit. Further, there was a discrepancy in the information regarding training facilities. Management indicated that the students were trained at various centers within the Constituency, including the NGCDF offices, while the bidder stated that they had leased offices in Limuru.
- iv. There was no evidence of monitoring and reporting on the program's progress. Key documentation, such as progress reports on students, details of exams undertaken, completed courses, the mode of learning, and the duration of the

training, was not maintained. Moreover, no receipt or acknowledgment letter from the service provider confirming receipt of the funds, along with a detailed list of the beneficiaries, was provided for audit.

This was contrary to Regulation 21(3) of the National Government Constituencies Development Fund Regulations, 2016 which states that a Constituency Committee shall vet all applicants for bursary consideration in accordance with guidelines issued by the Board and Regulation 21(5) which states that a Constituency Committee shall allocate not less than twenty-five percent of the funds allocated to a constituency for bursaries.

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

5. Unutilized Funds

Annex 3 and Note 19.3 to the financial statements reflects unutilized funds amounting to Kshs.100,429,986. However, Management did not provide the measures it has put in place to address the increase in unutilized funds and the recurring situation over the years. This is contrary to Section 12(7)(8)(9) of the National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds shall remain in the constituency account and no investment elsewhere shall be permitted, provided that funds meant for a project that is cancelled or discontinued shall be returned to the Constituency Account in accordance with section 6 of this Act; all unutilized funds of the Project Management Committee shall be returned to the constituency account and any accruing revenues, interest and liabilities from any constituency account shall be declared to the Board together with the annual returns.

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

6. Failure to Return Unutilized Project Management Committee Balances

Annex 5 to the financial statements reflects Project Management Committee unutilized fund balances of Kshs.31,492,619 which were not transferred to the Constituency Fund account. This was contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which states that all unutilized funds of the Project Management Committee shall be returned to the constituency account.

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

7. Youth Empowerment - ICT Hubs

The statement of receipts and payments reflect other payments amount of Kshs.6,000,000 as disclosed in Note 10 to the financial statements. Included in this amount is Kshs.4,000,000 that was spent on ICT Hub. Review of the records indicate that payment of Kshs.1,000,000 and Kshs.1,000,000 to Kihingo Youth Centre Ndumberi and Gichocho Chiefs Office Youth respectively was transferred on 17 July, 2023. However, the project was not executed as at the time of audit in November, 2024. Further, the Fund

has not returned the unutilized funds of Kshs.2,000,000 contrary to Section 12(8) of National Government Constituencies Development Fund Act, 2015 which states all unutilized funds of the Project Management Committee shall be returned to the constituency account.

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

8. Projects Budgeted but not Implemented

Review and examination of approved code list estimates, project implementation status report and financial statements for the year under review revealed that seven (7) primary school projects with an approved budget of Kshs.33,597,129 were not funded thus were not implemented. This was contrary to Section 40 of the National Government Constituencies Development Fund Act, 2015 on Project funding which states that the Board shall ensure that the list of projects forwarded to it by each constituency is, upon approval, funded under the Act.

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

9. Irregular Imprest Management

The statement of receipts and payments reflects an amount of Kshs.11,499,687 in respect of use of goods and services as disclosed in Note 6 to the financial statements. Included in this amount are payments totalling Kshs.1,771,000 in respect of travelling costs and imposts issued of Kshs.1,292,000 and Kshs.479,000 respectively. However, review of the payment vouchers revealed anomalies, including the failure to provide an imprest register detailing the date of issuance, purpose, amount, and surrender date; issuance of subsequent imposts to holders before the surrender of previous ones; and lack of back-to-office reports and imprest surrender payment vouchers. This was contrary to Regulation 93(2) of the Public Finance Management (National Government) Regulations, 2015 which states that an imprest shall be issued for a specific purpose, and any payments made from it, shall be only for the purposes specified in the imprest warrant.

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

10. Irregular Procurement of Primary and Secondary Projects

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.57,300,000 as disclosed in Note 7 to the financial statements. Included in this amount is Kshs.45,800,000 and Kshs.11,500,000 for transfers to primary schools and secondary schools respectively. However, the following was noted;

- i. Projects for construction were procured by use of quotations instead of open tender since the threshold was above use of quotations.

- ii. The inspection certificates and certificates of completion for the completed projects were not provided for audit.
- iii. The appointed opening tender committee and evaluation committee teams for primary school and secondary school projects did not comprise of the project management committee which ought to include the user department contrary to National Government Constituencies Development Fund Regulations 2016.
- iv. Unjustified use of provisional sums and contingencies for sampled project amounting to Kshs.5,140,000.

This was contrary to Section 139(2) of the Public Procurement and Asset Disposal Act, 2015 which provides that an Accounting Officer of a procuring entity, on the recommendation of an evaluation committee, may approve the request for the following, which request shall be accompanied by a certificate from the tenderer making a justification for such cost— extension of contract period; (b) use of prime costs; (c) use of contingencies; (d) reimbursable costs; and (e) use of provisional sums.

In the circumstances, the use of provisional sums and contingencies could not be confirmed. In addition, Management was in breach of the law.

11. Committee Expenses

11.1 Lack of Preparation and Tabling of Committee Meetings Annual Calendar

The statement of receipts and payments reflects committee expenses amount of Kshs.2,709,139 as disclosed in Note 5 to the financial statements, Further, review of records revealed that the committee did not prepare and table before the Constituency Committee approved calendar of meetings, which indicates among others that they should meet at least six (6) times in a year and not more than twenty-four meetings in the financial year which includes sub-committee meetings. This was contrary to National Government Constituencies Development Fund Regulations, 2016 on Conduct of meetings of a constituency Committee which states that the Secretary shall, at the beginning of every financial year, in consultation with the officer of the Board seconded to the Constituency, prepare and table before a Constituency Committee a schedule of the meetings to be held during the year.

11.2 Failure to Establish Sub-Committees

The statement of receipts and payments reflects committee expenses amount of Kshs.2,709,139 as disclosed in Note 5 to the financial statements. However, the NGCDF Committee did not have sub-committees necessary for the proper performance of its functions in accordance with the guidelines issued by the Board. This was contrary to National Government Constituencies Development Fund Regulations, 2016 under Conduct of Committee Meetings which states that during its first meeting, a Constituency Committee shall establish two sub-committees necessary for the proper performance of

its functions in accordance with the guidelines issued by the Board. In establishing sub-committees under paragraph (5), a Constituency Committee shall ensure that there is equitable representation in the sub-committees.

11.3. Failure to Deduct Tax on the Committee Allowances

The statement of receipts and payments reflects committee expenses amount of Kshs.2,709,139 as disclosed in Note 5 to the financial statements. Included in this amount is Kshs.2,509,139 in respect of sitting allowances which was not taxed contrary to the law.

11.4 Irregular Committee Allowances

The statement of receipts and payments reflects committee expenses amounting to Kshs.2,709,139 as disclosed in Note 5 to the financial statements. Review of payment vouchers revealed that an amount of Kshs.150,000 was paid to non-committee members.

Further, an amount of Kshs.364,000 was paid to seven (7) committee members on a tender evaluation exercise held in Naivasha for four (4) days from 21 to 24 November, 2023 at a rate of Kshs.13,000. However, guidelines for the basis of the payment rates could not be confirmed and the work tickets to and from Naivasha and minutes of the tender evaluation exercise were not provided for audit verification. This was contrary to Regulation 104 of the Public Finance Management (National Government) Regulations, 2015 which states that all receipts and payment vouchers of public moneys shall be properly supported by pre-numbered receipt and payment vouchers and shall be supported by the appropriate authority and documentation.

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

12. Employment of Staff Without Following Due Process

The statement of receipts and payments reflects compensation of employee's amount of Kshs.1,835,048 and as disclosed in Note 4 to the financial statements. Review of the expenditure records and human resource records revealed that Management appointed IT Administrator, IT Assistant and Clerks of Works without any advertisement of the positions. This was contrary to Article 232(1)(g) of the Constitution of Kenya, 2010, which states that the values and principles of public service include fair competition and merit as the basis of appointments and promotions; representation of Kenya's diverse communities; and affording adequate and equal opportunities for appointment, training and advancement, at all levels of the public service, of men and women, the members of all ethnic groups and persons with disabilities.

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

13. Lack of an Approved Training Plan

The statement of receipts and payments reflects expenditure on use of goods and services amount of Kshs.11,499,687 as disclosed in Note 6 to the financial statements.

Includes in this amount is Kshs.1,564,000 on training expenses. However, no approved training plan was provided for audit verification making it difficult to determine whether the trainings were carried out effectively and that the public received value for money in the expenditure.

In the circumstances, value for money expended for training amounting to Kshs.1,564,000 could not be confirmed.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, because of the significance of the matter discussed in the Basis for Adverse Opinion and Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that, internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Summary of Fixed Assets Register

Annex 4 on summary of fixed asset register to the financial statements discloses the value of fixed assets as Kshs.64,499,390. However, the asset register was not provided for audit review. In the absence of a fixed asset register which includes buildings and structures and ICT equipment with values of Kshs.63,000,000 and Kshs.1,499,390 respectively where data in regard to all classes of assets, balances brought forward, additions during the year, balances at year end, tagging, location, audit could not ascertain the balances and make-up of the fixed assets disclosed.

In the circumstances, the validity, completeness, accuracy and safe custody of the fixed assets 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 so as to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

31 December, 2024

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

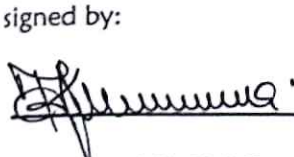
8. Report of the Independent Auditors on the NGCDF- Kiambu Town Constituency

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

	Note	2023-2024	2022-2023
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	182,303,912	88,000,000
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	-	10,000
Total Receipts		182,303,912	88,010,000
Payments			
Compensation of Employees	4	1,835,048	1,339,231
Committee expenses	5	2,709,139	6,389,000
Use of Goods and Services	6	11,499,687	2,199,462
Transfers to Other Government Units	7	57,300,000	3,500,000
Other Grants and Transfers	8	93,761,309	32,329,681
Acquisition of Assets	9	5,000,000	3,500,000
Other Payments	10	6,000,000	-
Total Payments		178,105,183	49,257,374
Surplus/(Deficit)		4,198,729	38,752,626

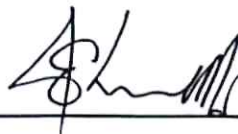
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by the NGCDFC on _____ 2024 and signed by:



Chairman NG-CDF Committee

Name: Joseph K. Karanja



Fund Accountant Manager

Name: Edwin K. Rotich



National Sub-County
Accountant

Name: Fraciah Githua
ICPAK M/No: 19541

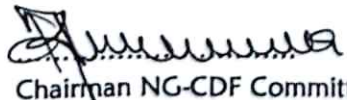


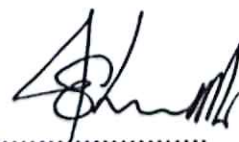
National Government Constituencies Development Fund (NGCDF)
Kiambu Town Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2024

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

	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances	11A	46,436,033	42,237,304
Cash Balances	11B	-	-
Total Cash and Cash Equivalents		46,436,033	42,237,304
Accounts Receivable			
Outstanding Imprests	12	-	-
Total Financial Assets (A)		46,436,033	42,237,304
Financial Liabilities			
Accounts Payable			
Retention	13	-	-
Gratuity	14	-	-
Total Financial Liabilities (B)			
Net Financial Assets (A-B)		46,436,033	42,237,304
Represented By			
Fund Balance B/Fwd	15	42,237,304	3,484,678
Prior Year Adjustments	16	-	-
Surplus/(Deficit) for The Year		4,198,729	38,752,626
Net Financial Position		46,436,033	42,237,304


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


 Chairman NG-CDF Committee


 Fund Accountant Manager

Name: Joseph K. Karanja

Name: Edwin K. Rotich


 National Sub-County
 Accountant
 Name: Fraciah Githua
 ICPAK M/No: 19541



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

10. Statement Of Cash Flows for the Year Ended 30th June 2024

	Notes	2023/ 2024	2022 /2023
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	182,303,912	88,000,000
Other Receipts	3	-	10,000
Total Receipts		182,303,912	88,010,000
Payments			
Compensation of Employees	4	1,835,048	1,339,231
Committee Expenses	5	2,709,139	6,389,000
Use of Goods and Services	6	11,499,687	2,199,462
Transfers to Other Government Units	7	57,300,000	3,500,000
Other Grants and Transfers	8	93,761,309	32,329,681
Other Payments	10	6,000,000	-
Total Payments		173,105,183	45,757,374
Total Receipts Less Total Payments		9,198,729	42,252,626
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) in Accounts Receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18		-
Net Cash Flow from Operating Activities		9,198,729	42,252,626
Cashflow From Investing Activities			
Proceeds from Sale of Assets	2	-	
Acquisition of Assets	9	(5,000,000)	(3,500,000)
Net Cash Flows from Investing Activities		(5,000,000)	(3,500,000)
Net Increase in Cash & Cash Equivalent		4,198,729	38,752,626
Cash & Cash Equivalent at Start of the Year	11	42,237,304	3,484,678
Cash & Cash Equivalent at End of the Year	11	46,436,033	42,237,304



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

11. Summary Statement of Appropriation for The Year Ended 30th June 2024

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2023/2024	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2023/2024	2023/2024		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers From NGCDF Board	173,993,953	42,237,304	62,303,912	278,535,169	224,541,216	53,993,953	0.0%
Proceeds From Sale of Assets				-	-	-	0.0%
Other Receipts				-	-	-	#DIV/0!
Totals	173,993,953	42,237,304	62,303,912	278,535,169	224,541,216	53,993,953	80.6%
Payments							
Compensation of Employees	3,912,462	593,663		4,506,125	1,835,048	2,671,077	40.7%
Committee Expenses	3,049,000	261,000	700,000	4,010,000	2,709,139	1,300,861	67.6%
Use of Goods and Services	8,031,972	1,568,864	78,843	9,679,679	11,499,687	(1,820,008)	118.8%
Transfers to Other Government Units	65,597,129	18,363,810	42,436,190	126,397,129	57,300,000	69,097,129	45.3%
Other Grants and Transfers	85,905,579	10,439,967	19,088,879	115,434,425	93,761,309	21,673,116	81.2%
Acquisition of Assets	2,500,000	5,000,000		7,500,000	5,000,000	2,500,000	66.7%
Other Payments	4,997,811	6,000,000		10,997,811	6,000,000	4,997,811	54.6%
Funds Pending Approval**		10,000		10,000	-	10,000	0.0%
Totals	173,993,953	42,237,304	62,303,912	278,535,169	178,105,183	100,429,986	63.9%

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

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

Explanatory Notes.

[Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	100,429,986
Less undisbursed funds receivable from the Board as at 30 th June 2024	53,993,953
	46,436,033
Increase/(decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the 30 th June 2024	46,436,033



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

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs	Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,912,462	593,663		4,506,125	1,835,048	2,671,077
1.2 Committee allowances	2,485,000	201,000		2,686,000	1,425,139	1,260,861
1.3 Use of goods and services	3,598,161	110,864		3,709,025	3,709,025	-
Sub-total	9,995,623	905,527		10,901,150	6,969,212	3,931,938
2.0 Monitoring and evaluation						
2.1 Capacity building	1,300,000	221,157	78,843	1,600,000	1,678,843	(78,843)
2.2 Committee allowances	564,000	60,000		624,000	584,000	40,000
2.3 Use of goods and services	3,133,811	1,236,843		4,370,654	6,111,819	(1,741,165)
Sub-total	4,997,811	1,518,000	78,843	6,594,654	8,374,662	(1,780,008)
3.0 Constituency Oversight Committee (Itemize as per budget)						

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

CONSTITUENCY OVERSIGHT COMMITTEE			500,000	500,000	500,000	-
CATERING SERVICES			100,000	100,000	100,000	-
HIRE OF TRANSPORT			100,000	100,000	100,000	-
Sub-total	-	-	700,000	700,000	700,000	-
4.0 Emergency						
4.1 Primary Schools						
MACHIRI PRIMARY SCHOOL		1,136,190		1,136,190	1,136,190	
KAMITI ANMER PRIMARY SCHOOL		300,000		300,000	300,000	
TING'ANG'A MODEL PRIMARY SCHOOL	750,000			750,000	750,000	-
KASARINI SECONDARY SCHOOL		1,000,000		1,000,000	1,000,000	
KIAMBU TOWNSHIP PRIMARY SCHOOL		3,500,000		3,500,000	1,911,157	
4.2 Secondary schools						
4.3 Tertiary institutions						
4.4 Security projects						
TING'ANG'A CHIEFS OFFICE YOUTH EMPOWERMENT	500,000			500,000	500,000	-
emergency 2020 2021			88,879	88,879		
Unutilised	7,518,091	1,489,502		9,007,593	812,207	8,195,386
Sub-total	8,768,091	7,425,692	88,879	16,282,662	6,409,554	9,873,108
5.0 Bursary and Social Security						

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

5.1 Primary Schools				-		-
5.2 Secondary Schools	39,657,488	206,517	679,992	40,543,997	40,543,997	-
5.3 Tertiary Institutions	24,000,000	1,350,758	820,008	26,170,766	28,350,758	(2,179,992)
5.4 Universities	-			-		-
5.5 Education Support Programmes	1,000,000			1,000,000		1,000,000
5.6 Social Security	1,980,000	957,000		2,937,000	957,000	1,980,000
Sub-total	66,637,488	2,514,275	1,500,000	70,651,763	69,851,755	800,008
6.0 Sports						
CONSTITUENCY SPORTS				-		-
6.20				-		-
Sub-total				-		-
7.0 Environment						
LORETO PRIMARY SCHOOL			3,000,000	3,000,000	3,000,000	-
BENSON JAU PRIMARY SCHOOL	750,000			750,000		750,000
MUNGAI CHENGECHA PRIMARY SCHOOL	750,000			750,000		750,000
CHIEF WANDIE PRIMARY SCHOOL	750,000			750,000		750,000
KONGO PRIMARY SCHOOL	1,500,000			1,500,000		1,500,000
HGM TINGANGA PRIMARY SCHOOL						

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

	750,000			750,000		750,000
Sub-total	4,500,000	-	3,000,000	7,500,000	3,000,000	4,500,000
8.0 Primary Schools Projects (List all the Projects)						
						1,588,843
CHIEF WANDIE PRIMARY SCHOOL		4,500,000	2,500,000	7,000,000	4,500,000	2,500,000
MUNGAI CHENGECHA PRIMARY SCHOOL			2,000,000	2,000,000	2,000,000	-
KANGOYA PRIMARY SCHOOL			6,000,000	6,000,000	6,000,000	-
LORETO PRIMARY SCHOOL			2,000,000	2,000,000	2,000,000	-
KIAMBU PRIMARY SCHOOL		3,500,000	3,000,000	6,500,000	6,500,000	-
THINDIGUA PRIMARY SCHOOL			3,000,000	3,000,000	3,000,000	-
GICHOCHO PRIMARY SCHOOL			2,000,000	2,000,000	2,000,000	-
MARY IMMACULATE PRIMARY SCHOOL			800,000	800,000	800,000	-
KAMITI ANMER PRIMARY SCHOOL		2,000,000		2,000,000	2,000,000	-
KIU RIVER PRIMARY SCHOOL		2,000,000		2,000,000	2,000,000	-
NGEGU PRIMARY SCHOOL		2,000,000		2,000,000	2,000,000	-
MACHIRI PRIMARY SCHOOL			6,000,000	6,000,000	6,000,000	-
BENSON JAU PRIMARY SCHOOL			2,000,000	2,000,000	2,000,000	-

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

KONGO PRIMARY SCHOOL				5,000,000	5,000,000	5,000,000	5,000,000	-
KANGOYA PRIMARY SCHOOL	4,500,000				4,500,000			4,500,000
KIU RIVER PRIMARY SCHOOL	3,000,000				3,000,000			3,000,000
KARUNGA PRIMARY SCHOOL	7,000,000				7,000,000			7,000,000
NDUMBERI PRIMARY SCHOOL	7,000,000				7,000,000			7,000,000
MUNGAI CHENGESHA PRIMARY SCHOOL	6,696,896				6,696,896			6,696,896
KIAMBU PRIMARY SCHOOL	6,000,000				6,000,000			6,000,000
KAMITI ANMER PRIMARY SCHOOL	4,599,767				4,599,767			4,599,767
NGEGU PRIMARY SCHOOL	7,400,233				7,400,233			7,400,233
NDUMBERI PRIMARY SCHOOL	7,400,233				7,400,233			7,400,233
Sub-total	53,597,129	14,000,000	34,300,000	101,897,129	45,800,000	56,097,129		
9.0 Secondary Schools Projects (List all the Projects)								
KASARINI SECONDARY SCHOOL			1,000,000	1,000,000				1,000,000
KIAMBU TOWNSHIP SECONDARY SCHOOL			1,500,000	1,500,000			1,500,000	-
KANUNGA HIGH SCHOOL		1,363,810	1,000,000	2,363,810	2,363,810			-
KANUNGA HIGH SCHOOL			636,190	636,190			636,190	-
ST ANN & JOAKIM SECONDARY								-

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

SCHOOL		3,000,000		3,000,000	3,000,000	3,000,000	-
RIABAI HIGH SCHOOL			4,000,000		4,000,000	4,000,000	-
RIABAI HIGH SCHOOL	9,000,000				9,000,000		9,000,000
KANUNGA HIGH SCHOOL	3,000,000				3,000,000		3,000,000
Sub-total	12,000,000	4,363,810	8,136,190		24,500,000	11,500,000	13,000,000
10.0 Tertiary institutions Projects (List all the Projects)							
10.10							-
Sub-total							-
11.0 Security Projects							
THINDIGUA POLICE STATION			2,000,000		2,000,000	2,000,000	-
RIABAI POLICE STATION			2,000,000		2,000,000	2,000,000	-
TINGANGA POLICE STATION			3,000,000		3,000,000	3,000,000	-
KARUNGA CHIEFS OFFICE MEETING HALL			500,000		500,000	500,000	-
KIAMUMBI POLICE STATION	6,000,000		5,000,000		11,000,000	5,000,000	6,000,000
Ngegu Police Post		500,000	2,000,000		2,500,000	2,000,000	500,000
Sub-total	6,000,000	500,000	14,500,000		21,000,000	14,500,000	6,500,000
12.0 Acquisition of assets							
12.1 Motor Vehicles (including motorbikes)							-

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

12.2 Construction of CDF office	2,500,000	5,000,000		7,500,000	5,000,000	2,500,000
12.3 Purchase of furniture and equipment				-		
12.4 Purchase of computers				-		-
12.5 Purchase of land				-		-
Sub-total	2,500,000	5,000,000	-	7,500,000	5,000,000	2,500,000
13.0 Others						
13.1 Strategic Plan		2,000,000		2,000,000	2,000,000	-
13.2 Innovation Hubs	4,997,811			4,997,811		4,997,811
NDUMBERI YOUTH EMPOWERMENT CENTER		2,000,000		2,000,000	2,000,000	-
GICHOCHO YOUTH CENTER		1,000,000		1,000,000	1,000,000	-
KIHINGO YOUTH CENTER		1,000,000		1,000,000	1,000,000	-
Sub-total	4,997,811	6,000,000	-	10,997,811	6,000,000	4,997,811
Funds pending approval**		10,000		10,000		10,000
Sub-total	-	10,000	-	10,000	-	10,000
Total	173,993,953	42,237,304	62,303,912	278,535,169	178,105,183	100,429,986

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

13. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for:

- Receivables that include imprests
- Payables that include gratuity and retentions.

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Recognition of Receipts

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

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

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

b. Proceeds from the Sale of Assets

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

c. Other receipts

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

d. Unutilized Funds from PMCs.

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

e. External Assistance

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

5. Recognition of payments

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

a) Compensation of Employees

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

b) Use of Goods and Services

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

c) Acquisition of Fixed Assets

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

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



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

6. In-kind contributions

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

7. Cash and Cash Equivalents

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

8. Accounts Receivable

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

9. Accounts Payable

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



10. Pending Bills

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

11. Unutilized Fund

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

12. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30 June 2023 for the period 1st July 2023 to 30th June 2024 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

13. Comparative Figures

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

14. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2024.

15. Prior Period Errors

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restate the opening balances of assets, liabilities, and net assets/equity for the earliest prior period presented. During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

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

16. Related Party Transactions

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

14. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2023-2024	2022-2023
NGCDF Board	Kshs	Kshs
AIE NO. B 005108		7,000,000
AIE NO. B 030184		26,000,000
AIE NO. B 030428		12,000,000
AIE NO. B 006370		12,000,000
AIE NO. B 042761		15,000,000
AIE NO. B 047007		16,000,000
AIE NO. B 00214298	50,215,033	
AIE NO. B 0214107	12,088,879	
AIE NO. B 0225060	30,000,000	
AIE NO. B 0226048	30,000,000	
AIE NO. B 0214767	60,000,000	
AIE NO. B 005108		
TOTAL	182,303,912	88,000,000

2. Proceeds From Sale of Assets

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

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

3. Other Receipts

	2023-2024	2022-2023
	Kshs	Kshs
Interest Received	-	-
Rent	-	-
Receipts from sale of tender documents	-	10,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs account	-	-
Other Receipts Not Classified Elsewhere (<i>specify</i>)	-	-
Total	-	10,000

4. Compensation Of Employees

	2023-2024	2022-2023
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,426,612	978,276
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	316,508	291,715
Employer Contributions Compulsory national social security schemes	91,928	69,240
Employer Contributions Compulsory Housing levy		
Employer contributions to National Industrial Training Authority		
Total	1,835,048	1,339,231

5. Committee Expenses

	2023-2024	2022-2023
	Kshs	Kshs
A.NG CDFC		
Sitting allowance	2,509,139	6,389,000
Other committee expenses	200,000	-
Sub total	2,709,139	6,389,000

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

B. Constituency Oversight Committee		
Allowances	-	-
Other committee expenses	-	-
Sub total	-	-
Total (A+B)	2,709,139	6,389,000

6. Use of Goods and services

	2023-2024	2022-2023
	Kshs	Kshs
Utilities, supplies and services	562,637	471,492
Communication, supplies and services	242,792	260,010
Domestic travel and subsistence	1,292,000	-
Printing, advertising and information supplies & services	870,000	29,000
Rentals of produced assets	-	-
Training expenses	1,564,000	-
Hospitality supplies and services	697,000	-
Insurance costs	172,000	-
Specialized materials and services	-	-
Office and general supplies and services	3,004,000	600,000
Fuel, oil & lubricants	1,214,661	-
Other operating expenses	547,000	-
Bank Charges	94,077	59,440
Security Operations	1,176,520	779,520
Routine maintenance – vehicles and other transport equipment	63,000	-
Routine maintenance – other assets	-	-
Total	11,499,687	2,199,462



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

7. Transfer To Other Government Units

Description	2023-2024	2022-2023
	Kshs	Kshs
Transfers To Primary Schools	45,800,000	2,000,000
Transfers To Secondary Schools	11,500,000	1,500,000
Transfers To Tertiary Institutions	-	-
Total	57,300,000	3,500,000

8. Other Grants and Other transfers

	2023-2024	2022-2023
	Kshs	Kshs
Bursary – secondary schools	50,332,412	22,673,681
Bursary – tertiary institutions	15,940,500	8,613,000
Bursary – special schools	-	1,043,000
Bursary- education support programmes	-	-
Social Security programmes (NHIF)	2,000,000	
Security projects	15,990,000	-
Sports projects	2,000,000	-
Environment projects	3,000,000	-
Emergency projects	4,498,397	-
Roads projects	-	-
Total	93,761,309	32,329,681

9. Acquisition Of Assets

	2023-2024	2022-2023
	Kshs	Kshs
Purchase of Buildings	-	3,500,000
Construction of Buildings	5,000,000	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-

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

Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	5,000,000	3,500,000

10. Other Payments

	2023-2024	2022-2023
	Kshs	Kshs
Strategic plan	2,000,000	-
ICT Hub	4,000,000	-
Others (<i>specify</i>)		-
Total	6,000,000	-

11. Cash and Cash Equivalents

Name of Bank and Account No.	2023-2024	2022-2023
	Kshs	Kshs
11A: Bank Accounts (Cash Book Bank Balance)	30/06/2024	30/06/2023
<i>Equity Bank of Kenya, Account No. 0640261707042 – Kiambu Branch</i>	46,436,033	42,237,304
<i>Operation account pending closure (Indicate name & account no.)</i>		
<i>Name of Bank, account No. (Deposit)</i>		
Total	46,436,033	42,237,304
11B: Cash Balances		
Location 1	-	-
Location 2	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		



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

12. Outstanding Imprests

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

[Include an annex if the list is longer than 1 page.]

13. Retention

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

Retentions aging analysis.

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

14. Gratuity

	2023-2024	2022-2023
--	-----------	-----------

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

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

Gratuity aging analysis

	Insert Current FY	% of the total Gratuity	Insert Comparative FY	% of the total Gratuity
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-		-	

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

15. Fund Balance B/F

	(1 st July 2024)	(1 st July 2023)
	Kshs	Kshs
Bank accounts	42,237,304	3,484,678
Cash in hand	-	-
Imprest	-	-
Total	42,237,304	3,484,678
Less		
Payables: - Retention	-	-
Payables - Gratuity	-	-
Fund Balance Brought Forward	-	-

[Provide short appropriate explanations as necessary]



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

16. Prior Year Adjustments

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

17. Changes In Accounts Receivable – Outstanding Imprests

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

18. Changes In Accounts Payable – Gratuities and Retentions

	Insert current FY	Insert Comparative FY
	KShs	KShs
Gratuities and Retentions as at 1 st July (A)	-	-
Gratuities and Retentions held during the year (B)	-	-
Gratuities and Retentions paid during the Year (C)	-	-
Closing account payables D= A+B-C	-	-
Net changes in accounts payables D-A	-	-



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

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

Aging Analysis for Pending Accounts Payables

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

19.2: Pending Staff Payables (See Annex 2)

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

Aging Analysis for staff Payables

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



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

19.3: Unutilized Fund (See Annex 3)

	2023-2024	2022-2023
	Kshs	Kshs
Compensation of employees	2,671,077	593,663
Committee expense	1,300,861	961,000
Use of goods and services	(1,820,008)	1,647,707
Amounts due to other Government entities	69,097,129	60,800,000
Amounts due to other grants and other transfers	21,673,116	29,528,846
Acquisition of assets	2,500,000	5,000,000
Other Payments (specify)	4,997,811	6,000,000
Funds pending approval	10,000	10,000
Total	100,429,986	104,541,216

19.4: PMC account balances (See Annex 5)

	2023-2024	2022-2023
	Kshs	Kshs
PMC account balances	31,492,619	35,702,726
Total	31,492,619	35,702,726

19.5 Related Party Transactions

	2023-2024	2022-2023
	Kshs	Kshs
Committee Members Remuneration		
Sitting allowance of committee Members during the year	2,709,139	6,389,000
Transaction with the NGCDF Board		
Receipts from the NGCDF Board during the year	-	-
Total	182,303,912	88,000,000



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

15. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2024	Comments
NG-CDFC Staff				
1.				
2.				
3.				
Sub-Total				
Grand Total				



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

Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2023-2024	Outstanding Balance 2022-2023	Comments
Compensation of employees		2,671,077	5,099,788	
Committee allowances		1,300,861	4,971,000	
Use of goods & services		(1,820,008)	1,647,707	
Sub-Total		2,151,930	3,202,370	
Amounts due to other Government entities				
Sub-Total		69,097,129	60,800,000	
Amounts due to other grants and other transfers				
Sub-Total		21,673,116	29,528,846	
Acquisition of assets				
Sub-Total		2,500,000	5,000,000	
Others (<i>specify</i>)				
Sub-Total		4,997,811	6,000,000	
Funds pending approval		10,000	10,000	
Grand Total		100,429,986	104,541,216	



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

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land				
Buildings and structures	63,000,000			
Transport equipment				
Office equipment, furniture and fittings				
ICT Equipment, Software and Other ICT Assets	1,499,390			1,499,390
Other Machinery and Equipment				
Intangible assets				
Total	64,499,390			1,499,390



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

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

PMC	Bank	Account number	Bank Balance 2023-2024	Bank Balance 2022-2023
KANGOYA PRIMARY SCHOOL	EQUITY	0640 271101163	434,977.00	
KIU RIVER PRIMARY SCHOOL	EQUITY	0640 284460490	568,208.00	
KARUNGA PRIMARY SCHOOL	EQUITY	0640 262914038	512.00	
NDUMBERI PRIMARY SCHOOL	EQUITY	0640 263841367	21,622.00	
MUNGAI CHENGECHA PRIMARY SCHOOL	EQUITY	0640 266428706	441,895.00	
KIAMBU PRIMARY SCHOOL	EQUITY	0640 270186102	1,648,159.00	
KAMITI ANMER PRIMARY SCHOOL	EQUITY	0640 280077985	555,238.00	
RIABAI HIGH SCHOOL	EQUITY	0640 280062532	493,540.00	
KANUNGA HIGH SCHOOL	EQUITY	0640 279022742	1,092,525.00	
KIAMUMBI POLICE STATION	EQUITY	0640 268740946	148,304.00	
KIAMBU NG-CDF TOWER	EQUITY	0640 264558705	1,218,865.00	
NGEGU PRIMARY SCHOOL	EQUITY	0640 266315725	236,759.00	



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

PMC	Bank	Account number	Bank Balance 2023-2024	Bank Balance 2022-2023
KIAMUMBI CHIEFS OFFICE	EQUITY	0640 282209954	4,000,000.00	
LORETO PRIMARY SCHOOL	EQUITY	0640 271101147	5,000,233.00	
GICHOCHO PRIMARY SCHOOL	EQUITY	0640 262890132	2,001,572.00	
ST. ANN AND JOAKIM SECONDARY SCHOOL	EQUITY	0640 284420475	3,000,000.00	
THINDIGUA POLICE STATION	EQUITY	0640 284462480	2,000,000.00	
TINGANGA POLICE STATION	EQUITY	0640 284462479	3,000,000.00	
KARUNGA CHIEFS OFFICE	EQUITY	0640 261707042	788,767.50	
GICHOCHO CHIEFS OFFICE	EQUITY	0640 280989421	1,017,892.00	
KIHINGO CHIEFS OFFICE	EQUITY	0640 280988844	1,006,065.00	
CHIEF WANDIE PRIMARY SCHOOL	EQUITY	0640 266316347	1,211,811.00	
KONGO PRIMARY SCHOOL	EQUITY	0640 280990828	947,794.00	
RIABAI POLICE STATION	EQUITY	0640 284460829	431,815.00	
MARY IMMACULATE PRIMARY SCHOOL	EQUITY	0640 284480989	115,425.00	



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

PMC	Bank	Account number	Bank Balance 2023-2024	Bank Balance 2022-2023
KASARINI SECONDARY SCHOOL	EQUITY	0640 262104265	110,640.50	
TOTAL			31,492,619	



Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>1. PRESENTATION AND DISCLOSURE</p> <p>During the audit of the FY under review, it was noted that the financial statements had the following anomalies;</p> <p>1. Cover page reflects reports and financial statement whereas the template provided reflects annual reports and financial statements</p> <p>2. Cover page reflects a coaching note (revised</p>	<p>The above anomalies in 1 & 2 has been noted and amended as per the attached edited annual report and financial statements provided.</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>template 30th June 2023)</p> <p>3. Page xii, progress on attainment of strategic development objectives, education sector does not indicate the increase from ... to...</p>			
	<p>2. <u>INACCURACIES IN THE FINANCIAL STATEMENTS</u></p> <p>During the examination of documents availed for audit, it was observed that the financial statements under annex 5 PMC bank balances as at 30th June 2023 in respect to Benson Njau primary school showed a closing balance of Kshs.2,000,000 whereas the bank statement shows a balance of Kshs.1,912,350 resulting in unreconciled variance of Kshs.87,650.</p> <p>Further, review of the financial statements shows Kiambu Township Secondary school bank account number as 0640277980383 instead of 0640277980382 as per the bank statement.</p> <p>In addition, three PMC accounts with a total</p>	<p>The PMC closing bank balance as at 30th June 2023 for Benson Njau Primary school was erroneously reported as Kshs.2, 000, 000 instead of Kshs.1, 912,350. This typing error has been amended as per the attached edited annual report and financial statements provided.</p> <p>On the issue of capturing Kiambu Township Secondary school bank account number as 0640277980383 instead of 0640277980382 as per the bank statement, this was a typing error which has since been corrected and amended as per the attached edited annual report and financial statements provided.</p> <p>The management will also ensure that, going forward the financial statements presented are free from errors, presents reliable accounts and</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)								
	<p>balance of Kshs 7,356,532 were not disclosed in the financial statement as analysed below:</p> <table border="1"> <thead> <tr> <th>PMC</th> <th>Bank Balance Kshs</th> </tr> </thead> <tbody> <tr> <td>Gicoco Primary school</td> <td>1,572</td> </tr> <tr> <td>Thindigua Primary school</td> <td>3,000,775</td> </tr> <tr> <td>Chief wandie primary school</td> <td>4,354,185</td> </tr> </tbody> </table>	PMC	Bank Balance Kshs	Gicoco Primary school	1,572	Thindigua Primary school	3,000,775	Chief wandie primary school	4,354,185	<p>are accurate in such a way that they reflect the activities of the NG-CDF Kiambu Constituency.</p> <p>On the issue of the three PMC accounts with a total balance of Kshs 7,356,532 not disclosed in the financial statement, I would wish to state that this was an error of omission. This error has since been rectified and the PMC accounts balance of Ksh. 7,356,532 has been disclosed in the annual report and financial statements provided.</p> <p>The management has however noted the auditor's recommendation on accuracy of information presented in the financial statements and shall comply with reporting requirements.</p>		
PMC	Bank Balance Kshs											
Gicoco Primary school	1,572											
Thindigua Primary school	3,000,775											
Chief wandie primary school	4,354,185											
	<p>3. UNUTILIZED FUNDS</p> <p>During the audit review it was noted that the financial statements reflected unutilized funds amounting to Kshs. 92,442,337. The management is required to explain the measures it has put in place to address the increase in unutilized funds and the recurring situation over the years since it was not possible to ascertain</p>	<p>On the above issue, I would wish to state as follows;</p> <ul style="list-style-type: none"> ➤ That the unutilized funds amounting to Kshs.92, 442,337 as at 30th June 2023 were still intact in the project management committee accounts. ➤ That the implementation of projects meant to benefit with Kshs.92, 442,337 has since started 										

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>whether the Fund budget is realistic and whether it has the capacity to implement the overlapping projects.</p> <p>The committee is required to explain measures taken to manage the funds operations to avoid the increase in unutilized funds.</p>	<p>and 80% of the projects are complete and 20% are ongoing.</p> <p>On the issue of not able to ascertain whether the Fund budget is realistic and whether it has the capacity to implement the overlapping projects, I would wish to notify you that the money allocated to these projects are budgeted to implement the project to completion except for a few projects which has been receiving funds in the subsequent years.</p> <p>The measures taken to manage the funds operations to avoid the increase in unutilized funds is; we are sensitizing PMC on project implementation to ensure that once funds have been disbursed implementation should immediately follow.</p>		
	<p>4. IRREGULAR COMMITTEE ALLOWANCE During your audit review, it was noted that the statement of receipts and payments and note 5 to the financial statements reflects committee expenses amounting to Kshs 6,389,000. Review</p>	<p>The payment made to non-committee members were transport and lunch compensations made to them for gracing with their presence the CDF functions. However, the committee has noted the auditors recommendations and going forward we</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>of payment vouchers revealed that payments totaling to Kshs 927,000 were made to non-committee members. Further, payments totaling to Kshs 2,048,500 were spent on items such as sound entertainment and events management but charged to sitting allowance thus an unjustifiable payment of allowances. The management is required to explain the payments to non-committee members</p>	<p>will adhere to Public Finance Management Regulations 2015 regulation 92 (2) that requires that an imprest shall be issued for a specific purpose, and any payments made from it, shall be for the purposes specified in the imprest warrant.</p>		
	<p>5. FAILURE TO CONSTITUTE A BURSARY COMMITTEE</p> <p>The audit team noted the following anomalies;</p> <p>The Management did not provided evidence of formation of the Education Bursary, Mock Examinations and Continuous Assessment Tests Committee whose core mandate is vetting of applicants.</p> <p>An examination of a sample of the application forms revealed that the forms had no evidence of vetting by Education Bursary, Mock</p>	<p>I would wish to state that, the Kiambu NG-CDF Committee has an ad hoc bursary evaluation committee comprising of the chiefs, assistant chiefs, religious leaders, community leaders, CDFC members, P.W.D's, youths and women representatives and their core mandate is vetting of applicants in conformity with Paragraph 7 (6) of the NG-CDF Regulations 2016. It is also a requirement that the said committee should give reasons for bursary application rejection.</p> <p>The criteria used to identify the needy cases for support is as follows;</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Examinations and Continuous Assessment Tests Committee.</p> <p>The chairman or the secretary of the Education Bursary, Mock Examinations and Continuous Assessment Tests Committee did not sign the application form as proof of approval or rejection of the application.</p> <p>The minutes of the Education bursary, Mock Examinations and Continuous Assessment Tests Committee and the details of the successful applicants were not provided for audit review.</p> <p>The management did not provide proof of existence of the Education bursary, Mock examinations and Continuous assessment tests committee whose core mandate is vetting of applicants contrary to guidelines of the circular.</p> <p>Please explain how needy cases are identified for support</p>	<p>Bursary is awarded to the following categories:</p> <ol style="list-style-type: none"> 1. Special Schools 2. Secondary Schools – Day and Boarding 3. Tertiary Colleges 4. Universities <p>The committee gives priority to:</p> <ol style="list-style-type: none"> 1. Total Orphans 2. Partial Orphans 3. Students from very needy families 		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)															
	<p>5. PMC BALANCES ON COMPLETED PROJECTS</p> <p>During the financial year 2022/2023, the National Government Constituencies Development Fund Board approved projects in primary and secondary schools valued at Kshs.63,800,000 for implementation during the financial year. However, review of four (4) PMCs accounts in relation to prior years' projects revealed that Kshs. 2,038,857 was held in PMC accounts in respect to completed and in use projects.</p> <table border="1"> <thead> <tr> <th>PMC</th> <th>Balance in the Financial statement</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Benson Njau Primary school</td> <td>2,000,000</td> <td>Complete and in use</td> </tr> <tr> <td>Gichocho chiefs office</td> <td>17,892</td> <td>Complete and in use</td> </tr> <tr> <td>Kihingo chiefs camp</td> <td>6,065</td> <td>Complete and in use</td> </tr> <tr> <td>Tinganga</td> <td>14,900</td> <td>Complete</td> </tr> </tbody> </table>	PMC	Balance in the Financial statement	Status	Benson Njau Primary school	2,000,000	Complete and in use	Gichocho chiefs office	17,892	Complete and in use	Kihingo chiefs camp	6,065	Complete and in use	Tinganga	14,900	Complete	<p>I would wish to notify you that, the PMC account balance in the financial statement for Benson Njau Primary School was the amount allocated in the financial year 2021/2022 for construction of staff houses at the school. As at the closure of the year ending 30th June 2023 this project had not started thus the PMC balance. However, it is imperative to let you know that this project is now 100% complete, handed over to the school management and ready for use.</p> <p>As for the unutilized balances in the Financial statement for Gichocho chiefs office, Kihingo chiefs camp and Tinganga chiefs office youth empowerment center, the same will be returned to the Constituency Account in accordance with section 6 of this Act (8) that states that all unutilized funds of the Project Management Committee shall be returned to the constituency account.</p>		
PMC	Balance in the Financial statement	Status																	
Benson Njau Primary school	2,000,000	Complete and in use																	
Gichocho chiefs office	17,892	Complete and in use																	
Kihingo chiefs camp	6,065	Complete and in use																	
Tinganga	14,900	Complete																	

National Government Constituencies Development Fund (NGCDF)
Kiambu Town Constituency

Annual Report and Financial Statements for The Year Ended June 30, 2024

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)				
	<table border="1"> <tr> <td>chiefs office youth empowerment center</td> <td>and in use</td> </tr> <tr> <td>Total</td> <td>2,038,857</td> </tr> </table> <p>No explanation has been provided as to why the amounts have not been refunded back to the Constituency Account despite the project implementation status provided indicating that the projects are complete and in use.</p>	chiefs office youth empowerment center	and in use	Total	2,038,857			
chiefs office youth empowerment center	and in use							
Total	2,038,857							
7.	<p><u>UNSUPPORTED CASH AND CASH EQUIVALENTS BALANCE</u></p> <p>Review of the bank reconciliation statement as at 30 June 2023 provided for audit revealed that payments in cash book not yet recorded in the bank statement (unpresented cheques) totalled to Kshs 1,892,357 out of which cheques totaling Kshs 883,844 are stale cheques. The cheques date back to 23 February 2022 and no evidence was provided to show that the cheques have been reversed.</p>	<p>The unpresented and stale bursary cheques totalling to Kshs 883,844 were cancelled and issued to other needy students in the constituency as per the attached cash book extract. The payments in cash book not yet recorded in the bank statement (unpresented cheques) totalling to Kshs 1,005,563 which dated 18 April 2023 were bursary cheques which were not yet presented for payment but were still valid. These cheques have however cleared.</p>						

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Review of the bank reconciliation statement as at 30 June 2023 revealed payments in cash book not yet recorded in the bank statement (unpresented cheques) totalled to Kshs 1,005,563 which dated 18 April 2023. Management did not provide explanation and evidence when the cheques cleared and the status of the cheques.</p> <p>Review of unpresented cheques in the June 2023 bank reconciliation had a re-calculated figure of Kshs 1,889,407 which differs with the reported figure of Kshs 1,892,357 resulting to an unreconciled variance of Kshs 2,950.</p> <p>The bank reconciliation as at 30 June 2023 revealed payments in bank statement not yet recorded in cashbook of Kshs 87,560. Included in the amount is Cheque no. 12851 of Kshs 7,000 paid in the bank on 12th May 2023, however, review of the cashbook shows the same cheque as recorded in the cash book with an amount of Kshs. 24,000 on 18 April 2023. The anomaly has not been explained.</p>			

**National Government Constituencies Development Fund (NGCDF)
Kiambu Town Constituency**

Annual Report and Financial Statements for The Year Ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Review of the bank reconciliation statement indicated that it was not reviewed, checked, and approved as required.</p> <p>Review of cashbook shows numerous cancellation which had not been counter signed as required.</p> <p>Recommendation</p> <p>The management to explain and provide evidence on the status of unrepresented cheques and uncredited balances</p>			
<p>8. <u>FAILURE TO OPEN A DEPOSIT ACCOUNT</u></p> <p>During the year under review, the constituency did not open and maintain a deposit account for holding third party monies as stipulated by the law .</p>		<p>The above anomaly has been noted and going forward the constituency shall open one deposit bank account for holding third party monies which shall so be designated and such an account shall be known by the name of the constituency as required by National Government Constituency Development Fund Act (Amendment) 2022 (1a).</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																								
	<p>9. BUDGETARY CONTROL AND PERFORMANCE</p> <p>During the audit of the year under review, it was observed that the summary statement of appropriation revealed that the fund budgeted to receive Kshs.153,788,590 from the NGCDF Board out of which the Board remitted Kshs.91,484,678 resulting to a deficit of Kshs.62,303,912 equivalent to 40% of the budget.</p> <p>Further, the Fund had a final expenditure budget of Kshs.153,798,590 against an actual expenditure of Kshs.49,257,374 resulting to a budget underutilization of Kshs.104,541,216 equivalent to 68% of the approved budget. As a result, the Fund did not implement planned and approved projects in accordance with the approved programme thereby denying residents of Kiambu Constituency services.</p> <p>In addition, it was noted that out of a budget of Kshs.76,858,527 under other grants and</p>	<p>I would wish to notify you that, there were delays in disbursements of funds by the NG-CDF Board since in Financial Year 2022/2023 the constituency received ksh.88,000,000 before the closure of the financial year as follows:</p> <table border="1" data-bbox="1137 703 1686 1390"> <tbody> <tr> <td>1st A I E</td> <td>3.01.2023</td> <td>B 185305</td> <td>7,000,000.00</td> </tr> <tr> <td>2nd A I E</td> <td>20.02.2023</td> <td>B 206257</td> <td>26,000,000.00</td> </tr> <tr> <td>3rd A I E</td> <td>02.03.2023</td> <td>B 206387</td> <td>12,000,000.00</td> </tr> <tr> <td>4th A I E</td> <td>6.04.2023</td> <td>B 205771</td> <td>12,000,000.00</td> </tr> <tr> <td>5th A I E</td> <td>15.06.2023</td> <td>B20753 2</td> <td>15,000,000.00</td> </tr> <tr> <td>6th A I E</td> <td>21.06.2023</td> <td>B20789 4</td> <td>16,000,000.00</td> </tr> </tbody> </table>	1st A I E	3.01.2023	B 185305	7,000,000.00	2nd A I E	20.02.2023	B 206257	26,000,000.00	3rd A I E	02.03.2023	B 206387	12,000,000.00	4th A I E	6.04.2023	B 205771	12,000,000.00	5th A I E	15.06.2023	B20753 2	15,000,000.00	6th A I E	21.06.2023	B20789 4	16,000,000.00		
1st A I E	3.01.2023	B 185305	7,000,000.00																									
2nd A I E	20.02.2023	B 206257	26,000,000.00																									
3rd A I E	02.03.2023	B 206387	12,000,000.00																									
4th A I E	6.04.2023	B 205771	12,000,000.00																									
5th A I E	15.06.2023	B20753 2	15,000,000.00																									
6th A I E	21.06.2023	B20789 4	16,000,000.00																									

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments		Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)		
	<p>transfers, only an amount of Kshs.35,829,681 was utilized resulting to an unutilized amount of Kshs.41,028,846 or 53% of the budgeted amount. Also, out of a budget of Kshs.63,800,000 under transfers to other government entities, only an amount of Kshs.3,500,000 was utilized resulting to an unutilized amount of Kshs 60,300,000 or 95% of the budgeted amounts. No reason was provided for the huge amount of unutilized funds.</p> <p>➤ The management is expected to explain measures taken to operate within the approved budget and ensure implementation of projects as planned.</p>	<table border="1"> <tr> <td>TOTAL</td> <td>88,000,000.00</td> </tr> </table>	TOTAL	88,000,000.00	<p>The balance of ksh 50,215,033 was received after the closure of the financial year. That is on 6th July 2023 via AIE No. B214298.</p> <p>It is also vital to note that there were delays in receipt of Financial Year 2020/2021 allocation amounting to ksh 12,088,879.30. The same was wired in the constituency account on 6th July 2023 the same day the balance of Financial Year 2022/2023 was disbursed.</p> <p>Following the above, the Constituency was unable to fully implement and operate within the budget as approved by the Board. However, the committee has noted the auditor's recommendations and they will ensure they operate within the approved budget and ensure implementation of projects as planned.</p>		
TOTAL	88,000,000.00						
	10. <u>FAILURE TO IMPLEMENT PROJECTS</u>	The delay in implementation of projects after funds disbursement was necessitated by the					

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																	
	<p>The auditors observed that, the Project Management Committees bank statement provided revealed that NG-CDF Kiambu Constituency made transfers amounting to Kshs.33,000, 000 to primary and secondary schools and security PMCs as per the approved code list. Audit inspection carried out on 18 March 2024 on several projects revealed that implementation process for the six (6) projects costing at Kshs.16,000,000 had not commenced despite the amounts being transferred to the PMC Accounts in the prior year as analyzed below;</p> <table border="1" data-bbox="478 141 718 1895"> <thead> <tr> <th>PMC</th> <th>Date amount was transferred</th> <th>Amount in Kshs</th> </tr> </thead> <tbody> <tr> <td>Njuu Police post</td> <td>08.06.2022</td> <td>500,000</td> </tr> <tr> <td>Mbureria chief's office</td> <td>15.06.2022</td> <td>3,000,000</td> </tr> </tbody> </table>	PMC	Date amount was transferred	Amount in Kshs	Njuu Police post	08.06.2022	500,000	Mbureria chief's office	15.06.2022	3,000,000	<p>political change of regime and still there were delays in receiving the projects bill of quantities from the County Works Office. However, I would wish to notify you that the status of these projects is as follows;</p> <table border="1" data-bbox="478 515 718 1895"> <thead> <tr> <th>PMC</th> <th>PROJECT STATUS</th> </tr> </thead> <tbody> <tr> <td>Njuu Police post</td> <td>The project is now complete as per the attached copy of the project report from the public works officer</td> </tr> <tr> <td>Mbureria chief's office</td> <td>The Committee has requested for authority to reallocate funds meant for this project since the land meant for construction of the meeting hall has pending issues – copy of the reallocation letter attached</td> </tr> <tr> <td>Machiri</td> <td>This project is complete.</td> </tr> </tbody> </table>	PMC	PROJECT STATUS	Njuu Police post	The project is now complete as per the attached copy of the project report from the public works officer	Mbureria chief's office	The Committee has requested for authority to reallocate funds meant for this project since the land meant for construction of the meeting hall has pending issues – copy of the reallocation letter attached	Machiri	This project is complete.	<p>Resolved / Not Resolved</p>	
PMC	Date amount was transferred	Amount in Kshs																			
Njuu Police post	08.06.2022	500,000																			
Mbureria chief's office	15.06.2022	3,000,000																			
PMC	PROJECT STATUS																				
Njuu Police post	The project is now complete as per the attached copy of the project report from the public works officer																				
Mbureria chief's office	The Committee has requested for authority to reallocate funds meant for this project since the land meant for construction of the meeting hall has pending issues – copy of the reallocation letter attached																				
Machiri	This project is complete.																				

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

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)
	Machiri primary school	15.06.2022	4,000,000	primary school	handed over and operational		
	Kiamumbi chiefs office	20.01.2022	2,000,000	Kiamumbi chiefs office	This project has not yet started since the land documentation are not yet ready		
		16.02.2022	2,000,000				
	Kiambu County Commissioners office	08.06.2022	1,000,000	Kiambu County Commissioners office	This project is Complete by the attached payment vouchers from the public works officer		
	Tinganga police post	25.04.2022	500,000	Tinganga police post	This project is Complete by the attached payment vouchers from the public works officer		
		26.05.2022	500,000				
	Kiambu prisons		2,500,000	Kiambu prisons	Funds reallocated to other projects by the attached reallocation letter		
	Total		16,000,000				
No explanation has been provided for failure to initiate the process two years after the funds were transferred to the respective PMC Accounts.				The committee has however noted the auditor's			

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

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)
		recommendations and going forward they will ensure there are no delays in project implementation after funds disbursement.		
	<p>11. FAILURE TO SUBMIT MONTHLY BANK RECONCILIATION STATEMENTS FOR AUDIT</p> <p>During the financial year 2022/2023 the Management of the NGCDF Kiambu constituency did not submit monthly bank reconciliation statements to the office of the auditor general contrary to Section 90(1) of the Public Finance Act, 2012.</p>	This anomaly has been noted and going forward Kiambu NG-CDF will adhere to laws and regulations by ensuring that copies of monthly bank reconciliation statement are submitted to the Office of the Auditor General as required by law.		
	<p>11. POOR CONTRACT MANAGEMENT</p> <p>KIAMBU TOWNSHIP SECONDARY SCHOOL</p> <p>Review of project file provided by Management indicate that during the financial year under review, M/S All In One Ventures was awarded a contract no. KBU/NG-CDF/021/2021-2022 on 20 July 2022 for the proposed construction of</p>	<p>1. For Kiambu Township Secondary School, I will wish to clear the issues raised as follows:</p> <ul style="list-style-type: none"> ✓ Going forward, the management will prepare letters appointing the tender opening committee and tender evaluation committee ✓ The engineers estimate for the proposed 		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the Issue to be resolved)
	<p>classroom block at Kiambu township secondary school at a contract sum of Kshs 6,416,350. The following was however noted;</p> <p>a) The letter appointing the tender opening committee and tender evaluation committee have not been provided for audit review.</p> <p>b) The engineers estimate has not been provided for audit review.</p> <p>c) It was noted that members who opened the tenders and members who evaluated the tender are the same individuals.</p> <p>d) The professional opinion was not signed by the accounting officer.</p> <p>e) The notification of tender award was done on 5 July 2022 before the professional opinion dated 7 July 2022.</p> <p>f) The professional opinion and evaluation report recommended the award to be</p>	<p>construction of classroom block at Kiambu Township Secondary School was ksh. 7,000,000.</p> <p>✓ On the issue of having the same members who opened and evaluated the tenders, this was an oversight which has already been rectified</p> <p>✓ The management will ensure that the professional opinion is signed by the accounting officer.</p> <p>✓ The notification of tender award was done on 5 July 2022 while the professional opinion was dated 4th July 2022 and NOT 7th July 2022 as alleged.</p> <p>✓ The Management and the contractor M/S All in One Ventures negotiated on the change of the contract sum (from Kshs 7,570,250 to Kshs 6,416,350) before the L.P.O and contract agreement were signed.</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>offered to M/S All in One Ventures at a contract sum of Kshs 7,570,250. The bill of quantities provided by the contractor indicated Kshs 7,570,250. However, the contract and LPO show that the contract sum was Kshs 6,416,350 a variance of Kshs 1,153,900.</p> <p>g) There is no evidence of negotiation of the tender price.</p> <p>h) Letter of regrets have not been provided for audit review.</p> <p>i) The first Certificate of Kshs 3,688,400 and second certificate of Kshs 2,606,195 are not supported by a joint measurement sheet.</p> <p>j) The payments are also not supported by an inspection report from the county works officer and project managers.</p> <p>k) The inspection and acceptance committee reports signed by the Fund accounts manager</p>	<p>✓ Letter of regrets were prepared and issued to the respective contractors.</p> <p>✓ Going forward, the CDF Management will ensure that all the payment certificates have joint measurement sheet.</p> <p>✓ Going forward, the CDF Management will ensure that all the payments are supported by an inspection report from the county works officer and project managers.</p> <p>✓ On the issue of the inspection and acceptance committee reports signed by the Fund accounts manager and NGCDF Committee member not dated, this was an error of omission and has been rectified.</p> <p>✓ The management will prepare Letters appointing the inspection and acceptance committee, going forward.</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>and a NGCDF Committee member is not dated.</p> <p>l) Letters appointing the inspection and acceptance committee has not been provided for audit review.</p> <p>m) The provisional sums of Kshs 529,300 have not been supported by approvals.</p> <p>n) Certificate no. 1 and certificate no. 3 made a payment to project management of Kshs 100,000 whereas the bill of quantities provided indicate project management figure Kshs 100,000 leading to a possible overpayment of Kshs 100,000.</p> <p>o) Physical verification carried out on 19 March 2024 reveal that the 8 classrooms, ground floor and 1st floor each having four classrooms are complete and in use.</p> <p>In this regard, the value for money could not be ascertained.</p>	<p>✓ The management has written to the project manager and has requested them to furnish us with an itemized bill of quantities for provisional sums of Kshs 529,300.</p> <p>✓ The extra ksh. 100,000 was not an overpayment but a provision for contingency.</p> <p>2. For Kanunga High School, I will wish to clear the issues raised as follows:</p> <p>✓ Going forward, the management will prepare letters appointing the tender opening committee and tender evaluation committee</p> <p>✓ The engineers estimate for the proposed construction of classroom block at Kiambu Township Secondary School was ksh. 6,200,000.</p> <p>✓ On the issue of having the same members who opened and evaluated the tenders, this was an oversight which has already been</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><u>KANUNGA HIGH SCHOOL</u></p> <p>Review of project file provided by Management indicate that during the financial year under review, M/S Lynje company ltd was awarded contract no. KBU/NG-CDF/020/2021-2022 on 20 July 2022 for the proposed construction of dormitory at Kanunga high school-1st floor at a contract sum of Kshs 6,029,460.</p> <p>The following was however noted;</p> <ul style="list-style-type: none"> ✓ The letter appointing the tender opening committee and tender evaluation committee have not been provided for audit review. ✓ The engineers estimate have not been provided for audit review. 	<p>rectified</p> <ul style="list-style-type: none"> ✓ The management will ensure that the professional opinion is signed by the accounting officer. ✓ The notification of tender award was done on 5 July 2022 while the professional opinion was dated 4th July 2022 and NOT 7th July 2022 as alleged. ✓ The Management and the contractor M/S Lynje Company negotiated on the change of the contract sum (from Kshs 6,179,460 to Kshs 6,029,460) before the L.P.O and contract agreement were signed. ✓ Letter of regrets were prepared and issued to the respective contractors. ✓ Going forward, the CDF Management will ensure that all the payment certificates have joint measurement sheet. 		

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

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)
	<ul style="list-style-type: none"> ✓ It was noted that members who opened the tenders and members who evaluated the tender are the same individuals. ✓ The professional opinion was not signed by the accounting officer. ✓ The notification of tender award was done on 5 July 2022 before the professional opinion dated 7 July 2022. ✓ The professional opinion and evaluation report recommended the award to be offered to M/S Lynje company ltd at a contract sum of Kshs 6,179,460. The bill of quantities provided by the contractor indicated Kshs 6,179,460. However, the contract and LPO show that the contract sum was Kshs 6,029,460 a variance of Kshs 120,000. ✓ There is no evidence of negotiation of the tender price. 	<ul style="list-style-type: none"> ✓ Going forward, the CDF Management will ensure that all the payments are supported by an inspection report from the county works officer and project managers. ✓ On the issue of the inspection and acceptance committee reports signed by the Fund accounts manager and NGCDF Committee member not dated, this was an error of omission and has been rectified. ✓ The management will prepare Letters appointing the inspection and acceptance committee, going forward. ✓ The management has written to the project manager and has requested them to furnish us with an itemized bill of quantities for provisional sums of Kshs 1,020,000. <p>3. Tinganga Model Primary School</p>		

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

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)
<ul style="list-style-type: none"> ✓ Letter of regrets have not been provided for audit review. ✓ The first Certificate of Kshs 2,765,400, second certificate of Kshs 2,324,050 and third certificate of Kshs 939,050 are not supported by a joint measurement sheet. ✓ The payments are also not supported by an inspection report from the county works officer and project managers. ✓ The inspection and acceptance committee reports signed by the Fund accounts manager and a NGCDF Committee member is not dated. ✓ Letters appointing the inspection and acceptance committee has not been provided for audit review. ✓ The provisional sums of Kshs 1,020,000 have not been supported by approvals. 	<p>On the issue of lack of supporting documents for Kshs 3,302,822 made from the PMC account to M/S Orient Benko Freighters Limited and the additional withdrawal of Kshs. 639,990, find the attached payment certificate supporting the payments with quotation</p> <p>4. For Mungai Chengecha Primary School, I will wish to clear the issues raised as follows:</p> <ul style="list-style-type: none"> ✓ Going forward, the management will prepare letters appointing the tender opening committee and tender evaluation committee ✓ The engineers estimate for the proposed construction of 2 no. classrooms was ksh. 3,200,000. ✓ On the issue of having the same members who opened and evaluated the tenders, this was an oversight which has already been rectified 			

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>✓ Physical verification carried out on 19 March 2024 reveal that the hostel is complete and in use. Ground floor has the ablution block and 86 beds, 1st floor has urinal and 96 beds and 2nd floor has urinal and 96 beds.</p> <p>In this regard, the value for money could not be ascertained.</p> <p><u>TINGANGA MODEL PRIMARY SCHOOL</u></p> <p>Review of project file provided shows that On 10 December 2018 the fund entered into a contract with M/S Haida investment Limited for proposed renovations and one storeyed vertical extension of existing classrooms at Tinganga model primary school at a contract price of Kshs 5,483,488.</p> <p>On 11 December 2019 the fund entered into a contract with M/S Orient Benko Freighters Limited for proposed renovations and one storeyed vertical extension of existing classrooms</p>	<p>✓ The management will ensure that the professional opinion is signed by the accounting officer.</p> <p>✓ The notification of tender award was done on 5 July 2022 while the professional opinion was dated 4th July 2022 and NOT 7th July 2022 as alleged.</p> <p>✓ The Management and the contractor negotiated on the change of the contract sum before the L.P.O and contract agreement were signed.</p> <p>✓ Letter of regrets were prepared and issued to the respective contractors.</p> <p>✓ Going forward, the CDF Management will ensure that all the payment certificates have joint measurement sheet.</p> <p>✓ Going forward, the CDF Management will ensure that all the payments are supported by</p>		

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																					
	<p>at Tinganga model primary school – phase II at a contract price of Kshs 4,945,370.</p> <p>On 30 August 2021, the fund entered into a contract with M/S Orient Benko Freighters Ltd for proposed finishes of classroom block at Tinganga model primary ground and 1st floor at a contract price of Kshs 5,441,500. Payment for the contract was as follows;</p> <table border="1" data-bbox="506 826 1048 1254"> <thead> <tr> <th>Certificate number</th> <th>Amount (Kshs.)</th> <th>Retention (Kshs.)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2,070,702</td> <td>230,078</td> </tr> <tr> <td>2</td> <td>984,438</td> <td>109,382</td> </tr> <tr> <td>3</td> <td>1,543,230</td> <td>171,470</td> </tr> <tr> <td>4</td> <td>298,296</td> <td>33,144</td> </tr> <tr> <td>Retention</td> <td>544,074</td> <td></td> </tr> <tr> <td>Total amount paid</td> <td>5,440,740</td> <td></td> </tr> </tbody> </table> <p>The fund advertised on 22 June 2022 tender no. KIAMBU/CDF/022/2021-2022 for proposed</p>	Certificate number	Amount (Kshs.)	Retention (Kshs.)	1	2,070,702	230,078	2	984,438	109,382	3	1,543,230	171,470	4	298,296	33,144	Retention	544,074		Total amount paid	5,440,740		<p>an inspection report from the county works officer and project managers.</p> <ul style="list-style-type: none"> ✓ On the issue of the inspection and acceptance committee reports signed by the Fund accounts manager and NGCDF Committee member not dated, this was an error of omission and has been rectified. ✓ The management will prepare Letters appointing the inspection and acceptance committee, going forward. ✓ The management has written to the project manager and has requested them to furnish us with an itemized bill of quantities for provisional sums <p>5. Change of Supply without approval – Telkom Kenya Ltd</p> <p>The NG-CDF Committee is making follow-up with Telkom Kenya Ltd to have the items not supplied installed in these youth centers.</p>		
Certificate number	Amount (Kshs.)	Retention (Kshs.)																							
1	2,070,702	230,078																							
2	984,438	109,382																							
3	1,543,230	171,470																							
4	298,296	33,144																							
Retention	544,074																								
Total amount paid	5,440,740																								

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>vertical extension of 8 classrooms finishing works of 1st and 2nd floor at tinganga model primary school.</p> <p>During the year under review Kshs 3,942,812 was withdrawn from the PMC account, out of which Kshs 3,302,822 was paid to M/S Orient Benko Freighters Limited without any supporting documents and works done and the additional withdrawal of Kshs. 639,990 has not been explained or supported by any documentation.</p> <p>In this regard, the value for money could not be ascertained.</p>			
	<p>MUNGAI CHENGECHA PRIMARY SCHOOL</p>			
	<p>Review of project file provided by Management indicate that during the financial year under review, M/S Gajj company ltd was awarded contract no. KIAMBU/NG-CDF/017/2021-2022 on 20 July 2022 for the proposed construction of two classroom block at Mungai Chengecha at a contract sum of Kshs 2,496,220. The following</p>			

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>was however noted;</p> <ul style="list-style-type: none"> ✓ The letter appointing the tender opening committee and tender evaluation committee have not been provided for audit review. ✓ The engineers estimates have not been provided for audit review. ✓ It was noted that members who opened the tenders and members who evaluated the tender are the same individuals. ✓ The professional opinion was not signed by the accounting officer. ✓ The notification of tender award was done on 5 July 2022 before the professional opinion dated 7 July 2022. ✓ The professional opinion and evaluation report recommended the award to be offered to M/S Lynje company ltd at a contract sum of Kshs 6,179,460. The bill of 			

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>quantities provided by the contractor indicated Kshs 6,179,460. However, the contract and LPO show that the contract sum was Kshs 6,029,460 a variance of Kshs 120,000.</p> <ul style="list-style-type: none"> ✓ There is no evidence of negotiation of the tender price. ✓ Letter of regrets have not been provided for audit review. ✓ The first Certificate of Kshs 2,765,400, second certificate of Kshs 2,324,050 and third certificate of Kshs 939,050 are not supported by a joint measurement sheet. ✓ The payments are also not supported by an inspection report from the county works officer and project managers. ✓ The inspection and acceptance committee reports signed by the Fund accounts manager and a NGCDF Committee member is not 			

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>dated.</p> <ul style="list-style-type: none"> ✓ Letters appointing the inspection and acceptance committee has not been provided for audit review. ✓ The provisional sums of Kshs 1,020,000 have not been supported by approvals. ✓ Physical inspection carried out on 19 March 2024 revealed that the project was complete and in use. <p>In this regard, the value for money could not be ascertained.</p> <p><u>YOUTH EMPOWERMENT CENTRE AT NDUMBERI</u></p>			
	<p>Review of project file provided shows that M/S Green spot gardens ltd was awarded a contract no. KBU/NGCDF/001/2020-2021 for construction of youth empowerment center at Ndumberi on 3 May 2021 at a contract sum of</p>			

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>Kshs 14,610,465. The contract included sub-structures, reinforced concrete superstructure, walling, doors, windows, finishes and roofing.</p> <p>On 5 July 2022, the fund manager requested for bill of quantities from the County Works office for the same project in regards to construction of basketball court and fencing of the center with a chain link and concrete poles. On 2 August 2022, the same contractor was awarded an LPO of Kshs 3,800,000 for basketball court construction, fencing with chainlink & concrete poles, mechanical works, electrical works and contingencies. No procurement process was followed in awarding the contract.</p> <p>On 7 August 2023, M/S Greenspot was awarded another LPO of Kshs 5,526,774 for chain-link fence, basketball court, mechanical works, electrical works, landscaping, drainage and paving, contingencies and project Management costs. The bill of quantities provided are not signed therefore cannot be authenticated.</p>			

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status (Resolved / Not Resolved)	Timeframe (Put a date when you expect the issue to be resolved)				
	<p>Physical inspection carried out on 19 March 2024 revealed that the sub structure and super structure are complete. The basketball court is constructed and complete. Inside the youth centre, the work is not fully complete and some electricals have not been fixed. There is also material on site. The fencing has been done but one side has not been fenced with that side having been encroached.</p> <p>In this regard, the value for money could not be ascertained.</p> <p><u>CHANGE OF SUPPLY WITHOUT APPROVAL - TELKOM KENYA LTD</u></p> <p>During the year under review, Kihingo Chiefs office and Gichocho youth centre made a payment of Kshs 1,169,256 each in respect to Telkom Kenya Ltd. According to the invoice, Telkom Kenya ltd was to supply the following:</p> <table border="1" data-bbox="1342 1190 1380 1720"> <thead> <tr> <th>Description</th> <th>Amount Kshs</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Description	Amount Kshs					
Description	Amount Kshs							


**National Government Constituencies Developments Fund (NGCDF)
Kiambu Town Constituency**

Annual Report and Financial Statements for The Year Ended June 30, 2024

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)										
	<table border="1"> <tr> <td>Fiber/ Radio/VSAT</td> <td align="right">224,725</td> </tr> <tr> <td>Router</td> <td align="right">18,000</td> </tr> <tr> <td>Digital Access Kit</td> <td align="right">505,000</td> </tr> <tr> <td>WIFI</td> <td align="right">260,255</td> </tr> <tr> <td>VAT</td> <td align="right">161,276</td> </tr> </table>	Fiber/ Radio/VSAT	224,725	Router	18,000	Digital Access Kit	505,000	WIFI	260,255	VAT	161,276			
Fiber/ Radio/VSAT	224,725													
Router	18,000													
Digital Access Kit	505,000													
WIFI	260,255													
VAT	161,276													
	<p>It was observed that the items had not been supplied yet the company had been paid the full amount. Further, the same company supplied 52 laptops whose procurement documents and the contract were not provided for audit verification.</p> <p>In this regard, the value for money cannot be ascertained.</p> <p>The committee was required to provide evidence</p>													

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>and explanation to the above observation</p> <p>11. IRREGULAR BRANDING OF PROJECTS</p> <p>Physical inspection of projects implemented by Kiambu Constituency carried out on 19 March 2024 revealed various instances of non-compliance with the law in branding of projects implemented at St. John Kanunga High school and Kongo Primary school. The projects were branded with the names of the area member of parliament contrary to the law</p>	<p>The anomaly in labeling of projects has been noted and going forward we wish to assure you that we will comply with the law on as per Section 25 (3) of the National Government – Constituency Development Fund Act, 2015 states that funds provided under this Act shall not be used for the purpose of supporting political bodies or political activities or for supporting religious bodies or religious activities.</p>		



Name: Edwin Kibet Rotich
Fund Account Manager.

