

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 07 AUG 2024 WED 7/8/2024

TABLED
BY:

CLERK-AT
THE-TABLE:

Deputy Majority
Whip
Anastacia Thumbi

REPORT

PARLIAMENT
OF KENYA
LIBRARY

OF
THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND – CENTRAL IMENTI
CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2023**

Revised Template 30th June 2023



CENTRAL IMENTI CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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1. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund
PFM-Public Finance Management
IPSAS-International Public Sector Accounting Standards.
PMC-Project Management Committee
FY-Financial Year

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 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Central Imenti Constituency NGCDF day-to-day management is under the following key organs:

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

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Leah Wairimu Njoroge
2.	Sub-County Accountant	Henry Mugambi
3.	Chairman NGCDFC	Mantu Mathiu Mwobobia
4.	Member NGCDFC	Lucy Kagwiria

(c) Fiduciary Oversight Arrangements

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

(d) Central Imenti Constituency NGCDF Headquarters

P.O. Box 1646
60200
MERU, KENYA

(e) Central Imenti Constituency NGCDF Contacts

E-mail: cdcentralimenti@ngcdf.go.ke
Website: www.centralimentngcdf.go.ke

(f) Central Imenti Constituency NG CDF Bankers

Equity Bank Account number 0370261971374

P.O.Box 75104 00200

NAIROBI

(g) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General

State Law Office

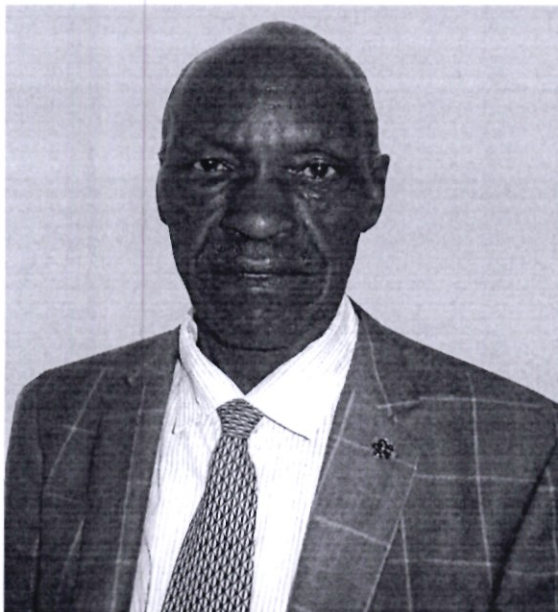
Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

2. NG-CDFC Chairman's Report

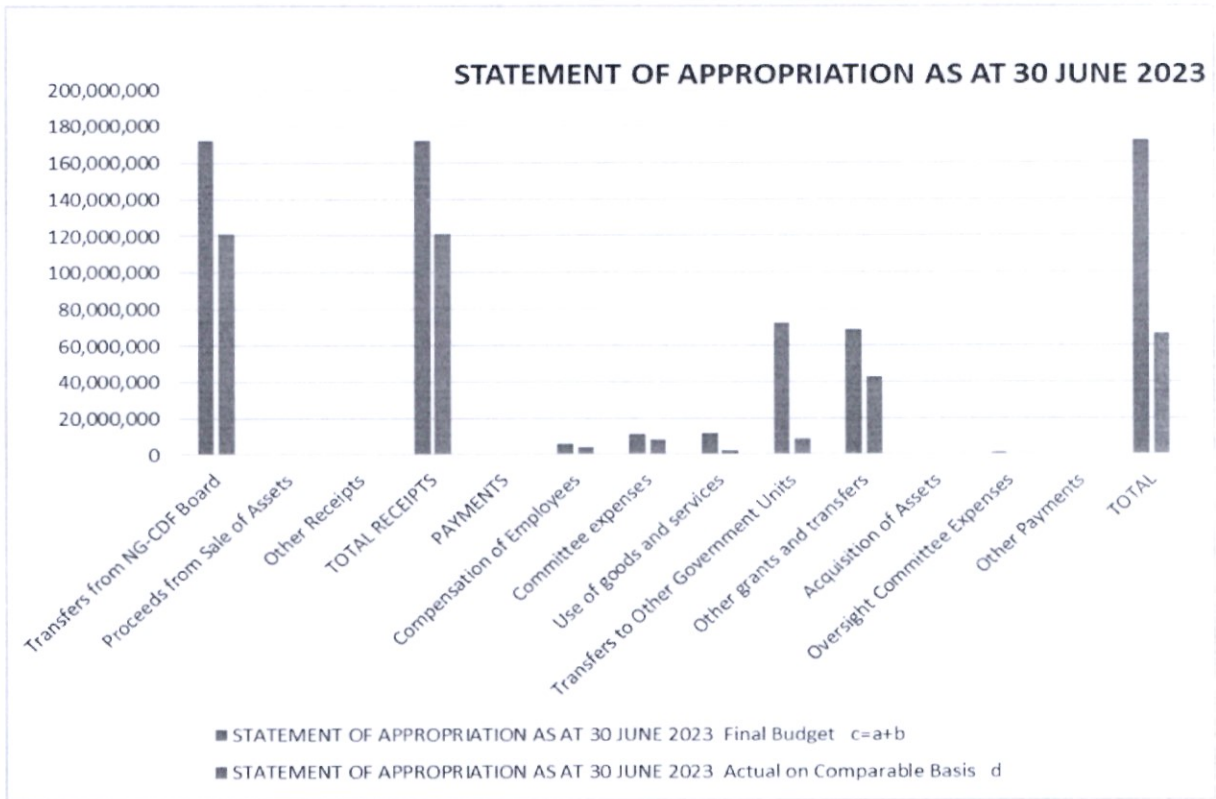


(Mantu Mathiu Mwobobia, Chairman Central Imenti NG CDF)

Central Imenti Constituency is in Meru County, it has four wards namely: Abothuguchi West, Abothuguchi Central, Kiagu ward and Mwanganthia ward. It has a population of 141,768 people as per the Kenya Bureau of statistics census of 2019. The main economic activities are : tea growing, banana growing, coffee growing and livestock raring

In the financial year 2022/2023 Central Imenti Constituency utilised Kshs 66,659,415 out of Kshs 120,927,981 available for utilisation representing 70% absorption rate.

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Key achievements for the Central Imenti Constituency

- The constituency has greatly benefited from NG-CDF notably in the sectors of education, the bursary funds have benefitted 5,650 needy students both in tertiary and secondary across the constituency during the year, NG CDF Committee has continuously supported infrastructures both in secondary and primary schools by renovating the dilapidated

classrooms and re-roofing and construction of new classrooms. Notably Central Imenti Constituency has been working towards conserving the environment through tree planting both exotic and indigenous trees in schools.

Emerging Issues

- With the change of education policy on Competence Based Curriculum, the Junior secondary schools initially were to be hosted by secondary schools where the government channelled infrastructure funds to selected secondary schools, on change of regime the policy changed and now the Junior Secondary Schools are hosted in primary schools creating a need for more infrastructures like additional classrooms and laboratories. This has adversely affected Central Imenti Constituency since all primary schools do not have laboratories
- With new Higher Education Loans Board Policy more needy applicants are looking for financial support from NG CDF

Challenges

- The constituency has encountered a number of challenges: many projects requiring financial support against limited resources, legal matters challenging the fund, delayed release of funds from the National Treasury, delayed preparation of bill of quantities and design from the Public works office due to few personnel in the department, transfer /separation of the accounting officers and lack of essential technical experts like structural engineers, technicality of procurement laws to the PMC's and lack of registered procurement officers at sub county level who can give professional opinion on procurement processes

Recommendations

- To address the challenges cited above the NG CDFC has recommended NG CDF Board to second officers from the Ministry of public works in every county to address the recurring audit issues on poor workshop, more funds be set aside to train project management committees, increase the NG CDF national government revenue share, the NG CDF Board releases funds on time to ensure utilisation is effected within the year and value for money is realised by the residents



(St Nicholas Boarding Primary School)

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Above is St. Nicholas Boarding Primary School Administration /tuition block with 10 rooms the school is located in Abothuguchi West Ward. The project was initiated by parents hence co funded, so far NG CDF has supported the school with Kshs 5,200,000.00. Ground floor hosts the staffroom and headteacher's office, first floor has two classrooms and currently the Junior Secondary School while second floor shall have a laboratory.

.....*Mantu Mathiu Mwobobia*.....

**Name: Mantu Mathiu Mwobobia
CHAIRMAN NGCDF COMMITTEE**



3. Statement of Performance against Predetermined Objectives for FY2022/2023

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 *Central Imenti Constituency 2023-2027 strategic plan* are to:

- a. To improve access, affordability and availability of quality education
- b. To provide security to ensure a safe environment for the constituents
- c. To promote and grow talent and empower youth
- d. To promote environmental sustainability in the constituency
- e. To improve NG-CDF operations during project implementation

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure built in primary schools. Number of bursary beneficiaries at all levels	-In FY 2022/ 23 38 classrooms were renovated and in use - We issued bursary to both tertiary and secondary schools, The constituency recorded increased numbers of beneficiaries to 5,650

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Security	To provide security to ensure a safe environment for the constituents	Improved security for constituents	Number of usable physical infrastructure built in locations, sub locations and police stations	Constructed A.P. Lines in two A.P. Posts. Constructed 4 chiefs office and 22 assistant chiefs offices
Emergency	To address the unforeseen occurrences during the financial year	Address emergency issues occurring in the financial year and cannot wait for the normal annual allocation	Number of usable facilities constructed using emergency funds	Igane Primary leaking roof was addressed
Environment	To improve environment conservation for sustainable development	Conserve the environment	Number of tree seedlings planted	The Environmental project management committee planted 13,600 planted exotic and indigenous seedlings

4. Governance Statement

Section 43(1) of the NG CDF Act 2015 provides that there is established a National Government National Constituency Development Fund Committee for every committee.

Each Constituency Committee shall comprise of:

- The national government official responsible for co-ordination of national government functions;
- Two men each nominated in accordance with subsection (3), one of whom shall be a youth at the date of appointment
- Two women nominated in accordance with subsection (3). one of whom shall be a youth at the date of appointment:
- One persons with disability nominated by a registered group representing persons with disabilities in the constituency in accordance with subsection (3);
- Two persons nominated by the constituency office established under Regulations made pursuant to the Parliamentary Service Act
- The officer of the Board seconded to the Constituency Committee by the Board who shall be an ex officio member without a vote.

The process of National Government Constituency Development Fund Committee formation

The process is initiated by the Chief Executive Officer on disseminating of a circular issuing guidelines on the formation of the committee to the Accounting Officers

- The Fund Account Manager writes a letter to the Deputy County Commissioner and Constituency Office Manager requesting for the nomination of members of the selection panel as per the guidelines and maintain a record confirming receipt
- The Deputy County Commissioner nominates in writing an officer or his/her representative who will be the chairperson to the NG CDFC selection panel.
- The Constituency Office Manager shall nominate in writing two persons of either gender to be members of the selection panel.
- The chair shall then convene the first selection panel meeting to document criteria for selection of the four members to the NG-CDFC (Male and female adults, male and female youth) and advertise (the applicants shall be given two weeks to submit their applications).
- The Fund Account Manager writes to the Constituency Office Manager requesting for the nomination of two persons of either gender as per the guidelines issued by the NG-CDF Board to be members of the NG-CDFC maintain a record confirming receipt

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- The Constituency Office Manager responds in writing by nominating two members to the NG-CDFC.
- The FAM writes to a registered group representing people with disabilities in the constituency as per the guidelines as issued by the NG-CDF Board requesting for nomination of one person with disability to sit in the NG-CDF committee and maintains a record confirming receipt
- The PWD organization nominates in writing a member to the NG-CDFC.
- The selection Panel meets and approves the advertisement which is circulated in the constituency widely giving it a minimum of 14 days to receive the applications
- The Selection panel conducts the shortlisting exercise to get the suitable candidates as per the criteria in the advert. The successful candidates are then invited for interviews, the Panel conducts the interviews and forward the final list to the NG CDF Board together with selection report and minutes within the seven days from the time of interviews.
- The NG CDF Board then submits to the National Assembly for approval
- On approval members are gazetted and later notified, an inaugural meeting is convened by the officer coordinating national government functions at constituency level.

Following the end of 12th Parliament, the NG CDFC mandate lapsed, the Chief Executive Officer communicated vide circular number NG-CDFB/CEO/CIRCULARS/Vol.11 (033) dated 15th September 2022 to all Fund Account Managers, The FAM communicated to the Deputy County Commissioner on the formation and requested for nomination of two members to the selection panel and further communicated to the Constituency Office Manager on nomination of a male and female nominees to the selection panel as stipulated in the NG CDF Act 2015 Sec 43(1)

The Selection Panel met and deliberated on the formation process where they invited applications and later interviewed the applicants.

The members who had worked in the fund were given priority, 5 members were reinstated and new entrants were 3. The report was forwarded to the NG CDF Board on 7th November 2022 while the gazettelement took place on 9th December 2022 vide Kenya Gazette Notice Vol. CXXIV – No. 266

Removal of a member

Section 44(11) provides grounds for removal which are.

Serious violation of the Constitution or any other law including a contravention of Chapter Six;
Gross misconduct, whether in performance of the member's or office holder's functions or otherwise incompetence, bankruptcy and any other cause as may be deemed justifiable.

The process of removing a member.

There must be a complaint lodged to the NG CDF Committee citing grounds of removal

On receiving the complaint, it is communicated to the NG CDFC by the Chairman or the Fund Account Manager in writing

The accused is given a fair hearing, if guilty the minutes with a resolution of removing a member are forwarded to the legal department for de-gazettement.

Central Imenti Constituency did not remove any member after the gazettement.

Roles of the Committee.

Under the Act NG-CDFC is mandated to do the following:-

1. Deliberate on all proposals from all wards in the constituency
2. Consult with relevant government departments to ensure that the cost estimate for the projects is as realistic as possible.
3. Rank project proposals in order of priority provided that ongoing projects shall take precedence
4. Ensure the projects proposed for funding comply with the Act.
5. Monitor the implementation of projects
6. Recommend to the board the removal of a member of the NG-CDFC in the line with section 24 sub sections 14-16 of the NG CDF Act 2015.

Induction/Training.

Upon appointment of the new members of the committee induction training is conducted by the relevant government departments for the committee to know and understand the NG-CDF act and other relevant laws applicable to the fund.

Capacity building to the NG-CDFC is conducted by the NG CDF Board once gazettement is complete in all constituencies

NG CDF Board conducted a capacity building to all NG CDFC members, Fund Account Managers and Sub County Accountants in April 2023, (invitation circular from the NG CDF Board Ref No. NG CDFBOARD/CIRCULARS/Vol 11/34 dated 13th April 2023)

Further the NG CDFC conducted a training to NG CDFC, staff and selected PMCs on 30th June 2023

Number of Meetings in a Year.

The Sec43 (11) of the NG CDF Act 2015 The Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four meetings in the same financial year, including sub-committee meetings.

Central Imenti Constituency convened 13 meetings in the course of the financial year.

Policy on Conflict Of Interest.

NG-CDF Act specifies clearly that any member with an interest in the fund shall not participate in a meeting deliberations on the fund is made and shall withdraw in such a meeting or resign from being a committee member.

None of the NG CDFC members declared conflict of interest.

Remuneration of Members

The NG CDF Board guided through a circular on allowances payable to the committee members as follows:

Each member shall receive an allowance of Ksh.5, 000 and the chairman of the constituency fund will receive Ksh.7, 000 per sitting.

The Fund Account Manager paid the allowances as per the rates prescribed in the circular during the year

Ethics and Code of Conduct

The Act stipulate that members shall be of good conduct and adhere to chapter six of the constitution and shall not have any trail of criminal record. Members shall not indulge in any act in contravention of the act and PFM act which can lead to the loss of funds.

During the recruitment of the NG CDFC, it was a requirement to provide chapter six requirements, the members provided Clearance from Higher Education Loans Board, Credit Reference Bureau, Tax compliance certificate, self-declaration form from the Ethics and Anti-Corruption Commission and Certificate of good conduct.

Risk Management

It is the responsibility of the members of the committee to ensure that they are well versed with the constituency risks and put in place controls to mitigate them.

During the Capacity building exercise that was conducted by the NG CDF Board in April 2023, NG CDFC were trained on risk management further the FAM conducted an elaborate training and sensitised the NG CDFC on constituency risks. The NG CDFC has embarked on mitigating of numerous stale cheques by engaging the Postal Corporation of Kenya to deliver and bring returns on bursary cheques, to fund the projects to completion so as to give value to the residents and recruit qualified employees to improve on project management committee documentation.

5. Environmental and Sustainability Reporting

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels

Financial Year 2022/2023 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

The environmental activities involved tree planting of indigenous and exotic trees in public institutions in months of March and April 2023. The NG CDFC also embarked on improving the primary school playing grounds through levelling and landscaping. This has contributed positively to the learners in the new curriculum. Through tree planting, the soil has been conserved from being eroded, we planted exotic trees that would give economic benefits to the institutions. In the lower part of the constituency, in the past strong winds have been experienced, the NG CDFC has earmarked the zone to improve the productivity of the soils and break the strong winds

3. Employee welfare

We invest in providing the best working environment for our employees. Central Imenti 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 National Health Insurance fund through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Central Imenti 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-

Central Imenti NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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

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Leah

.....
Name: Leah Wairimu Njoroge
Fund Account Manager.



6. 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-Central Imenti 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, 2023. 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-Central Imenti 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 Central Imenti financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF- Central Imenti 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.

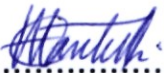
The Accounting Officer in charge of the NGCDF Central Imenti Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used 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

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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- Central Imenti Constituency financial statements were approved and signed by the Accounting Officer on 25/03 2024.



.....
Name: Mantu Mathiu Mwobobia
Chairman – NGCDF Committee



.....
Name: Leah Wairimu
Fund Account Manager



REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - CENTRAL IMENTI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Central Imenti Constituency set out on pages 1 to 61, which comprise of the statement of assets and liabilities as at 30 June, 2023, and

Report of the Auditor-General on National Government Constituencies Development Fund - Central Imenti Constituency for the year ended 30 June, 2023

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Central Imenti Constituency as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Unsupported Bursary Expenditure

The statement of receipts and payments reflects other grants and transfers amount of Kshs.42,906,310 as disclosed in Note 8 to the financial statements. The amount includes bursary to secondary schools of Kshs.22,280,323 and bursary to tertiary institutions of Kshs.10,814,410 all totalling Kshs.33,094,733 . However, an amount of Kshs.10,712,023 or 32% issued as bursary to both secondary and tertiary Institutions was not acknowledged by the beneficiaries. Further, the Management exceeded the bursary set threshold of 35% by an extra 3%.

In the circumstances, the accuracy and completeness of the bursary amounting to Kshs.33,094,733 could not be confirmed.

2. Inaccuracies in the Cash and Cash Equivalents

The statement of assets and liabilities as disclosed in Note 12A to the financial statements reflects cash and cash equivalents balance of Kshs.67,610,189. However, the bank balance confirmation certificates and the board of survey reports were not provided for review. Further, the months of April, 2023 and May, 2023 were not accounted for in the cashbook. In addition, cancelled cheques in the cash book were unsupported with journal vouchers in contravention of Regulations 103(2) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.67,610,189 could not be confirmed.

3. Unsupported Expenditure on Environment Projects

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects an amount of Kshs.42,906,310 in respect other grants and other

transfers which includes an amount of Kshs.2,611,577 in respect to environment projects. However, the expenditure was not supported by monitoring and evaluation reports.

In the circumstances, the accuracy and regularity of the environmental projects amounting to Kshs.2,611,577 could not be confirmed.

4. Unsupported Project Management Committee Account Balances

Note 19.4 and as disclosed in Annex 5 to the financial statements reflects Project Management Committee (PMC) account balances of Kshs.26,664,244. However, the PMC bank account cashbooks and bank reconciliation statements were not provided for audit review. Further, over a two (2) year period, there was no activities in nine (9) accounts with a total balance of Kshs.8,715,143 for the whole year.

In the circumstances, the accuracy and completeness of the PMC balance of Kshs.26,664,244 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflected final receipts budget and actual on comparable basis of Kshs.172,143,014 and Kshs.120,927,981 respectively resulting to a budget shortfall of Kshs.51,215,033 or 30 % of the budget. Similarly, the Fund spent Kshs.66,659,415 against actual receipts of Kshs.120,927,981 resulting to an under-utilization of Kshs.54,268,566 or 45 % of the receipts.

In the circumstances, the under-absorption of funds impacts negatively on the service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised but, the Management has not resolved the issues or provided explanation for failure to resolve the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Implement Projects

The statement of receipts and payments reflects amounts of Kshs.9,053,094 and Kshs.42,906,310 in respect transfer to Other Government Units and other grants and other transfers respectively. Included in the other grants and transfers are amounts of Kshs.3,550,000 and Kshs.2,900,000 in respect of five (5) secondary school projects and two (2) primary schools that had not been implemented. Further, a security project with an amount of Kshs.700,000 and four (4) emergency projects with an amount of Kshs.1,700,000 had not been implemented.

In the circumstances, non-implementation of the projects have negatively impacted on services delivery to the public.

2. Project Implementation Status

Review of the project implementation status indicated one hundred and fourteen (114) projects worth Kshs.91,375,761 were budgeted to be implemented during the year under review. However, forty-five (45) projects worth Kshs.48,433,984 were ongoing despite lapse of completion date. No verifiable explanation was provided for not implementing the projects in time.

In the circumstances, the value for money for projects expenditure totalling Kshs.48,433,984 could not be confirmed.

3. Lack of Bursary Sub-Committee

The statement of receipts and payments reflected other grants and transfers amounting to Kshs.42,906,310 which included bursary for secondary schools of Kshs.22,280,323

and bursary for tertiary institutions of Kshs.10,814,410 all totalling Kshs.33,094,733 as disclosed in Note 8 to the financial statements. National Government Constituencies Development Fund Committee minutes of 12 January, 2024 confirmed formation of Education Bursary Sub-Committee. However, for the year under review the Fund operated without a Bursary Sub-Committee. This was contrary to the CDF Board Circulars/Vol 1/111 dated 13 September, 2010 which states that a Sub-Committee of Constituency Development Fund Committee be formed to manage the bursary scheme including two co-opted Members one who must be the area Education Officer or an officer seconded from the Ministry.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of the 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section (1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

27 May, 2024


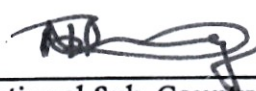
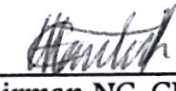
*Central Imenti Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

8. Statement of Receipts and Payments for the Year Ended 30th June 2023

	Note	2022/2023	2021/2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	87,000,000	182,770,758
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	14,000	-
Total Receipts		87,014,000	182,770,758
Payments			
Compensation Of Employees	4	3,951,088	2,496,006
Committee expenses	5	8,404,958	3,106,060
Use Of Goods and Services	6	2,343,965	3,539,690
Transfers To Other Government Units	7	9,053,094	70,752,810
Other Grants and Transfers	8	42,906,310	96,257,223
Acquisition Of Assets	9	-	-
Other Payments	10	-	-
		-	-
Total Payments		66,659,415	176,151,790
Surplus/(Deficit)		20,354,585	6,618,969

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 25/03/2024 and signed by:

 _____ Fund Account Manager	 _____ National Sub-County Accountant	 _____ Chairman NG-CDF Committee
Name: Leah Wairimu	Name: Tom Ndune Munga	Name: Mantu Mathiu Mwobobia
	ICPAK M/No:	

THE NATIONAL SUB-COUNTY
ACCOUNTANT
MERU CENTRAL

NG-CONSTITUENCY DEVELOPMENT FUND
CENTRAL IMENTI
25 MAR 2024
P. O. Box 1646, MERU

Central Imenti Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

9. Statement of Assets and Liabilities As At 30th June, 2023

	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	67,610,189	33,913,981
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		67,610,189	33,913,981
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		67,610,189	33,913,981
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		67,610,189	33,913,981
Represented By			
Fund Balance B/Fwd	15	33,913,981	27,295,013
Prior Year Adjustments	16	13,341,623	-
Surplus/Deficit for The Year		20,354,585	6,618,968
Net Financial Position		67,610,189	33,913,981

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 25/3/24 2024 and signed by:

Leah Wairimu

Fund Account Manager

Name: Leah Wairimu

Tom Ndune Munga

National Sub-County Accountant

Name: Tom Ndune Munga

ICPAK M/No:

Mantu Mathiu Mwobobia

Chairman NG-CDF Committee

Name: Mantu Mathiu Mwobobia



THE NATIONAL SUB-COUNTY ACCOUNTANT MERU CENTRAL

*Central Imenti Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

X Statement of Cash Flows for the Year Ended 30th June 2023

	Notes	2022/2023	2021/2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	87,000,000	182,770,758
Other Receipts	3	14,000	-
Total Receipts		87,014,000	182,770,758
Payments			
Compensation Of Employees	4	3,951,088	2,496,006
Committee Expenses	5	8,404,958	3,106,060
Use Of Goods and Services	6	2,343,965	3,539,690
Transfers To Other Government Units	7	9,053,094	70,752,810
Other Grants and Transfers	8	42,906,310	96,257,223
Other Payments	10	-	-
		-	-
Total Payments		66,659,415	176,151,790
Total Receipts Less Total Payments		20,354,585	6,618,969
Adjusted For:			
Prior Year Adjustments	16	13,341,623	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		33,696,208	6,618,969
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		33,696,208	6,618,969
Cash & Cash Equivalent At Start Of The Year	12	33,913,981	27,295,013
Cash & Cash Equivalent At End Of The Year	12	67,610,189	33,913,981

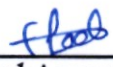
Central Imenti Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

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 25/3/2024 and signed by:



Fund Account Manager

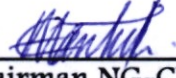
Name: Leah Wairimu



National Sub-County Accountant

Name: Tom Ndune Munga

ICPAK M/No:



Chairman NG-CDF Committee

Name: Mantu Mathiu Mwobobia

THE NATIONAL SUB-COUNTY
ACCOUNTANT
MERU CENTRAL

NG-CONSTITUENCY DEVELOPMENT FUND
CENTRAL IMENTI
25 MAR 2024
P. O. Box 1646, MERU

*Central Imenti Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023*

10. Summary Statement of Appropriation for the Year Ended 30th June 2023

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 %
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022/2023	2022/2023		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts							
Transfers From NGCDF Board	138,215,033	33,913,981	-	172,129,014	120,913,981	51,215,033	70%
Proceeds From Sale of Assets	-	-	-	-	-	-	0%
Other Receipts		14,000.00	-	14,000	14,000	-	0%
Totals	138,215,033	33,927,981	-	172,143,014	120,927,981	51,215,033	70%
Payments							0%
Compensation Of Employees	3,319,672	2,756,768	-	6,076,440	3,951,088	2,125,352	65%
Committee Expenses	3,796,000	7,749,747	-	11,545,747	8,404,958	3,140,789	73%
Use Of Goods and Services	4,436,423	7,683,270	-	12,119,693	2,343,965	9,775,728	19%
Transfers To Other Government Units	70,453,094	1,800,088	-	72,253,182	9,053,094	63,200,088	13%
Other Grants and Transfers	51,504,054	13,924,108	-	65,428,162	42,906,310	22,521,852	63%
Acquisition of Assets	200,000	-	-	200,000	-	200,000	0%
Oversight Committee Expenses	1,305,788	-	-	1,305,788	-	1,305,788	0%
Other Payments	3,200,000	-	-	3,200,000	-	3,200,000	0%
Funds Pending Approval**	-	14000	-	14,000	-	14,000	
Totals	138,215,033	33,927,981	0	172,143,014	66,659,415	105,483,599	38.7%

**Central Imenti Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023**

Explanatory Notes.

- a. Kshs 51,215,033 was an amount for Financial Year 2022/2023 that had not been received from the NG CDF Board as at 30 June 2023
- b. The funds received relating to Financial Year 2022/2023 was appropriated to bursary therefore most infrastructure projects were not initiated by the closure of the year as shown in the table below

Payments	% of Utilisation
Compensation Of Employees	65%
Committee Expenses	73%
Use Of Goods and Services	19%
Transfers To Other Government Units	13%
Other Grants and Transfers	63%
Acquisition of Assets	0%
Oversight Committee Expenses	0%

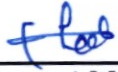
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	105,483,599
Less undisbursed funds receivable from the Board as at 30 th June 2023	(51,215,033)
Increase/ (decrease) Accounts payable	54,268,566
(Decrease)/Increase Accounts Receivable	-
Add/ Less Prior Year Adjustments	(-)
Cash and Cash Equivalents at the end of the 30 th June 2023	13,341,623
	67,610,189

Central Imenti Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

The Constituency financial statements were approved by NG CDFC on 25/3/2024 and signed by:



Fund Account Manager

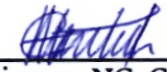
Name: Leah Wairimu



National Sub-County Accountant

Name: Tom Ndune Munga
ICPAK M/No:

THE NATIONAL SUB-COUNTY
ACCOUNTANT
MERU CENTRAL



Chairman NG-CDF Committee

Name: Mantu Mathiu Mwobobia

NG-CONSTITUENCY DEVELOPMENT FUND
CENTRAL IMENTI
25 MAR 2024
P. O. Box 1646, MERU

11. Budget Execution by Sectors and Projects for the Year Ended 30th June 2023

Programme/ Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstandin g Disbursem ents			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,319,672	2,756,768	-	6,076,440	3,951,088	2,125,352
1.2 Committee allowances	2,080,000	7,385,990	-	9,465,990	8,404,958	1,061,032
1.3 Use of goods and services	2,235,058	3,884,097	-	6,119,155	1,783,165	4,335,990
Sub-total	7,634,731	14,026,855	-	21,661,586	14,139,211	7,522,374
2.0 Monitoring and evaluation						
2.1 Capacity building	1,320,000	1,337,865	-	2,657,865	560,800	2,097,065
2.2 Committee allowances	1,716,000	363,757	-	2,079,757	-	2,079,757
2.3 Use of goods and services	881,365	2,461,308	-	3,342,673	-	3,342,673
Sub-total	3,917,365	4,162,930	-	8,080,295	560,800	7,519,495
3.0 Emergency						
3.1 Primary Schools	-	1,000,000	-	1,000,000	1,000,000	-

Central Imenti Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2023

Programme/ Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstandin g Disbursements			
3.2 Secondary schools	-	700,000	-	700,000	700,000	-
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-
3.5 Unutilized	7,636,190	2,130,936	-	9,767,126		9,767,126
Sub-total	7,636,190	3,830,936	-	11,467,126	1,700,000	9,767,126
4.0 Bursary and Social Security						
4.1 Secondary Schools	20,000,000	9,122,810	-	29,122,810	22,280,323	6,842,487
4.2 Tertiary Institutions	12,644,711	970,362	-	13,615,073	10,814,410	2,800,663
4.3 Universities	-	-	-	-	-	-
4.4 Social Security	-	-	-	-	-	-
Sub-total	32,644,711	10,093,172	-	42,737,883	33,094,733	9,643,150
5.0 Sports						
5.1 Constituency Sports	2,611,577	-	-	2,611,577	-	2,611,577
5.2						
5.3						
Sub-total	2,611,577	-	-	2,611,577	-	2,611,577
6.0 Environment						
6.1 Kauthene	150,000	-	-	150,000	150,000	-

**Central Imenti Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023**

Programme/ Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstandin & Disburseme nts			
Primary School						
6.2 Kiamuri Primary School	150,000	-	-	150,000	150,000	-
6.3 Gikuru Primary School	150,000	-	-	150,000	150,000	-
6.4 Nkura Primary School	150,000	-	-	150,000	150,000	-
6.5 Gacuru Primary School	150,000	-	-	150,000	150,000	-
6.6 Manthi Primary School	150,000	-	-	150,000	150,000	-
6.7 Kanywee Primary School	150,000	-	-	150,000	150,000	-
6.8 Rikana Primary School	150,000	-	-	150,000	150,000	-
6.9 Makandune Primary School	150,000	-	-	150,000	150,000	-
6.10 Makandune Secondary School	150,000	-	-	150,000	150,000	-
6.11 Giampuko Primary School	150,000	-	-	150,000	150,000	-
6.12 Matetu Primary School	150,000	-	-	150,000	150,000	-
6.13 Ucheru Primary School	150,000	-	-	150,000	150,000	-
6.14 Mbajone Primary School	150,000	-	-	150,000	150,000	-

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National Government Constituencies Development Fund (NGCDF)
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Programme/ Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstandin g Disbursements			
6.15 Njuthine Primary School	150,000	-	-	150,000	150,000	-
6.16 Nguchia Day Secondary School	150,000	-	-	150,000	150,000	-
6.17 Nduruma Chiefs Office	211,577	-	-	211,577	211,577	-
Sub-total	2,611,577	-	-	2,611,577	2,611,577	-
7.0 Primary Schools Projects (List all the Projects)						
7.1 Gitie Primary School	4,900,000	-	-	4,900,000	-	4,900,000
7.2 Kairebi Day & Boarding Primary School	700,000	-	-	700,000	700,000	-
7.3 Karindine Primary School	4,900,000	-	-	4,900,000	-	4,900,000
7.4 Karingene Primary School	4,900,000	-	-	4,900,000	-	4,900,000
7.5 Katheri Primary School	800,000	-	-	800,000	-	800,000
7.6 Kauthene Primary School	1,700,000	1,000,000	-	2,700,000	1,700,000	1,000,000
7.7 Kiamakoro Primary School	4,900,000	-	-	4,900,000	-	4,900,000

Central Imenti Constituency

National Government Constituencies Development Fund (NGCDF)

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Programme/ Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstandin & Disbursements			
7.8 Kija Primary School	1,200,000	-	-	1,200,000	1,200,000	-
7.9 Kioru Primary School	4,900,000	-	-	4,900,000	-	4,900,000
7.10 Kirwiro Primary School	4,900,000	-	-	4,900,000	-	4,900,000
7.11 Makandune Primary School	4,900,000	-	-	4,900,000	-	4,900,000
7.12 Matetu Primary School	4,900,000	-	-	4,900,000	-	4,900,000
7.13 Mukune Gakwine Primary School	4,900,000	-	-	4,900,000	1,200,000	3,700,000
7.14 Mukune Gakwine Primary School	1,200,000	-	-	1,200,000	-	1,200,000
7.15 Nkura Primary School	4,900,000	-	-	4,900,000	-	4,900,000
7.16 Rwanderi Primary School	4,900,000	-	-	4,900,000	-	4,900,000
7.17 Rwanderi Primary School	703,094	-	-	703,094	703,094	-
7.18 St Nicholas Primary School	500,000	-	-	500,000	-	500,000
7.19 St Nicholas Primary School	4,900,000	-	-	4,900,000	-	4,900,000
7.20 Muri Primary School	-	88		88	-	88

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Programme/ Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstandin & Disburseme nts			
7.21 Kaugu Primary School	-	800,000		800,000	-	800,000
Sub-total	65,603,094	1,800,088	-	67,403,182	5,503,094	61,900,088
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Gatuatine Day Secondary School	500,000	-	-	500,000	500,000	-
8.2 Holy Family Day Nkuene Secondary School	1,000,000	-	-	1,000,000	1,000,000	-
8.3 Kaguma Day Secondary School	600,000	-	-	600,000	600,000	-
8.4 Kathiranga Day Secondary school	1,000,000	-	-	1,000,000	-	1,000,000
8.5 Kinjo Day Secondary School	300,000	-	-	300,000	-	300,000
8.6 Kirirwa Day Secondary School	500,000	-	-	500,000	500,000	-
8.7 Nguchia Day Secondary School	950,000	-	-	950,000	950,000	-
Sub-total	4,850,000	-	-	4,850,000	3,550,000	1,300,000
9.0 Tertiary institutions Projects (List all the Projects)						

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Programme/ Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstandin & Disbursemen ts			
9.1						
9.2						
9.3						
Sub-total						
10.0 Security Projects						
10.1 Kanywee Assistant Chief Office	700,000	-	-	700,000	700,000	-
10.2 Kaongo Assistant Chief Office	600,000	-	-	600,000	600,000	-
10.3 Kiamuri Assistant Chief Office	700,000	-	-	700,000	700,000	-
10.4 Kithaku Police Post	500,000	-	-	500,000		500,000
10.5 Makandune Assistant Chief Office	700,000	-	-	700,000	700,000	-
10.6 Makandune Chief Office	700,000	-	-	700,000	700,000	-
10.7 Matetu Assistant Chief Office	700,000	-	-	700,000	700,000	-
10.8 Ruguti Assistant Chief Office	700,000	-	-	700,000	700,000	-

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Programme/ Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstandin & Disbursem ents			
10.9 Ruiga Assistant Chief Office	700,000	-	-	700,000	700,000	-
Sub-total	6,000,000	-	-	6,000,000	5,500,000	500,000
11.0 Acquisition of assets						
11.1 Purchase of 1 H.P office Desktop	100,000	-	-	100,000	-	100,000
11.2 Office Furniture	100,000	-	-	100,000	-	100,000
Sub-total	200,000	-	-	200,000		200,000
12.0 Oversight Committee Expenses (itemize)						
12.1 Committee allowances	300,000	-	-	300,000	-	300,000
12.2 Use of goods and services	1,005,788	-	-	1,005,788	-	1,005,788
Sub- Total	1,305,788	-	-	1,305,788		1,305,788
13.0 Other payments						
13.1` Central Imenti NG-CDF Strategic Plan	3,200,000	-	-	3,200,000	-	3,200,000
Sub-Total	3,200,000	-	-	3,200,000	-	3,200,000

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Programme/ Sub-Programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstandin & Disbursements			
14.0 unallocated fund						
Unapproved projects	-	-	-	-	-	-
AIA		14,000.00		14,000		14,000
PMC savings						-
Total	138,215,033	33,927,981	-	172,143,014	66,659,415	105,483,599

12. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30 June 2022 for the period 1st July 2022 to 30th June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2023.

14. 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, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

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

15. Related Party Transactions

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

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13. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO. B140856		33,000,000
AIE NO. B105741		44,000,000
AIE NO. B 128780		22,000,000
AIE NO. B 132465		12,000,000
AIE NO. B 132465		5,000,000
AIE NO. B 154381		12,000,000
AIE NO. B154276		18,000,000
AIE NO. B 155929		12,681,879
AIE NO. B140792		24,088,879
AIE NO. B185029	7,000,000	
AIE NO. B 185574	21,000,000	
AIE NO. B 205700	12,000,000	
AIE NO. B206311	12,000,000	
AIE NO. B205539	15,000,000	
AIE NO. B185 859	5,000,000	
AIE NO. B207779	15,000,000	
TOTAL	87,000,000	182,770,758

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2. Proceeds From Sale of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Others (specify)	-	-
Total	-	-

3. Other Receipts

	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	6,000	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere(unpaid bursary cheque)	8,000	-
Total	14,000	-

4. Compensation of Employees

	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,729,858	2,496,006
Personal allowances paid as part of salary	-	-
House Allowance	158,400	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	2,000,950	-
Employer Contributions Compulsory national social security schemes	61,880	-
Total	3,951,088	2,496,006

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Notes To the Financial Statements (Continued)

5. Committee Expenses

	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	2,428,953	386,950
Other committee expenses	5,976,005	2,719,110
Total	8,404,958	3,106,060

6. Use of Goods and services

	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	8,720	1,964,070
Communication, supplies and services	94,500	-
Domestic travel and subsistence	166,400	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	560,800	428,500
Hospitality supplies and services	267,855	-
Insurance costs	-	66,800
Specialised materials and services	-	-
Office and general supplies and services	-	-
Fuel , oil & lubricants	670,000	655,000
Other operating expenses	-	354,000
Bank Charges	66,840	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	508,850	71,320
Routine maintenance- other assets	-	-
	-	-
Total	2,343,965	3,539,690

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Notes to the Financial Statements (Continued)

7. Transfer to Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	5,503,094	41,752,810
Transfers To Secondary Schools (See Attached List)	3,550,000	29,000,000
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	9,053,094	70,752,810

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	22,280,323	35,596,700
Bursary – tertiary institutions (see attached list)	10,814,410	25,795,190
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	5,500,000	20,400,000
Sports projects (see attached list)	-	5,483,555
Environment projects (see attached list)	2,611,577	2,741,779
Emergency projects (see attached list)	1,700,000	6,240,000
Roads projects (see attached list)	-	-
Total	42,906,310	96,257,224

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Notes to the Financial Statements (Continued)

9. Acquisition Of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
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	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	-	-

10. Other Payments

	2022-2023	2021-2022
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
Total	-	-

11. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
11A: Bank Accounts (Cash Book Bank Balance)		
<i>Equiy Bank, A/C no. 0370261971374, Branch .Nkubu (Main account)</i>	67,610,189	33,913,981
<i>Name of Bank, account No. (Deposits account)</i>	-	-
Total	67,610,189	33,913,981
11 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-

12. Outstanding Imprests

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

13. Deposit and Retention

	2022-2023	2021-2022
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

Deposits and Retentions aging analysis.

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Notes to the Financial Statement Continued

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

14. Gratuity

	2022-2023	2021-2022
	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	-	-

15. Fund Balance B/F

	(1 st July 2022-1)	(1 st July 2021-2)
	Kshs	Kshs
Bank accounts	33,913,981	27,295,013
Cash in hand	-	-
Imprest	-	-
Total	33,913,981	27,295,013
Less		
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	33,913,981	27,295,013

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	-	-	-

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Cash in hand	-	-	-
Accounts Payables	(-)	-	(-)
Receivables	-	-	-
Others (Stale cheques reversed relating to other financial years)	-	13,341,623	13,341,623
Total	-	13,341,623	13,341,623

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Notes to the Financial Statement Continued

17. Changes In Accounts Receivable – Outstanding Imprests

	2022-2023	2021-2022
	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 – Deposits and Retentions

	2022-2023	2021-2022
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Net changes in accounts payables D-A	-	-

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

Aging Analysis for Pending Accounts Payables

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

19.2: Pending Staff Payables (See Annex 2)

	2022-2023	2021-2022
	Kshs	Kshs
NGCDFC Staff	270,971	-
Others (<i>specify</i>)	-	-
Total	270,971	-

Aging Analysis for staff Payables

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

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19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	2,125,352	2,756,768
Committee expense	3,140,789	-
Use of goods and services	9,775,728	15,433,017
Amounts due to other Government entities (see attached list)	63,200,088	1,800,088
Amounts due to other grants and other transfers (see attached list)	25,721,852	13,924,108
Acquisition of assets	200,000	-
Oversight Committee Expenses	1,305,788	-
Other Payments (specify)	14,000	-
Funds pending approval	-	-
Total	105,483,599	33,913,981

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19.4: PMC account balances (See Annex 5)

	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	26,664,244	86,149,889
Total	26,664,244	86,149,889

14. 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.	-		-	-	
3.	-		-	-	
Sub-Total					
Construction of civil works					
4.	-		-	-	
5.	-		-	-	
6.	-		-	-	
Sub-Total	-		-	-	
Supply of goods					
7.	-		-	-	
8.	-		-	-	
9.	-		-	-	
Sub-Total	-		-	-	
Supply of services					
10.	-		-	-	
Sub-Total	-		-	-	
Grand Total	-		-	-	

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2023	Comments
NG-CDFC Staff				
1. Lauryn Makandi	Clerk of works	02.01.2023	31,047	
2. Nicholas Muriki	Accounts Assistant	20.01.2023	58,162	
3. Elsie Nkatha	Secretary	02.01.2023	39,123	
4. Farida Kawira	Clerical Officer	20.01.2023	41,422	
5. Ruben Kinoti	Driver	02.01.2023	39,123	
6. Joshua Muriungi	Messenger	02.01.2023	31,047	
7. Japhet Kaburu	Project Coordinator	02.01.2023	31,047	
Sub-Total			270,971	
Grand Total			270,971	

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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current 2022-2023	Outstanding Balance Previous 2021-2022	Comments
Compensation of employees	Salary and gratuity to 7 employees	2,125,352	2,756,768	The employees were recruited in January 2023 hence the unutilised balance
Committee Allowances	Committee allowances	3,140,789	7,749,747	The funds were unutilised due to delayed release of funds
Use of goods & services	General office expenses	9,775,728	7,683,270	The funds were unutilised due to delayed release of funds
Sub Total		15,041,870	18,189,785	
Amounts due to other Government entities				
Gitie Primary School	Construction to completion of a laboratory to cater for 45 students per session	4,900,000	-	The funds were unutilised due to delayed release of funds
Karindine Primary School	Construction to completion of a laboratory to cater for 45 students per session	4,900,000	-	The funds were unutilised due to delayed release of funds
Karingene Primary School	Construction to completion of a laboratory to cater for 45 students per session	4,900,000	-	The funds were unutilised due to delayed release of funds
Katheri Primary School	Completion of a 6 door flush toilets to completion with I unit reserved for persons living with disability:shuttering,	800,000	-	The funds were unutilised due to delayed release of funds

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Name	Brief Transaction Description	Outstanding Balance Current 2022-2023	Outstanding & Balance Previous 2021-2022	Comments
	plastering and a 45 cubic meters septic tank			
Kauthene Primary School	Renovations to completion of 3 classrooms. fixing of steel doors and windows, flooring, walling plastering, roof replacement, construction of verandah and finishes window panes, and painting.	1,000,000	-	The funds were unutilised due to delayed release of funds
Kiamakoro Primary School	Construction to completion of a laboratory to cater for 45 students per session	4,900,000	-	The funds were unutilised due to delayed release of funds
Kioru Primary School	Construction to completion of a laboratory to cater for 45 students per session	4,900,000	-	The funds were unutilised due to delayed release of funds
Kirwiro Primary School	Construction to completion of a laboratory to cater for 45 students per session	4,900,000	-	The funds were unutilised due to delayed release of funds
Makandune Primary School	Construction to completion of a laboratory to cater for 45 students per session	4,900,000	-	The funds were unutilised due to delayed release of funds
Matetu Primary School	Construction to completion of a laboratory to cater for 45 students per session	4,900,000	-	The funds were unutilised due to delayed release of funds
Mukune Gakwine Primary School	Construction to completion of a laboratory to cater for 45 students per session	4,900,000	-	The funds were unutilised due to delayed release of funds
Nkura Primary School	Construction to completion of a laboratory to cater for 45 students per session	4,900,000	-	The funds were unutilised due to delayed release of funds
Rwanderi Primary School	Construction to completion	4,900,000	-	The funds were unutilised due to delayed release of funds

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Name	Brief Transaction Description	Outstanding Balance Current 2022-2023	Outstanding Balance Previous 2021-2022	Comments
	of a laboratory to cater for 45 students per session			unutilised due to delayed release of funds
St Nicholas Primary School	Completion of two storey administration block comprising of 10 rooms: Fixing of gutters and paint work , water and electrification of the three floored admin block.	500,000	-	The funds were unutilised due to delayed release of funds
St Nicholas Primary School	Construction to completion of a laboratory to cater for 45 students per session	4,900,000	-	The funds were unutilised due to delayed release of funds
Muri Primary School		88	88	
Kiamuri Primary School	Renovation of five classrooms ; flooring ,plastering and re-roofing to completion.	-	1,000,000	The funds were unutilised due to transition of the retired teacher
Kaugo Primary School	Renovation of 2 classrooms i.e. wall repairs, plastering, flooring, reroofing and painting to completion.	800,000	800,000	The funds were unutilised due to delayed released of funds
Amounts due to other Government entities		63,200,088	1,800,088	
Unutilised Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	9,767,126	3,830,936	No emergency cases were reported

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Name	Brief Transaction Description	Outstanding Balance Current 2022-2023	Outstanding Balance Previous 2021-2022	Comments
Bursary Tertiary	Payment of bursary to needy students in tertiary institutions	2,800,663	10,093,172	The NG CDFC awards in two tranches the second tranche was due in August 2023
Bursary Secondary	Payment of bursary to needy students in secondary schools	6,842,487	-	The NG CDFC awards in two tranches the second tranche was due in August 2023
Constituency Sports	Support Football Sports tournament (Kshs.1,000,000) and procure balls, goal nets , dats , dat boards and games kits to the teams in the constituency and secondary schools(Kshs.1,311,576.86)	2,611,577	-	The PMC are in the process of preparing the fixtures
Security Projects				
Kithaku Police station	Completion of 5 rooms police post : Plastering, flooring, window glazing and painting works	500,000		The funds were unutilised due to delayed release of funds
Amounts due to other grants and other transfers		22,521,852	13,924,108	
Purchase of Hp Computer	Purchase of 1 H.P office Desktop	100,000	-	The funds were unutilised due to delayed release of funds
Furniture & fittings	Fixing of the shelves in the registry	100,000	-	The funds were unutilised due to delayed release of funds
Acquisition of assets		200,000	-	

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Name	Brief Transaction Description	Outstanding Balance Current 2022-2023	Outstanding Balance Previous 2021-2022	Comments
Others				
Oversight Committee Expenses	Administration cost for 5 members to oversight committee	1,305,788	-	The project implementation had not started due to delayed release of funds
Strategic Plan	To facilitate in preparation, facts collection designing, typesetting and printing of Central Imenti Constituency Strategic plan for the period between 2023-2027	3,200,000	-	The funds were unutilised due to delayed release of funds
			-	
Sub Total		3,200,000	-	
Sub-Total		4,719,788	-	
Funds pending approval (AiA)	AiA on Sale of tenders	14,000		
Grand Total		105,483,597	33,913,981	

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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	15,485,795	-	-	15,485,795
Transport equipment	3,600,000	-	-	3,600,000
Office equipment, furniture and fittings	869,370	-	-	869,370
ICT Equipment, Software and Other ICT Assets	1,634,900	-	-	1,634,900
Other Machinery and Equipment	18,005,520	-	-	18,005,520
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	39,595,585	-	-	39,595,585

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Annex 5 –PMC Bank Balances As At 30th June 2023**

PMC	Bank	Account number	Bank Balance 2022-2023	Bank Balance 2021-2022
Karugwa Primary School	Cooperative	114129747780	262,766	309,266
Mbwinjeru Day Secondary School	Co-Operative	1139023279802	1,325	6,085
St Nicholas Primary School	Co-Operative	1141207504100	555	311,405
Kathenju Primary School	Co-Operative	1141207489100	34,444	655,284
Nyweri Day Secondary School	Co-Operative	1141023303900	10,630	638,575
Kauthene Primary School	Co-Operative	1141207484000	565,981	2,903,588
Kathiranga West Assistant Chief Office	Co-Operative	1141207402200	113,020	406,165
Muri Primary School	Equity	370279577136	38	1,445,313
Tabata Primary School	Equity	370282349528	1,370	30,825
Karii Primary School	Equity	370271497061	11,261	399,228
Kithirune Primary School	Equity	370277699810	255,582	893,423
Makandune Primary School	Equity	370269369494	5,084	354,533
Runywene Primary School	Equity	370264494264	35,060	6,539
Kiamuri Primary School	Equity	370293035778	-	397,652
Mbanjone Primary School	Equity	370269254899	1,892,827	86,647
Muthangene Primary School	Equity	370279051341	25	16,949
Bishop Nthamburi Primary School	Equity	370264498296	29,009	306,255
Gitene Primary School	Equity	370264490363	2,104	90,792
Matetu Primary School	Equity	370279730786	21,048	1,942,321
Gitiye Primary School	Equity	370271497685	25,312	242,455
Njuthine Primary School	Equity	730264491597	128	813,478
Kalimonga Primary School	Equity	370269471724	96,583	381,683
Gatuune Primary School	Equity	370264490530	72,732	301,063

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Gatuatine Primary School	Equity	370269435946	8,107	8,107
Mukuune Gakwine Primary School	Equity	370269255719	17,954	233,421
Nkuene Primary School	Equity	370279999087	48,556	58,625
Gaitu Primary School	Equity	370279085458	593	1,840
Nkuura Primary School	Equity	370264563661	123,401	4,666,335
Mugambone Primary School	Equity	370277737481	2,460	603,630
Mbwinjeru Primary School	Equity	370277697968	28,890	433,030
Gikuuru Primary School	Equity	370264500795	777,022	3,300,645
Ntharagwene Primary School	Equity	370279353844	15	699,125
Nkuura Primary School	Equity	370264563661	-	4,666,335
Manthi Primary School	Equity	370279084780	190,302	5,137,560
Mck Chaaria Primary School	Equity	370262411696	1,657	702,727
Chaaria Deb Primary School	Equity	370264490972	1,141	547,443
Ngeene Primary School	Equity	370270262258	71,700	709,920
Karaene Primary School	Equity	370260366205	-	705,768
Rwanderi Primary School	Equity	370277706738	6,932	180,836
Karugwa Primary School	Equity	370279972194	62	121,112
Nkuura Primary School	Equity	370264563661	-	4,666,335
Makandune Girls Secondary	Equity	370282775521	1,040	700,000
Githongo Secondary School	Equity	370282517505	50,400	1,000,000
Karaene Day Secondary School	Equity	370263752778	705,258	705,258
Mwitumura Primary School	Equity	370264491312	8,080	8,080.00
Kirirwa Day Secondary School	Equity	370282046453	404,855	1,192,305
Kithirune Day Secondary School	Equity	370282368494	264,810	1,400,000
Kinjo Day Secondary School	Equity	370279065127	1,032,140	1,298,000
Mwanganthia Secondary School	Equity	370294583820	16,910	1,005,754
Kaongo Girls Secondary School	Equity	370282349448	1,000,000	2,000,000

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Kija Day Secondary School	Equity	370277398344	369,612	4,288,097
Gatuatine Day Secondary School	Equity	370263708520	4,654	458,906
Kathiranga Day Secondary School	Equity	370279565316	689,490	1,502,820
Muthangene Day Secondary School	Equity	370279051614	697,738	1,538,636
Muri Day Secondary School	Equity	370277394164	204,180	1,017,410
Abothuguchi Secondary School	Equity	370282352875	121,775	405,800
Kinjo Girls Secondary School	Equity	370282774153	800,000	800,000
Keeru Secondary School	Equity	370282495353	488	1,000,000.00
Kiamuri Day Secondary School	Equity	370293035902	347,055	803,455
Nkuura Primary School	Equity	370264563661	-	4,666,335
Central Imenti Environment CDF	Equity	370271390852	2,612,467	890.00
Kithirune Chiefs Camp	Equity	370278951929	1,699,640	1,699,640
Kijja Chiefs Office	Equity	370265372381	458	319,038
Kijja Secondary School	Equity	370277398344	369,612	249,904
Marathi Assistant Chief Office	Equity	370282528331	800,000	800,000.00
Kiamuri Assistant Chief Office	Equity	370282530395	75,094	800,000
Makandune Assistant Chief	Equity	370271413869	1,640	801,250
Kanywee Assistant Chief	Equity	370282674015	10,190	800,000
Matetu Assistant Chief	Equity	370282817015	280	800,000
Ruiga Assistant Chief	Equity	370282397877	800,580	800,580
Kinjo West Assistant Chief Office	Equity	370280339583	2,721	601,600
Kibaranyaki Chief Office	Equity	370261971374	-	800,000.00
Nkiriri West Assistant Chief Office	Equity	370280341152	501,558	501,558
Nkiriri East Assistant Chief Office	Equity	370280340450	434	278,284
Kithaku Police Post	Equity	370280341106	3,688	137,938
Kauthene Assistant Chief Office	Equity	370278911563	566	583,000

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Ruguti Assistant Chief Office	Equity	370282369673	820,000	1,600,000
Kioru Assistant Chief Office	Equity	370279532916	1,500,000	1,500,000.00
Gatuune Assistant Chief Office	Equity	370280354211	2,298	143,298
Nkuene Assistant Chief Office	Equity	370279393810	211	83,662
Githongo Police Post	Equity	370282169428	374,099	600,675
Kariene Police Post	Equity	370282137278	900	275,800
Katheri East Chiefs Camp	Equity	370282272300	1,800,000	1,800,000
Kirirwa Assistant Chief Office	Equity	370282044423	3,180	289,968
Central Imenti Sports Project	Equity	370278905310	1,367,684	3,095,415
CCM Gitugu Primary School	Equity	370280922262	406	106,786
Karimunga Primary School	Equity	370269471724	96,583	381,683
Kiarago Assistant Chiefs Office	Equity	370279533465	1,600,000	1,600,000
Kijja Assistant Chiefs Office	Equity	370280921746	17,888	249,904
Makandune Assistant Chiefs Office	Equity	370282814595	181,950	800,000
Central Imenti Environment Project	Equity	370277372340	193,640	800,000
Igane Primary School	Family	62000026075	37,963	2,756
Gakurwene Assistant Chief Office	Family	62000029371	79,290	398,360
Kathiranga North Assistant Chief Office	Family	62000024595	275,063	383,118
Total			26,664,244	86,149,889

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:
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>1. Inaccuracies in Comparative Balances</p> <p>Other grants statement of cashflows 2021/2022 financial statements reflected Kshs 60,430,906 instead of the audited figure of Kshs 60,430,545 resulting to a variance of Kshs 361</p> <p>PMC Account Balances Note 17.4 2021/2022 financial statements reflected Kshs 0 instead of the audited figure of Kshs 33,629,024 resulting to a variance of Kshs (33,629,024)</p> <p>MCK Chaaria Primary School Annex 5 2021/2022 financial statements reflected Kshs 1,000,117 instead of the audited figure of Kshs 100,117 resulting to a variance of Kshs 900,000</p> <p>Rwanderi Primary School Annex 5 2021/2022 financial statements reflected Kshs 303,866 instead of the audited figure of Kshs 303,866 resulting to a variance of Kshs 3,000</p> <p>Giampuko Primary School Annex 5 2021/2022 financial statements reflected Kshs 132,220 instead of the audited figure of Kshs 132,330 resulting to a variance of Kshs (110)</p>	the amended financial statements were presented for review as per the letter dated 4 th October 2023 REF: CI-NG-CDF/AUDIT/10/23-8	Not Resolved	June 2024
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>2. Mistatement of Bursary to Secondary schools and Bursary to Tertiary Institutions</p> <p>The statement of receipts and payments reflects other grants and transfers amounting to Kshs 96,257,223. The amount includes bursary secondary schools of Kshs 61,391,890 as disclosed in no7 to the financial statements . However the</p>	The list of beneficiary is being reconciled to be availed for review	Not resolved	June 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	supporting list of beneficiaries provided reflected an amount totalling to Kshs 52,609,500 resulting to an unexplained variance of Kshs 8,782,390.00 In addition Ward Bursary vetting committee minutes could did not indicate the list of applicants and beneficiaries			
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>3. Inaccurate cash and cash equivalent</p> <p>The statement of assets and liabilities and as disclosed in Note 10 to the financial statements reflects cash and cash equivalents balance of Kshs 33,913,981. However the bank balance confirmation certificate and the board of survey could not be confirmed</p>	The bank confirmation certificate and board of survey report were presented for review as per the letter dated 4 th October 2023 REF: CI-NG-CDF/AUDIT/10/23-8	Not Resolved	June 2024
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>4. Inaccuracy of unutilized Funds Balance</p> <p>Other important Disclosure Note No. 17.3 to the financial statements reflects cash and cash equivalents balance of Kshs 33,913,981 .reflected in the summary statement of appropriation resulting to unexplained variance of Kshs 33,913,981</p>	Revised Financial statements were revised and availed for review	Not Resolved	June 2024
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>5. Unsupported Project Management Committee (PMC) Account Balances</p> <p>Other important disclosure note 17.4 to the financial statements reflects PMC account balances amounting to Kshs 86,149,889. However, the project management committee (PMC) bank account cashbooks and bank statements were not provided for audit review, Further, Annex 5 to the financial statements does not reflect PMC account balances total</p>	Revised Financial statements were revised and availed for review	Not Resolved	June 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>6. Other Matters</p> <p>Budgetary controls and performance</p> <p>The summary statement of appropriation reflects final payment budget and actual on comparable basis amounting to Kshs 210,065,770 and Kshs 176,151,789 respectively resulting to under expenditure of Kshs 33,913,981 or 16% of the budget an indication of lack of proper planning</p>	NGCDFC will ensure funds are utilised immediately the AIE has been received	Not resolved	June 2024
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>1. Transfers to Primary Schools</p> <p>The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects Kshs.70,752,810 in respect to transfers to other Government entities which further includes Kshs.42,752,810 in respect to transfers to primary schools.</p> <p>An amount of Kshs.2,000,000 was transferred to St. Nicholas Primary School Project Management Committee for the construction of the third floor of the administration block comprising of 4 rooms to completion.</p> <p>The project was started in the year 2018/2019 and a total funding of Kshs.7,200,000 has already been incurred on the project</p> <p>However, physical verification carried out in March, 2023 revealed the project had been done up to second floor but was incomplete although the bank statement reflected a balance of Kshs.411,405 as at 30 June, 2022. Further, the project has not been completed five years from the time it was started contrary to Regulation 11(1)(j) of the National Government Constituencies Development Fund Regulations 2016. which requires project to be completed within three years, In addition, the</p>	The Project is co funded further NG CDF committee allocated Kshs 500,000.00 in Financial year 2022/2023 to do internal finishes, The project is in use by Junior Secondary School. NG CFDFC will ensure projects are completed within three years	Not Resolved	June 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	contractor was not on site.			
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>2.1 Stalled Project at Kathiranga Day Secondary School – Construction of a Dining Hall</p> <p>An amount of Kshs.1,500,000 was transferred to Kathiranga Day Secondary School Project Management Committee for the construction of a 100 capacity dining hall from floor slab level to completion.</p> <p>The project was started in the year 2017/2018 and a total funding of Kshs.2,400,000 has already been incurred on the project which includes Kshs.1,500,000 in the year under review. Physical verification carried out in March, 2023 revealed the project was incomplete although the bank statement reflected Kshs.1,502,820 as at 30 June, 2022.</p> <p>The contractor was not on site and the bill of quantities and part payment certificates were not provided hence the extent of works done and whether supervision was conducted could not be confirmed.</p> <p>In addition , the project has not been completed five years from the time it was started contrary to Regulation 11(1)(j) of the National Government Constituencies Development Fund Regulations, 2016 which states that the functions of a Constituency Committee shall be to ensure that all projects receive adequate funding and are completed within three years.</p>	NG CDF committee allocated Kshs 1,000,000.00 in Financial year 2022/2023 to complete the project , NG CDFC will adhere to the timelines to complete a project	Not Resolved	June 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>2.2 Incomplete Renovations of Five Classrooms at Githongo Secondary School</p> <p>An amount of Kshs.949,600 was transferred to Githongo Secondary School Project Management Committee for the renovation of five classrooms, flooring, plastering, shuttering and re-roofing to completion. the bill of quantities was not provided hence the extent of works to be done could not be confirmed. Physical verification carried out in March, 2023 revealed that no renovations had been done despite the iron bars (D8/D10/D12/D16) being procured on 1 December, 2022 at a sum Kshs.949,600 Further, the iron bars were lying at the school compound yet the contractor was not on site.</p>	The NG CDFC will consider funding the school to complete the approved project	Not Resolved	June 2024
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>2.3 Incomplete Classrooms at Kithirune Day Secondary School</p> <p>An amount of Kshs.1,400,000 was transferred to Kithirune Day Secondary School Project Management Committee for the construction of two classrooms each with a capacity of 40 students to completion. The project was incomplete although the bank statement reflected Kshs.1,400,000 as at 30 June, 2022. In addition, the contractor was not on site and the bill of quantities and part payment certificates were not provided for audit review. Physical verification carried out in March, 2023 revealed that the Kshs.1,400,000 was transferred and used on construction of an ongoing science laboratory</p>	The NG CDFC will adhere to the provisions of the NG CDF Act of implementing only the approved projects	Not Resolved	June 2024

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	which is a clear indication that the funds were diverted from one project to the other without the approval of the Board.			
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>2.4 Stalled Project at Kinjo Day Secondary School – Construction of a School Science Laboratory</p> <p>An amount of Kshs.1,200,000 was transferred to Kinjo Day Secondary School Project Management Committee for the completion of a 40 students’ capacity laboratory from lintel level, gable walling, roofing, plastering, gas and water installation. The project was started in the year 2017/2018 and a total funding of Kshs.2,000,000 has already been incurred on the project which includes Kshs.1,200,000 in the year under review. However the contractor was not on site and bill of quantities and part payment certificates were not provided for audit review The extent of works done and whether supervision was conducted was therefore not be confirmed. Physical verification carried out in March, 2023 revealed the project was incomplete although the bank statement reflected Kshs.1,298,740 as at 30 June, 2022. Further, the project has not been completed five years from the time it was started contrary to Regulation 11(1)(j) of the National Government Constituencies Development Fund Regulations, 2016 which states that the functions of a Constituency Committee shall be to ensure that all projects receive adequate funding and are completed within three years.</p>	The management is considering funding the project to completion	Not Resolved	June 2024

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>2.5 Incomplete Classrooms at Abothuguchi Secondary School</p> <p>An amount of Kshs.1,000,000 was transferred to Abothuguchi Secondary School Project Management Committee for the completion of a 40 students' capacity laboratory from lintel level, gable walling, roofing, plastering, gas and water installation.</p> <p>Further, the project was incomplete although the bank statement reflects Kshs.405,800 balance as at 30 June, 2022. The contractor was not on site and the bill of quantities and part payment certificates were not provided for audit review. The extent of works done and whether supervision was conducted could not be confirmed. Physical verification carried out in March, 2023 revealed that the funds were diverted to construct a dormitory without approval from the Board.</p>	The Fund account manager to follow up with project department on change of activity approval letter	Not Resolved	June 2024
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>2.6 Purchase of a 52 Seater Bus for Kijja Day Secondary School</p> <p>An amount of Kshs.8,000,000 was transferred to Kijja Day Secondary School Project Management Committee for the purchase of a 52 seater bus for the school. Physical verification carried out in March, 2023 revealed that the bus procured was of correct specifications. However, the pre and post-inspection reports were not provided for audit review. This is contrary to Section 48(3)(a) and (b) of the Public Procurement and Asset Disposal Act, 2015 which states that the inspection and acceptance committee shall immediately after the</p>	The Fund Manager is following up with the inspection and acceptance committee regarding the reports to get the reports on inspection of the bus.	Not Resolved	June 2024

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	delivery of goods, works and services inspect and where necessary, test the goods received and also ensure that the good, works and services meet the technical standard defined in the contract.			
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>3 Stalled Construction of Ruiga Assistant Chief's Office</p> <p>An amount of Kshs.800,000 was transferred to Ruiga Assistant Chief's Office Project Management Committee for the construction of the assistant chief's office. However, the funds had not been utilised to date eight months later casting doubts whether it was a priority of the community and whether proper public participation was conducted prior to prioritization of the project. No explanation was provided why the project has not been implemented.</p>	The project is ongoing	Resolved	October 2023
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>3.2 Irregular Allocation for Ruguti Assistant Chief's Office</p> <p>An amount of Kshs.800,000 was transferred to Ruguti Assistant Chief's Office Project Management Committee for the purchase of a plot and a further Kshs.800,000 for the construction of Ruguti Assistant Chief's Office totalling to Kshs 1,600,000. Review of records revealed that the land was purchased for Kshs.750,000 However the title deed for the purchased land was not provided for audit review. Further no explanation was provided for the transfer of Kshs 800,000 for construction of an office on land that had not been purchased</p>	The title deed was availed to our office , project is ongoing	resolved	October 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>3.3 Stalled Construction of Kioru Assistant Chief's Office</p> <p>An amount of Kshs.800, 000 was transferred to Kioru Assistant Chief's Office Project Management Committee for the purchase of a plot for the construction of the assistant chief's office. Review of documents revealed that in the year 2019/2020 an amount of Kshs.700,000 was transferred to the Project Management Committee for the construction of the office in the year 2019/2020 all totalling to Kshs 1,500,000. However the total amount of Kshs 1,500,000 has not been utilised.This is a clear indication that proper public participation was not done. Further, the circumstances under which funds were allocated to the project for construction two years later yet the plot had not been purchased could not be established.</p>	The NG CDFC is engaging the Project management committee on the issues raised however the purchase of the parcel has not been done.	Not Resolved	October 2023
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>3.4 Stalled Construction of Kiarago Assistant Chief's Office</p> <p>An amount of Kshs.800,000 was transferred to Kiarago Assistant Chief's Office Project Management Committee for the purchase of a plot for the construction of the assistant chief's office. However, review of documents provided revealed that in the year 2019/2020 an amount of Kshs.800,000 was earlier transferred to the Project Management Committee for the construction of the office all totalling to Kshs 1,600,000.00. These funds have not been utilised.This is a clear indication that proper public participation was not</p>	The NG CDFC had a meeting with the PMC the FAM is engaging the PMC to start off the project	Not Resolved	October 2023

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	done. Further, the circumstances under which funds were allocated to the project for construction two years later yet the plot had not been purchased could not be established			
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>3.5 Poor Workmanship and Incomplete Construction of Kiamuri Assistant Chief's Office</p> <p>An amount of Kshs.800,000 was transferred to Kiamuri Assistant Chief's Office Project Management Committee for the construction of the assistant chief's office. Physical verification carried out in March, 2023 revealed that the roof had not been completed. Further, the windows were fixed with a wall pass instead of window grills which is evidence of poor workmanship</p>	The NG CDFC has allocated Kshs 700,000 to complete the project and rectify the areas with issues	Not Resolved	December 2023
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>4. Irregular Implementation of Sports Projects</p> <p>The statement of receipts and payments reflects other grants and transfers amounting to Kshs.96,257,223 , the amount includes sports projects expenditure of Kshs.5,483,555as disclosed in the Note 7 to the financial statements. The expenditure was incurred on purchase of sports equipment, carrying out constituency football sports tournaments and the winning team to be awarded with trophies', balls, goal nets and games kits. However, the expenditure was not supported with inspection and acceptance minutes and stores records showing receipt and issuance to the respective beneficiaries.</p>	The Fund Account Manager is following up with the PMC to get the accountable documents	Not Resolved	October 2023

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OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>5.1 Irregular Emergency Expenditure The statement of receipts and payments reflects other grants and transfers amounting to Kshs.96,257,223 the amount includes emergency projects expenditure of Kshs.6,240,000 as disclosed in Note 7 to the financial statements. However, no evidence was provided to confirm the emergency nature of the expenditure. Further the use of the emergency reserves was not reported to the Constituencies Development Fund Board by the committee within thirty (30) days contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which states that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency.</p>	The FAM has brought the issues to the attention of the NG CDFC , they agreed to follow the provisions regarding emergency	Not resolved	December 2023
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>5.2.1 Emergency Funding for Muri Primary School An amount of Kshs.760,000 was transferred to Muri Primary School Project Management Committee for levelling and improvement of the playing ground. However the bill of quantities and part payment certificates were not provided for audit review. The extent of works done and whether the supervision was conducted was therefore not be confirmed.</p>	FAM to contact the PMC for documentation	Not resolved	December 2023
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>5.2.2 Poor Workmanship in Field Levelling at Manthi Primary School An amount of Kshs.1,830,000 was transferred to Manthi Primary School Project Management Committee for landscaping of the school play field</p>	NGCDFC to involve the relevant technical departments to supervise the projects so as to improve on	Not resolved	December 2023

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	to completion, levelling, compacting and planting of grass of approximately 65 metres by 110 metres. Physical verification carried out in March, 2023 revealed some parts of the field were poorly compacted and sinking while other parts had been eroded, the field was steep and not well levelled which is a clear indication of poor workmanship. The grass was not also planted. In addition, the bill of quantities and part payment certificates were not provided hence the extent of works done and whether supervision was conducted could not confirmed.	workmanship		
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>5.2.3 Poor Workmanship in Field Levelling at Matetu Primary School</p> <p>An amount of Kshs.1,770,000 was transferred to Matetu Primary School Project Management Committee for landscaping of the school play field to completion, levelling, compacting and planting of grass of approximately 65 metres by 110 metres. Physical verification carried out in March, 2023 revealed some parts of the field were poorly compacted and sinking while other parts had been eroded, grass was also not planted. In addition, the bill of quantities and part payment certificates were not provided hence the extent of works done and whether supervision was conducted could not confirmed</p>	NGCDFC to involve the relevant technical departments to supervise the projects so as to improve on workmanship	Not resolved	December 2023
OAG/ER/NG-CDF/Imenti Central /2021-	<p>5.2.4 Poor Workmanship in Field Levelling at Igane Primary School</p> <p>An amount of Kshs.1,700,000 was transferred to Igane Primary School Project Management</p>	NGCDFC to involve the relevant technical departments to supervise the projects	Not resolved	December 2023

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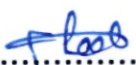
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
2022/(18)	Committee for the leveling of the field and planting of grass. Physical verification carried out in March, 2023 revealed some parts of the field were poorly compacted and sinking while other parts had been eroded, the field was steep and not well leveled, which is a clear indication of poor workmanship the grass was also not planted.	so as to improve on workmanship		
OAG/ER/NG-CDF/Imenti Central /2021-2022/(18)	<p>6 Lack of Bursary Sub –Committee The statement of receipts and payments reflects other grants and transfers amounting to Ksh.96,257,223 the amounts includes secondary schools of Kshs.35,596,700 and bursary tertiary of Kshs.25,795,190 all totalling to Kshs 61,391,890 and as disclosed in Note 7 to the financial statements However, it was noted that the Fund did not have a Constituency Development Fund Committee (CDFC) bursary sub-committee in place to manage the bursary scheme contrary to the CDF Board Circulars/Vol 1/111 dated 13 September, 2010 which states that a sub-committee of Constituency Development Fund Committee be formed to manage the bursary scheme including two co-opted members one who must be the area education officer or an officer seconded from the Ministry.</p> <p>In the circumstances, the Management was in breach of the law.</p>	NG CDFC deliberated , to comply by forming the bursary sub committee	Not resolved	December 2023
OAG/ER/NG-CDF/Imenti Central	<p>7 Implementation status A review of project implementation status report as at 30 June, 2022 revealed that one hundred and</p>	NG CDFC to fasttrack implementation of the projects	Resolved	December 2023

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/2021- 2022/(18)	<p>sixty-one (161) projects worth Kshs.178,053,778 were budgeted to be implemented during the year under review. However, fifty-five (55) projects worth Kshs.28,664,676 were completed, one hundred and six (106) projects worth Kshs.149,389,102 were ongoing. Further the project implementation status does not include the status Nkura Primary School project of Kshs 2,500,000 .In view of the foregoing, the Central Imenti Constituents did not get the expected services equivalent to one hundred and six (106) ongoing projects worth Kshs.149,389,102. This is an indication of inappropriate project implementation mechanism. Therefore, there is need for Constituency Development Fund Management to review its project planning mechanism with a view to prioritizing those projects which will be implemented during the year resulting to higher impact into improving service delivery to the citizens of Central Imenti Constituency.</p> <p>Further, projects worth Kshs.42,850,000 had not been included in the Budget Execution by Sectors and Projects.</p> <p>In the circumstances, the accuracy of the project implementation status report could not be confirmed.</p>			
OAG/ER/NG- CDF/Imenti Central	<p>8 Unresolved Prior Year Audit Matters In the audit report of the previous year, several issues were raised under the Report on Financial</p>	The Fund Account Manager to commence the process of	Not Resolved	December 2023

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/2021-2022/(18)	Statements and Report on Lawfulness and Effectiveness in Use of Public Resources which have not been resolved contrary to Section 68 (2) (l) of Public Finance Management Act, 2012 which require Accounting Officers designated for national government entities to take appropriate measures to resolve any issues arising from audit which may remain outstanding.	responding to the issues and NG CDFC resolved to comply on non-compliance issues raised		


 Name : Leah Wairimu Njoroge
 Fund Account Manager.

NG-CONSTITUENCY DEVELOPMENT FUND
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25 MAR 2024
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