

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY	
P	
DATE: 04 JUL 2023	DAY: TUESDAY
BY: Hon. Owen Baya, MP	Deputy leader, Majority party
CLERK-AT THE TABLE:	INZOFU MWALE

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REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KABETE CONSTITUENCY**

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

Revised Template 30th June 2022



KABETE CONSTITUENCY

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30th JUNE 2022

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

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I. Key Constituency Information and Management

(a) Background information

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

Mandate

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

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

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government Constituency Development Fund Committee (NG-CDFC)

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Isabella N. Mwangi
2.	Sub-County Accountant	Benard Hehu
3.	Chairman NG-CDFC	Paul Kinyanjui Gitau
4.	Member NG-CDFC	N/A

(d) Fiduciary Oversight Arrangements

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

(e) KABETE Constituency NG-CDF Headquarters

P.O. Box 515-00614

Wangige Health Centre Compound

Wangige.

(f) KABETE Constituency NG-CDF Contacts

Telephone: (254) 0722297710

E-mail: kabetecdf@gmail.com

Website: kabeteconstituency.co.ke

(g) KABETE Constituency NG-CDF Bankers

Family Bank

Wangige Branch

P.O Box 74145-00200

Nairobi.

(h) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

II. NG-CDFC Chairman's Report



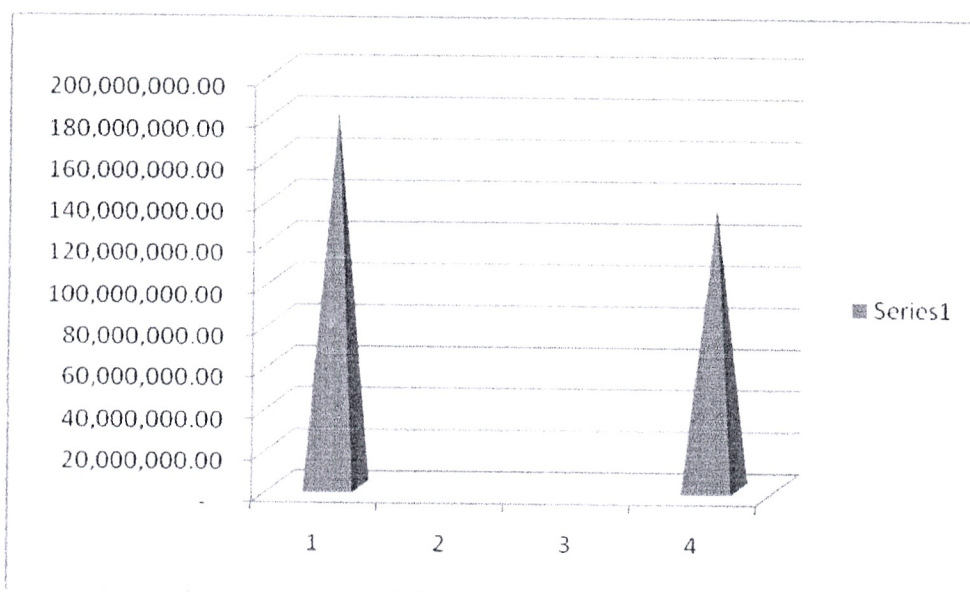
Dear stakeholders,

On behalf of the Kabete NG-CDFC, I am pleased to present the Annual report and financial statement for the year ended 30th June 2022.

We stand committed to achieving our vision of becoming a leader in utilising National Government Constituency Development funds to transform and change lives.

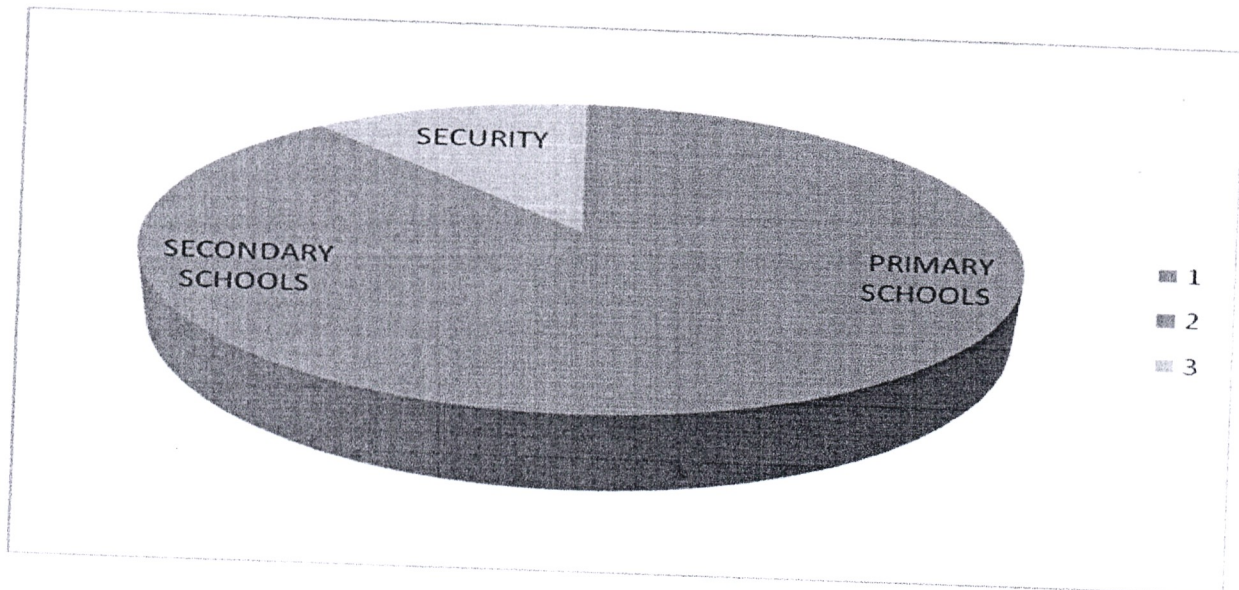
During the year, the constituency received Ksh 182,677,758.00 which is 33% more than the allocation for the year.

This extra amount is for the previous year that was dispatched in the current year.



- Figure 4 shows the funds allocated to the constituency during the year
 - Figure 1 shows the funds received in the constituency within the year
- The funds were allocated to the various projects with reference to the project proposal that was informed by public participation meetings across the constituency, with the bulk amounts going to primary schools.

Below is the representation of this allocation:

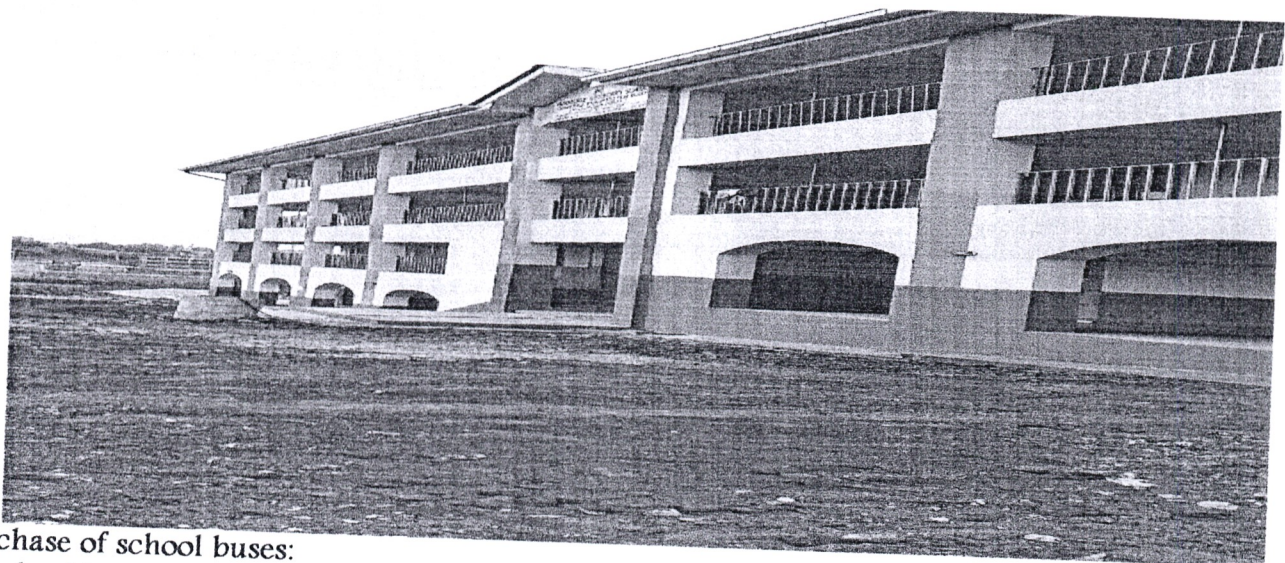


The successful projects in that financial year are:

1. **Wangige secondary school**-Completion of a tuition block of 9 classrooms, complete with an administration block.

This will ensure that the secondary school which currently operates within Wangige primary school (within borrowed primary school classrooms) will now be operating in its own compound.

This will also ensure that the secondary school is officially registered thus provided with TSC Teachers because it has the adequate infrastructural facilities.



Purchase of school buses:

10 school buses were delivered within that financial year.

5 buses for secondary schools and 5 for primary schools. This will improve the movement of pupils and students when travelling for educational tours and also for sports activities and music festivals in other schools within or without the constituency.



Challenges experienced:

The main challenge experienced in the period was the delay in fabrication of the school buses. The LPO was issued to ISUZU EA in June 2021 and the complete buses were delivered to the constituency in August 2022.

This took more than one year whereas, the contract period was supposed to be 90 days. The manufacturer communicated that there was delay in receiving some specific parts from their suppliers as a post covid effect.

The second major challenge was the escalating prices of building materials. This caused a lot of delays in the implementation of the projects as the prices kept on rising steadily.

There was consultation between the office and public works department on measures to be taken to ensure that the quality of the works was not affected by this increase in prices.

.....
Paul Gitau Kinyanjui
CHAIRMAN NG-CDF COMMITTEE

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

Introduction

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

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

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

- a) To improve the teaching and learning environment by implementing projects geared towards improving educational infrastructure in the constituency.
- b) To strengthen the security systems in the constituency
- c) Build capacity of the youth to improve on entrepreneurship, innovation, creativity and economic independence
- d) Build capacity of the persons with disability to improve on entrepreneurship, innovation, creativity and economic independence
- e) To incorporate environmental protection in socio economic and infrastructural development projects
- f) To lobby for collaborations and partnerships to complement Kabete NG CDF development projects

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 buildings in primary, secondary, and tertiary institutions _Number of bursary's beneficiaries at all levels	In FY 2021/22 _Increased 16 number of classrooms, Renovations of 103 classrooms, painting of 1 dining hall & construction of 7 modern gates in various schools/institutions _Bursary beneficiaries at all levels were vetted and awarded bursaries i.e.2,292 University/Colleges students ,7,298 High School students and 164 PLWDs students
Security	To strengthen the security systems in the constituency	Improved security infrastructure and reduce cases of insecurity in the constituency	-Number of improved infrastructures for security posts, chiefs and sub chiefs. -Number of roads fitted with street lights to enhance security -Number of trainings	In FY 2021/2022: Renovated 5 chiefs offices

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Constituency Sector	Objective	Outcome	Indicator	Performance
			for supporting the Nyumba kumi initiatives	
Environment	To incorporate environmental protection in socio economic and infrastructural development projects	-Tree planting and proper landscaping in all the projects in the constituency -Water harvesting in all the projects in the constituency	-Number of projects planted with trees and proper landscaping done. -Number of projects fitted with gutters and water storage tanks	In the FY 2021/2022: -Fitted 10 schools with gutters and water storage tanks
Sports	To build capacity of the youth to improve on entrepreneurship, innovation, creativity and economic independence	-Improved, entrepreneurship, innovation, training and creativity among the youth -Provide and support sporting activities for the youth	-Number of youths who have undertaken short courses such as driving, tailoring, catering, hair beauty and other courses. -Number of youths who have received bursaries to undertake courses in technical training institutes in order to improve on their skills	In FY 2021/2022: -Sponsored 282 students for Hairdressing course, 260 for Computer course, 433 students for catering course, 52 students for tailoring course, 209 for Plumbing courses and 145 electrical courses.
Emergency	To prepare the NG CDF committee, staff and community at large on disaster management	Improve on disaster management and preparedness in the constituency	Number of trainings on disaster preparedness and management in the constituency.	In Financial year 2021/2022: -Constructed 2 ablution block at Mahia-ini & Ngure Primary School after the existing

*Kabete Constituency
National Government Constituencies Development Fund (NG-CDF)
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Constituency Sector	Objective	Outcome	Indicator	Performance
				ones collapsed.

IV. Environmental and Sustainability Reporting

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

- a. **Education and Training:** KABETE 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; NG-CDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

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

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

2. Environmental performance

- The NG CDFC carries out environmental activities every year. This particular year the committee conducted water harvesting activities in 10 schools i.e. fixing of gutters and water tanks.
- The NG CDFC carried out Sensitization of youth/ community on the impact of drugs during the issuance of NG CDF bursary cheques.
- The NG-CDF sponsored sporting activities/ tournament bringing communities and sensitizing them on environmental conservation matters.
- The NG-CDF staff had a day in the financial year to sensitize the local communities on proper farming methods that lead to soil conservation as well as crop and animal husbandry of NG-CDF supported projects.

3. Employee welfare

We invest in providing the best working environment for our employees. Kabete constituency recruitment is guided by Employment Act, NG-CDF 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 are based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Kabete 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-

KABETE NG-CDF 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.

NG-CDF 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-

KABETE NG-CDF 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.

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



Name: Isabella N. Mwangi

Fund Accounts Manager

V. Statement of Management Responsibilities

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

The Accounting Officer in charge of the NG-CDF-KABETE Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

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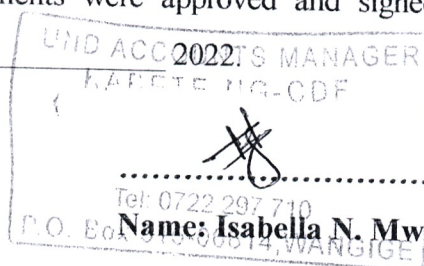
financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared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

Approval of the financial statements

The NG-CDF KABETE Constituency financial statements were approved and signed by the Accounting Officer on 20/9/2022



Name: **Paul K. Gitau**
Chairman – NG-CDF Committee

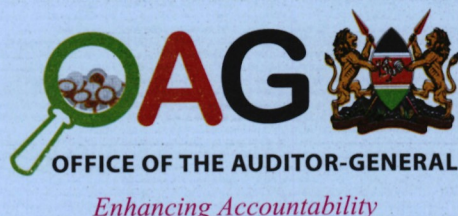


UND ACC 2022'S MANAGER
KABETE NG-CDF
Tel: 0722 297 710
P.O. Box 910 0014, WANGIGI

Name: **Isabella N. Mwangi**
Fund Account Manager

REPUBLIC OF KENYA

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



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kabete Constituency set out on pages 1 to 45, which

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

comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and, and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1. Unsupported Project Management Committees Bank Balances

Annex 5 to the financial statements reflect Project Management Committees (PMC) bank balances of Kshs.10,929,906. However, the certificate of the PMC bank balances was not provided for audit review. In addition, twenty-five (25) PMC bank accounts are listed as having had balances as at 30 June, 2022 although quarterly returns to the Fund Account Manager (FAM) by the PMCs were not provided for review and sixteen (16) PMC bank accounts had opening bank balances but no closing bank account balances.

In the circumstances, the accuracy and completeness of the Project Management Committee bank balances of Kshs.10,929,906 could not be confirmed.

2. Unsupported Other Grants and Transfers Payments

The statement of receipts and payments and Note 7 to the financial statements reflect payments totalling to Kshs.90,427,012. Review of the payment records revealed that Kshs.51,752,303 was paid out as bursaries to needy students in special schools, secondary schools and tertiary institutions. However, the following unsatisfactory matters were noted;

- i. No bursary applications register was maintained to show the names of applicants and their identification details, location of domicile, schools and colleges where admitted. In addition, forty-seven (47) students were awarded bursaries without being vetted by the bursary committee.
- ii. Schedules provided for audit indicated total bursaries allocation of Kshs.39,275,400 resulting to an unexplained variance of Kshs.12,476,903.
- iii. No bursary allocation policy was maintained by the Committee and therefore the basis for the award of the bursaries could not be confirmed.

Further included in the other grants and transfers is Kshs.7,563,500 in respect of social security programmes (NHIF) towards medical cover for poor needy people. However, whereas the approved budget provided for 1,333 beneficiaries, each at Kshs.6,000 for one year, Management paid for 1,503 beneficiaries contrary to the approval and authorization. Also, although the programme was to run for one year as per the approved budget, Management failed to remit Kshs.649,500 for the months of March and April for the 1,299 beneficiaries. This may lead to the Fund incurring penalties. Further, the audit could not establish the criteria used by the Fund to identify the poor older persons as no documentary evidence was provided

In addition, the payments on other grants and transfers includes expenditure on emergency projects amounting Kshs.200,000 for rectifying blocked sewerage at DCC's Office. However, no proof has been provided to ascertain that the emergency relates to "urgent, unforeseen need for expenditure that could not be delayed until the next financial year without harming the public interest of the constituents."

In the circumstances, the regularity, accuracy and completeness of other grants and transfer payments of Kshs.90,427,012 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 - Kabete Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unconfirmed Land Ownership and Valuation

The Fund engaged a contractor for the construction of Kabete phase I NG-CDF offices at a contract sum of Kshs.28,676,480 under Tender No. NGCDF/KBT/T/OFBLK/01/2022.

As at the time of audit on March, 2023, the Fund had paid Kshs.8,311,596, under interim certificate 1. However, enquiry on land ownership revealed that the structure is on land of unknown measurement given by Kiambu County Government and the Fund does not possess either an allotment letter or title deed of the land in its name as a proof of ownership. Further, no valuation report was provided for audit verification.

In the circumstances, land ownership and valuation could not be confirmed.

2. Irregular Payments

Review of records revealed that Management entered into a contract with a contractor on 01 March, 2022 for the construction of Kabete NG-CDF Office block Phase I and works were to start immediately. However, the contract did not state the contract duration thus failing to meet the disclosure requirements required as per Public Procurement and Assets Disposal Act, 2015. An amount of Kshs.26,000,000 had been transferred to the PMC Account for the project for the year under review while payment on interim certificate 1 of Kshs.8,311,596 was paid on 23 May, 2022 to the contractor for practical completion. This payment was however against Clause 14.6.1 of the contract as there was no performance security bond of 5% of the contract price.

During site verification, it was noted that after the ground floor to 3rd floor structure was done, the NGCDF Committee in its Project Proposal for the financial year 2022/2023 resolved and have added two floors. However, this was done without opinion from structural engineer to ascertain whether the initial structures can withstand the stress and pressure upon construction of two additional floors. In addition, there was no justification provided for the change in scope and value of the project.

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

3. Projects Inspection

Physical inspection of sampled projects revealed the following issues:

i. Construction of Classrooms at Rungiri High School

The scope of works included the construction of three (3) classrooms. Site visit revealed the project was complete and in use, however poor workmanship was observed with visible cracks on the floor and external walls appeared rough with only one coat of paint instead of the three (3) provided for in the Bills of Quantities (BQ). The painting of the ceiling boards was also poorly done. Element 5 of the BQ provided for twenty-one (21) windows costing Kshs.315,000, but only twelve (12) were done. Additionally, cornice on ceiling surfaces costing Kshs.27,750 was not done.

ii. Construction of Four (4) Storied Classrooms at Kibiku Secondary School

The project was completed and put to use. However, cracks and depressions were visible in the classrooms, corridors, edges and staircases. Cracks were also noticeable on the ceiling finishes with some areas appearing to have poor paint works.

iii. Construction of Two (2) Classrooms at Kahuhu Uhuru High School

The project status was complete and had been put to use. The classroom was built as an extension to an existing one with a shared wall. The architectural drawings with measurements were not submitted for review while the workmanship appeared poor as cracks on the walls, floors, paving slabs and pillars had developed. Painting works were also poorly done and the cornice for ceiling surfaces for both classrooms worth Kshs.22,500 were not done as per the bills of quantities.

In the circumstances, the value for money on the projects could not be confirmed and Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 May, 2023


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

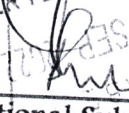
VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022


	Note	2021 – 2022	2020- 2021
		Kshs	Kshs
Receipts			
Transfers From NG-CDF Board	1	182,677,758.00	160,867,724.00
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	=	=
Total Receipts		182,677,758.00	160,867,724.00
Payments			
Compensation Of Employees	4	1,699,200.00	3,016,882.00
Use Of Goods and Services	5	13,841,186.00	9,432,543.00
Transfers To Other Government Units	6	108,642,206.00	64,651,142.00
Other Grants and Transfers	7	90,427,012.00	25,793,407.00
Acquisition Of Assets	8		-
Other Payments	9	26,000,000.00	-
Total Payments		240,609,604.00	102,893,974.00
Surplus/(Deficit)		(57,931,846.00)	57,973,750.00

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

The Constituency financial statements were approved on 20/09/ 2022 and signed by:


Fund Account Manager


National Sub-County Accountant


Chairman NG-CDF Committee

Name: Isabella N. Mwangi

Name: Benard Hehu
 ICPAK M/No: 14229

Name: Paul K. Gitau

*Kabete Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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

	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	10A	9,242,204.00	67,174,050.00
Cash Balances (Cash at Hand)	10B	-	-
Total Cash and Cash Equivalents		9,242,204.00	67,174,050.00
Accounts Receivable			
Outstanding Imprests	11	-	-
Total Financial Assets		9,242,204.00	67,174,050.00
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
Net Financial Assets		9,242,204.00	67,174,050.00
Represented By			
Fund Balance B/Fwd	13	67,174,050.00	9,200,300.00
Prior Year Adjustments	14	-	-
Surplus/Deficit for The Year		(57,931,846.00)	57,973,750.00
Net Financial Position		9,242,204.00	67,174,050.00

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

The Constituency financial statements were approved on _____ 2022 and signed by:

Fund Account Manager

National Sub-County Accountant

Chairman NG-CDF Committee

Name: Isabella N. Mwangi

Name: Benard Hehu
ICPAK M/No: 14229

Name: Paul K. Gitau

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

	Notes	2021 - 2022	2020 - 2021
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NG-CDF Board	1	182,677,758.00	160,867,724.00
Other Receipts	3	-	=
Total Receipts		<u>182,677,758.00</u>	<u>160,867,724.00</u>
Payments			
Compensation Of Employees	4	1,699,200.00	3,016,882.00
Use Of Goods and Services	5	13,841,186.00	9,432,542.00
Transfers To Other Government Units	6	108,642,206.00	64,651,142.00
Other Grants and Transfers	7	90,427,012.00	25,793,407.00
Other Payments	9	26,000,000.00	-
Total Payments		240,609,604.00	102,893,973.00
Total Receipts Less Total Payments		(57,931,846.00)	57,973,750.00
Adjusted For:			
Decrease/(Increase) In Accounts Receivable	15	-	-
Increase/(Decrease) In Accounts Payable	16	-	-
Prior Year Adjustments	14	-	-
Net Cash Flow from Operating Activities		(57,931,846.00)	57,973,750.00
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	8	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		(57,931,846.00)	57,973,750.00
Cash & Cash Equivalent At Start Of The Year	10	67,174,050.00	9,200,300.00
Cash & Cash Equivalent At End Of The Year	10	<u>9,242,204.00</u>	<u>67,174,050.00</u>

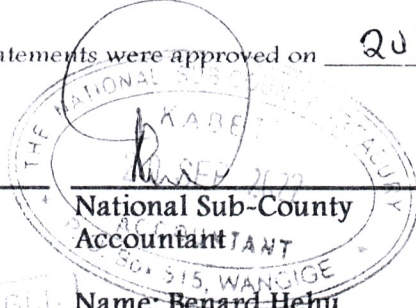
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved on 2019/2022 2022 and signed by:

Fund Account Manager

Name: ~~Isabella N. Mwangi~~

FUND ACCOUNTS MANAGER
KARETE NG-CDF
Tel: 0722 297 710
P.O. Box 515-00614, WANGIGE



National Sub-County Accountant

Name: ~~Benard Hehu~~
ICPAK M/No:14229

Chairman NG-CDF Committee

Name: Paul K. Gitau

Kabete Constituency
National Government Constituencies Development Fund (NGCDF)
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X.Summary Statement of Appropriation for the Year Ended 30th June 2022

Receipts/Payments	Original Budget a	Adjustments b			Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursement s					
Receipts	2021/2022				2021/2022	30/06/2022		
	Kshs	Kshs	Kshs		Kshs.	Kshs	Kshs	
Transfers From NG-CDF Board	137,088,879	67,174,050	45,588,880		249,851,809	249,851,809	-	100%
Proceeds From Sale of Assets								
Other Receipts								
Totals	137,088,879	67,174,050	45,588,880		249,851,809	249,851,809	-	100%
Payments								
Compensation Of Employees	2,342,040	1,629,590	0		3,971,630	1,699,200	2,272,430	42.8%
Use Of Goods and Services	9,995,959	4,697,412	0		14,693,371	13,841,186	852,185	94.2%
Transfers To Other Government Units	43,492,206	39,900,000	25,642,206		109,034,412	108,642,206	392,206	99.6%
Other Grants and Transfers	57,258,674	20,947,048	17,946,674		96,152,396	90,427,012	5,725,383	94.0%
Acquisition Of Assets	0	-	-		-	-	-	
Other Payments	24,000,000		2,000,000		26,000,000	26,000,000-	-	100.0%
Funds Pending Approval**	-							
Totals	137,088,879	67,174,050	45,588,880		249,851,809	240,609,604	9,242,204	96.3%

Kabete Constituency
National Government Constituencies Development Fund (NG-CDF)
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**Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.
 Explanatory Notes:

(a) *The underutilisation under the compensation of employees i.e., 43.4% is due to the fact that gratuity was not paid out to the staff as their contracts were still valid within the financial year. The gratuities will be paid out within the next financial year when the contracts come to an end.*

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities

Description	Amount
Budget utilisation difference totals	9,242,204
Less undisbursed funds receivable from the Board as at 30 th June 2022	0
Add Accounts payable	9,242,204
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2021/2022	9,242,204

The Constituency financial statements were approved on 20/9/2022 and signed by:

FUND ACCOUNT MANAGER
 KENNETH WANGIGE
 Tel: 0722 297 710
 P.O. Box 515-00614, WANGIGE


 National Sub-County Accountant
 P.O. Box 515, WANGIGE

Chairman NG-CDF Committee

*Kabete Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Name: Isabella N. Mwangi

Name: Benard Hehu
ICPAK M/No: 14229

Name: Paul K. Gitau

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,331,600	1,629,590.25	0	3,961,190.25	1,699,200	2,261,990.250
1.2 Committee allowances	3,947,626	2,257,254.00	0	6,204,880	6,204,880	0
1.3 Use of goods and services	1,946,106.5	0	0	1,946,106.5	1,739,375.00	206,731.50
2.0 Monitoring and evaluation						
2.1 Capacity building	1,900,000.00	0	0	1,900,000.00	1,335,593.00	564,407.00
2.2 Committee allowances	1,352,666.00	2,440,158.00	0	3,792,824.00	3,792,824.00	0
2.3 Use of goods and services	860,000.00	0	0	860,000.00	768,514.00	91,486.000
3.0 Emergency						
3.1 Primary Schools						
3.1.0 Nguire primary school	2,200,000.00	0	0	2,200,000.00	2,200,000.00	0
3.1.1 Nyathuna primary school	900,000.00	0	0	900,000.00	900,000.00	0

Kabete Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
3.1 Mahia ini primary school	1,500,000.00	0	0	1,500,000.00	1,500,000.00	0
3.2 Secondary schools						
3.21 Wangige secondary school	2,142,206.00	0	0	2,142,006.00	1,750,000	392,206.00
3.22 Uthiru day secondary school	250,000.00	0	0	250,000.00	250,000.00	0
3.3 Tertiary institutions						
3.4 Security projects						
3.41 DCC,S office	200,000.00	0	0	200,000.00	200,000.00	0
4.0 Bursary and Social Security						
4.1 Special Schools	2,274,219.00	0	0	2,274,219.00	2,274,219.00	0
4.2 Secondary Schools	22,000,000.00	3,596,953.85	8,463,119.00	34,060,072.85	34,060,072.85	0
4.3 Tertiary Institutions	15,708,889.00	0	0	15,708,889.00	15,418,011.00	290,878.00
4.4 Universities						
4.5 Social Security	7,998,000.00	5,000,000.00	0	12,998,000.00	7,563,500.00	5,434,500.00
5.0 Sports						
5.1 Sports activities	2,741,777.58	2,600,093.9	2,741,777.00	8,083,647.90	8,083,647.00	0
5.2						
5.3						
6.0 Environment	0	800,000.00	1,241,777.00	2,041,777.00	2,041,777.00	0

Kabete Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
6.1 Gathiga secondary school	250,000.00	0	0	250,000.00	250,000.00	0
6.2 Kibiku secondary school	250,000.00	0	0	250,000.00	250,000.00	0
6.3 Muguga wa Gatonye secondary school	250,000.00	0	0	250,000.00	250,000.00	0
6.4 Kabete high school	250,000.00	0	0	250,000.00	250,000.00	0
6.5 Gikuni secondary school	335,789.50	0	0	335,789.50	335,784.15	0
7.0 Primary Schools Projects (List all the Projects)						
7.1 Kamonioni primary school	2,000,000.00	3,000,000.00	0	5,000,000.00	5,000,000.00	0
7.2 Rungiri primary school	2,000,000.00	3,000,000.00	0	5,000,000.00	5,000,000.00	0
7.3 Kanyariri primary school	2,000,000.00	0	250,000.00	2,250,000.00	2,250,000.00	0
7.4 Ndongoro primary school	2,000,000.00	3,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	0
7.5 Cura primary school	2,000,000.00	2,500,000.00	400,000.00	4,900,000.00	4,900,000.00	0
7.6 Nyathuna primary school	1,000,000.00	0	0	1,000,000.00	1,000,000.00	0
7.7 Muguga primary school	1,000,000.00	2,500,000.00	400,000.00	4,900,000.00	4,900,000.00	0
7.8 Gatara primary school	6,500,000.00	0	0	6,500,000.00	6,500,000.00	0
7.9 St Mary's Kaimba primary school	2,000,000.00	1,400,000.00	5600,000.00	9,000,000.00	9,000,000.00	0
8.0 Gattanabu primary school	2,000,000.00	3,000,000.00	0	5,000,000.00	5,000,000.00	0
8.1 Kibichiku primary school	0	2,500,000.00	400,000.00	2,900,000.00	2,900,000.00	0

Kabete Constituency

National Government Constituencies Development Fund (NG-CDF)

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
8.2 Uthiru primary school	2021/2022	5,000,000.00	400,000.00	5,400,000.00	5,400,000.00	0
8.3 Kibiku primary school	0	3,500,000.00	0	3,500,000.00	3,500,000.00	0
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Kibichiku secondary school	500,000.00	0	600,000.00	1,100,000.00	1,100,000.00	0
8.2 Kahaha Uthuru high school	3,000,000.00	0	0	3,000,000.00	3,000,000.00	0
8.3 Wangige secondary secondary school	2,500,000.00	6,000,000.00	10,692,206.00	19,192,206.00	19,192,206.00	0
8.4 Uthiru day secondary school	1,000,000.00	0	0	1,000,000.00	1,000,000.00	0
8.5 Muguga wa Gatonye secondary school	500,000.00	0	0	500,000.00	500,000.00	0
8.6 Kangiri high school	3,000,000.00	0	0	3,000,000.00	3,000,000.00	0
8.7 Cura secondary school	500,000	0	600,000.00	1,100,000.00	1,100,000.00	0
8.8 Nyathuma secondary school	3,000,000	0	600,000.00	3,600,000.00	3,600,000.00	0
8.9 ACK Gikuni secondary school	0	1,500,000.00	0	1,500,000.00	1,500,000.00	0
9.0 Kanjeru girls secondary school	0	0	600,000.00	600,000.00	600,000.00	0
9.1 St Kevin's secondary school	0	0	600,000.00	600,000.00	600,000.00	0
9.0 Tertiary institutions Projects (List all the Projects)						
9.1						
9.2						
9.3						

Kabete Constituency

National Government Constituencies Development Fund (NG-CDF)

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

Programme/Sub-programme	Original Budget	Adjustments	Previous Years' Outstanding Disbursements	Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
9.4	2021/2022	Opening Balance (C/BK) and AIA				
10.0 Security Projects						
10.1 Uthiru chief's office	1,000,000.00	0	0	1,000,000.00	1,000,000.00	0
10.2 Kanjariri chief's office	1,000,000.00	0	0	1,000,000.00	1,000,000.00	0
10.3 Kanjeru chief's office	1,000,000.00	0	0	1,000,000.00	1,000,000.00	0
10.4 Gikuni chief's office	1,000,000.00	0	0	1,000,000.00	1,000,000.00	0
10.5 Kiahuria chief's office	1,000,000.00	0	0	1,000,000.00	1,000,000.00	0
10.6 Chief's office furniture	0	4,000,000.00	0	4,000,000.00	4,000,000.00	0
10.7 Kamuguga police station	0	4,000,000.00	4,500,000.00	8,500,000.00	8,500,000.00	0
10.8 Kanjeru Gichagi road security lights	0	950,000.00	0	950,000.00	950,000.00	0
10.9 DCC's office(completion of ablution block)	0	0	1,000,000.00	1,000,000.00	1,000,000.00	0
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office	24,000,000.00	0	2,000,000.00	26,000,000.00	26,000,000.00	0
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						

Kabete Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2021/2022	Actual on comparable basis 30/06/2022	Budget utilization Difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
12.1 Strategic Plan	2021/2022					
12.2 Innovation Hub						
12.2						
Funds pending approval**						
Total	137,088,879	67,174,050.00	45,588,880.00	249,851,809	240,609,604.00	9,242,204.00

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

XI. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NG-CDF KABETE Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalents.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NG-CDF 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 xx June 20xx for the period 1st July 2021 to 30th June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

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

Significant Accounting Policies continued

14. Errors

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

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

15. Related Party Transactions

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

*Kabete Constituency
National Government Constituencies Development Fund (NG-CDF)
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XII. Notes to the Financial Statements

1. Transfers from NG-CDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
NG-CDF Board		
AIE NO. B.140807	500,000.00	
AIE NO .B.140902	33,000,000.00	
AIE NO. B105445	44,000,000.00	
AIE NO. B105778	24,000,000.00	
AIE NO. B128514	5,000,000.00	
AIE NO. B128825	12,000,000.00	
AIE NO. B154023	12,000,000.00	
AIE NO. B164466	18,000,000.00	
AIE NO. B 155826	22,088,879.00	
AIE NO. B155947	12,088,879.00	
AIE NO. B104717		20,000,000.00
AIE NO. A823521		35,000,000.00
AIE NO. B104541		12,367,724.00
AIE NO. B124718		8,000,000.00
AIE NO. B124954		8,500,000.00
AIE NO. B119808		12,000,000.00
AIE NO. B128098		6,900,000.00
AIE NO. B128410		6,000,000.00
AIE NO. B132154		6,000,000.00
AIE NO. B126117		8,000,000.00
AIE NO. B138822		12,000,000.00
AIE NO. B105139		1,500,000.00
AIE NO. B126407		12,600,000.00
AIE NO. B140553		12,000,000.00
TOTAL	182,677,758.00	160,867,724.00

*Kabete Constituency
National Government Constituencies Development Fund (NG-CDF)
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2. Proceeds From Sale of Assets

	2021-2022	2020-2021
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Others (specify)		
Total	0	0

3. Other Receipts

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from sale of tender documents	0	0
Hire of plant/equipment/facilities	0	0
Unutilized funds from PMCs	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	0

***Kabete Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022***

Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,649,520.00	1,709,567.00
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Gratuity to contractual employees	-	1,207,956.00
Employer Contributions Compulsory national social security schemes	49,680.00	99,359.00
Total	1,699,200.00	3,016,882.00

5. Use Of Goods and Services

	2021-2022	2020-2021
	Kshs	Kshs
Employee contributions to N S S F	49,680.00	-
Utilities, supplies and services	294,449.00	230,975.00
Water & Sewerages	85,000.00	31,720.00
Communication, supplies and services	91,971.00	1,190,420.00
Domestic travel and subsistence	768,514.00	320,000.00
Printing, advertising and information supplies & services	100,160.00	153,669.00
Training expenses	1,050,397.00	1,395,000.00
Hospitality supplies and services	500,000.00	480,000.00
Other committee expenses	5,380,473.00	3,547,368.00
Committee allowance	4,902,427.00	1,329,000.00
Insurance costs	119,495.00	-
Specialized materials and services	-	17,240.00
Office and general supplies and services	229,057.00	-
Bank Service Commission and Charges	76,563.00	-
Other operating expenses	-	550,000.00
Other operating expenses-taxes	-	10,270.00
Security Operations	93,000.00	176,880.00
Routine maintenance – vehicles and other transport equipment	100,000.00	-
Routine maintenance – other assets	-	-
Total	13,841,186.00	9,432,542.00

Kabete Constituency

National Government Constituencies Development Fund (NG-CDF)

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

Notes To The Financial Statements (Continued)

6. Transfer To Other Government Units

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	63,450,000	39,352,901.00
Transfers To Secondary Schools (See Attached List)	45,192,206	25,298,241.00
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	108,642,206.00	64,651,142

7. Other Grants and Other transfers

	2021-2022	2020-2021
	Kshs	Kshs
Bursary – secondary schools (see attached list)	34,060,070.00	17,540,800.00
Bursary – tertiary institutions (see attached list)	15,418,011.00	3,128,000.00
Bursary – special schools (see attached list)	2,274,219.00	1,610,000.00
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	7,563,500.00	-
Security projects (see attached list)	19,450,000.00	2,000,000.00
Sports projects (see attached list)	8,083,647.00	-
Environment projects (see attached list)	3,377,565.00	1,514,607.00
Emergency projects (see attached list)	200,000.00	-
Total	90,427,012.00	25,793,407.00

8. Acquisition Of Assets

	2021-2022	2020-2021
	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	-	-
Acquisition of Land	-	-
Total	-	-

Notes To the Financial Statements (Continued)

9. Other Payments

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
NG-CDF office	26,000,000.00	2,000,000.00
	26,000,000.00	2,000,000.00

10: Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
10A: Bank Accounts (Cash Book Bank Balance)		
<i>Name Of Bank, Account No. 102000030692</i>	9,242,204.00	67,174,050.00
Total	9,242,204.00	67,174,050.00
10 B: Cash on Hand		
Location I		
Other Locations (<i>Specify</i>)		
Total		
<i>[Provide Cash Count Certificates for Each]</i>		

11: Outstanding Imprests

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

Kabete Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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

Notes to the Financial Statement Continued

12A. Retention

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

[Provide short appropriate explanations as necessary.]

12B. Gratuity

	2021-2022	2020-2021
	KShs	KShs
Gratuity as at 1 st July (A)	427,800.00	427,800.00
Gratuity held during the year (B)	427,800.00	0
Gratuity paid during the Year (C)	0	0
Closing Gratuity as at 30 th June D= A+B-C	855,600.00	427,800.00

[Provide short appropriate explanations as necessary]

13. Balances Brought Forward

	2021-2022 (1 st July 2021)	2020-2021 (1 st July 2020)
	Kshs	Kshs
Bank accounts	9,242,204.000	9,200,300.00
Cash in hand	0	0
Imprest	0	0
Total	9,242,204.00	9,200,300.00

[Provide short appropriate explanations as necessary/]

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others (<i>specify</i>)	0	0	0
Total	0	0	0

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
closing accounts in account receivables D= A+B-C	0	0
Changes in Account Receivables E= D-A	0	0

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
closing account payables D= A+B-C	0	0
Changes in Accounts Payable E= D-E	0	0

Kabete Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
Total	0	0

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Staff	0	0
Others (<i>specify</i>)	0	0
Total	0	0

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	2,261,990.25	1,629,590.00
Use of goods and services	862,624.50	4,697,412.00
Amounts due to other Government entities (see attached list)	392,210.00	39,900,000.00
Amounts due to other grants and other transfers (see attached list)	5,725,378.00	20,947,048.00
Acquisition of assets	0	
Funds pending approval	0	
Total	9,242,204	67,174,050.00

14. Prior Year Adjustments

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others (<i>specify</i>)	0	0	0
Total	0	0	0

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

15. Changes in Accounts Receivable – Outstanding Imprests

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
closing accounts in account receivables D= A+B-C	0	0
Changes in Account Receivables E= D-A	0	0

16. Changes in Accounts Payable – Deposits and Retentions

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
closing account payables D= A+B-C	0	0
Changes in Accounts Payable E= D-E	0	0

Kabete Constituency
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Notes to the Financial Statements (Continued)

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
Total	0	0

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Staff	0	0
Others (<i>specify</i>)	0	0
Total	0	0

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	2,261,990.25	1,629,590.00
Use of goods and services	862,624.50	4,697,412.00
Amounts due to other Government entities (see attached list)	392,210.00	39,900,000.00
Amounts due to other grants and other transfers (see attached list)	5,725,378.00	20,947,048.00
Acquisition of assets	0	
Funds pending approval	0	
Total	9,242,204	67,174,050.00

Kabete Constituency

National Government Constituencies Development Fund (NG-CDF)

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

17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)	10,929,906.22	61,650,131.21
Total	10,929,906.22	61,650,131.21

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

Annexes
Annexes: 1 Analysis of Pending Accounts Payable

Supplier of Goods or Services
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.

Kabete Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

Supplier of Goods or Services

Sub-Total

Grand Total

Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2022	Comments
NG-CDFC Staff				
1. Jacquelyne N. Njuguna	Office Administrator	November 2017	-	
2. Lucy Nyambura Muthike	Office Secretary	November 2017	-	
3. Samuel Njogu	Office Security	November 2017	-	
4. Paul Naitoi	Office Assistant	August 2018	-	
Sub-Total				
Grand Total				

Kabete Constituency
National Government Constituencies Development Fund (NG-CDF)
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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		2,261,990.25	1,629,590.25	
Use of goods & services		862,624.50	4,697,412.000	
Amounts due to other Government entities		392,206.00	39,900,000.00	
Sub-Total				
Amounts due to other grants and other transfers		5,725,378.00	20,947,047.75	
Sub-Total				
Acquisition of assets				
Others (<i>specify</i>)				
Sub-Total				
Funds pending approval				
Grand Total		9,242,204.00	67,174,050.00	

Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings	2,261,301			2,261,301.00
ICT Equipment, Software and Other ICT Assets	1,181,062			1,181,062
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	3,442,363			3,442,363

Kabete Constituency
National Government Constituencies Development Fund (NG-CDF)
Annual Report and Financial Statements for The Year Ended June 30, 2022

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

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Environment Project	Family Bank	102000030878	53,926.00	
Nyathuna Primary School	Family Bank	102000031941		783,071.35
ACK Nyathuna Secondary School	Family Bank	102000034506		1,789,960
Cura Primary School	Family Bank	101000001743		2,698,360.00
Gathiga Primary School	Family Bank	102000032420		703,307.00
Kahoho Primary School	Family Bank	102000030791		1,548,742.00
Kamuguga Primary School	Family Bank	102000032419		1,429,685.00
Kanjiru Primary School	Family Bank	101000000617		1,502,654
Karura Ka Nyungu Primary School	Family Bank	102000030793		514,303.00
Kibiku Primary School	Family Bank	102000031940		1,476,056.00
Kingero Primary School	Family Bank	102000031230		732,500.00
Kirangari High School	Family Bank	101000001024		1,223,261.00
Muguga Primary School	Family Bank	102000031232		3,204,840.75
Rukubi Primary School	Family Bank	102000032417		653,127.15
Rungiri High School	Family Bank	101000000597		1,994,260.00
St. Kelvins Secondary School	Family Bank	101000000602		4,994,760.00
Ndurarua Primary School		102000030792		852,244.00

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Youth & Sport	Family Bank	102000030879	796,893.00	
Wangige Primary School	Family Bank	102000031231	267,523.95	877,316.95
Ngure Primary School	Family Bank	102000031234	169,215.00	158,047.00
Uthiru Primary School	Family Bank	102000031227	148,905.92	3,945,031.92
Kibichiku Primary School	Family Bank	102000030789	253,502.37	3,517,612.37
Ngubi Valley Crest Road	Family Bank	102000034474	286.00	
Gitaru Quarry Road	Family Bank	102000034478	286.00	
Kibiku Secondary School	Family Bank	102000034510	111,894.00	
Kibichiku Secondary School	Family Bank	102000034482	130,477.00	5,973,849.00
St. Marys Kaimba Primary School	Family Bank	101000000605	412,882.00	1,994,260.00
Kanjuru Gichagi Road	Family Bank	101000002175	43,803.00	
Wangige Secondary School	Family Bank	101000002328	161,489.00	
Kirangari High School	Family Bank	101000001024	55.00	
Kanjuru Girls High School	Family Bank	102000000617	932.00	4,994,760.00
Cura Secondary School	Family Bank	102000034484	41,708.00	4,638,300.00
ACK Gikuni Secondary School	Family Bank	102000030790	228,591.27	2,989,007.27
Kingero Police Division	Family Bank	102000033294	348.00	
Mary Leakey Girls High School	Family Bank	102000032478	182.00	

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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Uthiru Day Secondary School	Family Bank	102000032954	57,060.00	3,012,306.00
Kabete High School	Family Bank	102000030882	28,298.15	990,175.15
NG-CDF Office	Family Bank	102000031522	12,247.08	
Kanyariri Secondary School	Family Bank	102000030881	160,748.30	841,319.30
Gatara Primary School	Family Bank	102000031228	6,532,697.50	1,093,396.50
Muguga Model Primary School	Family Bank	102000031229	320,892.50	523,618.50
DCC Office	Family Bank	102000001733	995,063.18	00
TOTAL			10,929,906.2 2	61,650,131.21

Annex 6: Progress On Follow Up of Auditor Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1	<p>Overstated Employer Compulsory Contributions To National Social Security Scheme:</p>	<p>The overstatement of Ksh 49,680.00 is noted and the relevant correction is now done. The correction has reduced compensation of employees by Kshs. 49,680.00 thus giving the total as Kshs. 2,967,203.00 instead of Ksh 3,016,882.00. The Kshs. 49,680.00 which is the Employee contributions to NSSF is now considered as other operating expenses. This increases the figure of other operating expenses to Kshs .599, 680.00 and the total under use of goods and services (note 5) increases to Ksh. 9,482,222.00. These changes are effected in the statement of receipt and payments, statement of cash flow and summary statement of appropriation respectively. All the changed schedules are attached</p>		Immediately

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		here as Annex 1-2022 .		
4.2	Inaccuracies in Statement of Budget Execution by Programmes and Sub Programmes:	The variance in the figures given in the statement of budget execution by programmes and sub-programmes under the items committee allowances and capacity building is a typo error which has now been rectified. The correct figures are now captured as evidenced by Annex 2-2022 .		Immediately
4.3	Irregular payment of allowances to Fund Account Manager:	The mentioned payments of Kshs. 30,000.00 for 6 meetings were per diem's paid out when the Fund Accounts Manager was in NG-CDFC meeting until late in the evening thus extending beyond the working hours.		Immediately
4.4	Unsupported Expenses: Training	The training program and report for the training that took place at Baobab resort is attached as Annex 3-2022 , copies of the various payment receipts are also attached to support the expenditure. Baobab Resort was identified by communication to the Fund Accounts Manager in the respective constituency.		Immediately

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.5	Irregular payment of allowances:	who gave a referral for the hotel due to their good services in terms of accommodation, hospitality and training facilities. The allowances were authorized as a minuted resolution by the NG CDF members who approved the budget as shown in the copy of minutes attached as Annex 4 2022 . The supporting documents relating to the expenditure are also attached as Annex 4 2022 .		Immediately
4.6	Unsupported Expenditure: Security	The quotations for provision of security services to NG- CDF office were floated within the financial year to the security companies that operate within the constituency. Out of the four quotations that were issued out only Versatile Security Guards Limited filled and returned their quotation. The office then evaluated his quotation and awarded him the contract. Attached is the filled quotation as Annex 5 2022 .		Immediately

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.7	Variance between Financial Statements and Supporting Schedules.	The ledgers support the figures that are in the financial statements. An extract of the ledgers highlighting the bursary, Environment and Security Projects is attached to support this as Annex 6 2022 .		Immediately
4.8	Unsupported Cash and cash Equivalents:	<p>The monthly bank reconciliation is normally prepared by the District Accountant and copies given to:</p> <ul style="list-style-type: none"> ● National Treasury with a copy to the Internal Auditor General ● NG-CDF Board ● NG-CDF office <p>The copy of the certificate of bank balances is attached here as Annex 7 2022.</p>		Immediately
4.9	Stale Cheques:	<p>This figure of Kshs. 4,666,338.00 is for unrepresented cheques as at 30th June 2021. None of these cheques were stale as they were all dated May and June 2021. A copy of this schedule is attached as Annex 8-2022 showing the cheques issuance</p>		Immediately

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.10	Processing of Employee's Data outside Integrated Personnel Payroll Data:	<p>I consulted the District Accountant on the IPPD which am not very familiar with and his response is: The IPPD system has not been cascaded downwards from the MDA to cater for NG-CDF bodies at present. The circular relates to guidelines on medium term budget framework yet NG-CDF is guided by NG-CDF Act 2015 on framework on submission of projects budget.</p> <p>The Treasury circular on guidelines for the preparation of the medium term budget dated 30th August 2017 is attached as Annex 9-2022.</p> <p>The NG-CDF ACT section 48 also clarifies on the remuneration of staff employed by the constituency committee.</p>		Immediately
4.1.1	Lack of Risk Management Policy:	<p>The Kabete NG-CDF office has a very comprehensive risk management policy. The document is attached as Annex 10-2022.</p>		Immediately

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.12	: Inadequate Safeguards for ICT Environment and Data Security Controls:	The Kabete NG-CDF office operates in a small office that was donated by Wangige Health Centre. It has only 3 offices and a boardroom. These are shared amongst the NG-CDF office and constituency office. In the project proposal for F/Y 2021/2022, the construction of an NG-CDF office has been factored as a priority project. The office is actually ongoing. In the new office, there will be provision for proper ICT cables and even have numerous offices where an ICT officer can be housed. A copy of the proposal confirming this is attached as Annex 11 2022.		Immediately
4.13	Under Utilization of Budgeted Funds:	The under utilisation results due to delayed dispatch of the funds from the NG-CDF board. When the funds are dispatched to the constituency account towards the end of the financial year and then there is a delay in the dispatch of the AIE document (Authority to Incur Expenditure) this also delays the absorption of funds.		Immediately

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.14	Suppliers not in the pre-qualified list of suppliers:	The procurement process for versatile security guard is explained under 4.6 Annex 5 . Trion Enterprise was identified as an emergency to supply a water tank at the office when the existing one just burst out. The office was suffering an acute water shortage due to this. However due diligence was conducted to ensure that his price for the water tank was the prevailing market price.		Immediately
4.15	Non Compliance with the Laws and Regulation in Procurement of Goods & Services:	The items that were procured were considered as low value items that are not procured on a regular or frequent basis. The procurement of these items using the normal procurement. Process would have been expensive (raising quotations, payment of opening, evaluation and award meetings allowances) and time consuming. The procurement process and stationery involved would have costed more than the items themselves. Thus the committee resolved to pay for the services directly from imprest.		Immediately

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.16	Non Compliance with Procurement of Individual Consultancy Services:	Augustine Mwangi is the consultant who developed the strategic plan. His organization was competitively bidded for. Attached documents as Annex 10-2022. During the midterm review of the strategic plan, he was facilitated the process and his facilitation then was treated as low cost value item, that was approved by the NG CD/FC in their minuted resolution (Copy attached as Annex 10 2022)		Immediately
4.17	Lack of an Updated Fixed Asset Register:	The summary of fixed asset register in the financial statements is updated as attached Annex-11-2022 shows.		Immediately
4.18	Failure to Provide Project Management Committee Expenditure Returns	Most of the PMC members lack capacity to be able to prepare proper books of accounts and make the relevant returns. The FAM will organize for proper trainings for the PMC's to ensure that they are able to keep at least the basic book of accounts for a start.		Immediately