

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE AUDITOR-GENERAL

ON

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

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

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 17 SEP 2023
TUESDAY
BY: HON. OWEN BANYA
D/MINORITY LEADER
MRS. P. MWALE



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
16 MAY 2024
RECEIVED



KIAMBU CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30th JUNE 2023

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

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

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I. Acronyms and Abbreviations

NGCDF-National Government Constituency Development Fund

PFM-Public Finance Management

IPSAS-International Public Sector Accounting Standards.

PMC-Project Management Committee

FY-Financial Year

II. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2022. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

Fiduciary Management

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

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

(c) Fiduciary Oversight Arrangements

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

(d) Kiambu Constituency NGCDF Headquarters

P.O. Box 1767 - 00900
Kiambu NG-CDF Tower Building, 1st Floor
Kiambu Road
KIAMBU, KENYA

(e) Kiambu Constituency NGCDF Contacts

Telephone: (254) 725 753171
E-mail: kiambutowncdf@gmail.com
Website: www.kiambungcdf.go.ke

(f) Kiambu Constituency NGCDF Bankers

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

A/C Number: 0640261707042

Kiambu Branch

P.O.Box 783 - 00900

Kiambu, Kenya

(g) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(h) Principal Legal Adviser

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

III. NG-CDFC Chairman's Report

JOSEPH KARIUKI KARANJA – KIAMBU NG-CDF CHAIRMAN



Dear Stakeholders,

I am pleased to present the unaudited financial statements for Kiambu Constituency for the Financial Year ended 30th June 2023. During the year, the Constituency was allocated a total of Kshs 138,215,033.

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

During the year, the bulk of the funds was allocated to the education sector. A total of **Kshs. 56,300,000** was allocated as transfers to other Government Units which consist of transfers to primary schools & secondary schools.

Project allocation	Amount allocated
Primary school projects	43,300,000
Secondary school projects	13,000,000
Security	7,500,000
Bursaries/mocks/cats	40,000,000
NG CDF Office	3,500,000
Social Halls / Youth Empowerment	4,500,000
Administration & recurrent	8,070,000
Monitoring and Evaluation	4,008,843
Emergency	7,636,190
Sports activity	2,000,000

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

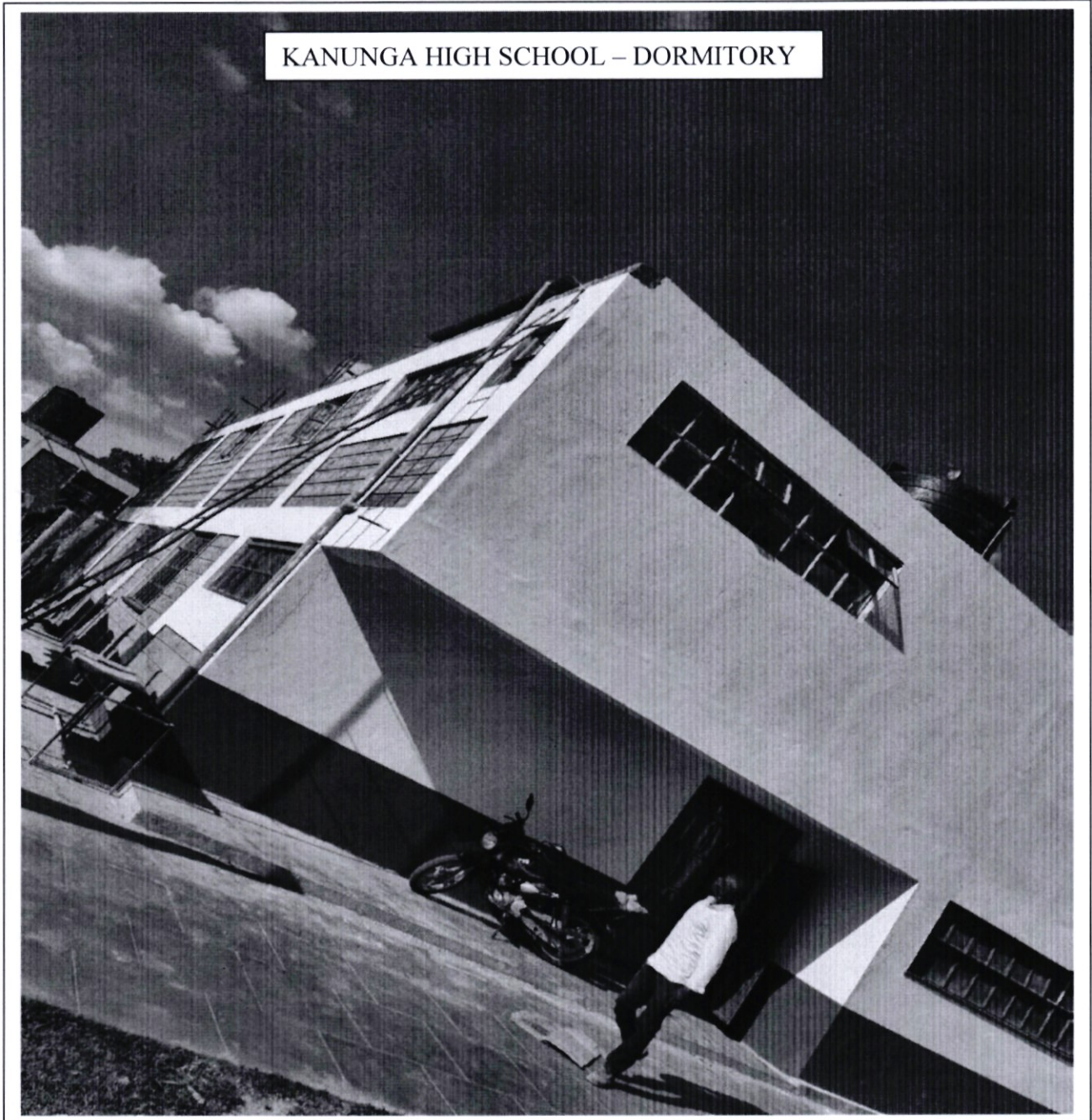
Strategic Plan	2,000,000
Environmental	2,000,000
Constituency Oversight Committee	700,000
Total	138,215,033

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

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



In the spirit of creating conducive environment for learning, the committee is constructing classrooms and dormitories in several secondary schools which are ongoing and progressing well.



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



.....

Name: Joseph Kariuki Karanja
CHAIRMAN NGCDF COMMITTEE

IV. Statement Of Performance Against Predetermined Objectives for FY2022/23

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 *Kiambu Constituency 2021-2025 plan* are to:

Education

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

Security

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

Youth empowerment

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

People/staff

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

Others

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

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	In FY 22/23 we allocated funds to enable us increase the number of classrooms, dormitories, laboratories etc from ... to... in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	To equip the security agents with necessary infrastructure to handle insecurity cases within the constituency	Improved security within the constituency	Number of physical infrastructure built in chiefs offices and police stations	In FY 2022/2023 we allocated funds to construct chiefs and assistant chiefs offices
Environment	Supports students carry out Environment Conservation Activities once in an academic calendar.	Improved environmental activity within the constituency	Environment conservation through activities such as tree planting, water conservation have reduced soil erosion.	In FY 2022/2023 we allocated funds for Purchase of solar panels Kshs.1,500,000 Installation of Solar Power Panels for the borehole at Loreto Primary School Kshs.500,000
Sports	Support sporting activities / tournament once in every financial year	Improved social and economic welfare of the youths.	Reduced crime rates within the constituency.	In FY 2022/2023 we supported a football tournament in the constituency

Kiambu Constituency

National Government Constituencies Development Fund (NGCDF)

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Emergency	We supported several projects which were Emergency in nature.	There is conducive learning environment in our schools	We funded construction of septic toilet block at Kiambu Primary School and renovation of Kasarini Secondary School Toilets and also funded the construction of a perimeter wall at Kiu River Primary School	During the financial year, we managed to cater for any unforeseen occurrences in the constituency
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V. Statement of Governance

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

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

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

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

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

VI. Environmental and Sustainability Reporting

Kiambu NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

To ensure sustainability of Kiambu NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Kiambu NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 22/23 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

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

3. Employee welfare

We invest in providing the best working environment for our employees. Kiambu constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

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

programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

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

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

Public Awareness

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

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



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



VII. Statement Of Management Responsibilities

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

The Accounting Officer in charge of the NGCDF-Kiambu Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Kiambu 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, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Kiambu Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


The Accounting Officer in charge of the NGCDF Kiambu Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further


Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
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the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF- Kiambu Constituency financial statements were approved and signed by the Accounting Officer on _____ 2023.


.....
Name: **Edwin Rotich**
Chairman – NGCDF Committee


.....
Name: **JOSEPH K KARANJA**
Fund Account Manager



REPUBLIC OF KENYA

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

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and 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 - Kiambu Constituency set out on pages 1 to 58, which

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

comprise of the statement of assets and liabilities as at 30 June, 2023, the statement of receipts and payments, statement of cash flows, 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 the National Government Constituencies Development Fund – Kiambu Constituency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015 (Amended 2022).

Basis for Qualified Opinion

1. Inaccuracies in Committee Expenses

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects committee expenses amounting to Kshs.6,389,000. Review of payment vouchers revealed that payments totaling to Kshs.927,000 were made to non-committee members. Further, payments totaling to Kshs.2,048,500 were spent on items such as sound entertainment and events management but charged to sitting allowance.

In the circumstances, the accuracy and completeness of the committee expenses amounting to Kshs.2,975,500 could not be confirmed.

2. Inaccuracies in Cash and Cash Equivalents

The statement of assets and liabilities and as disclosed in Note 12A to the financial statements reflects cash and cash equivalents balance of Kshs.42,237,304. Review of the bank reconciliation statement for June, 2023 revealed unrepresented cheques amounting to Kshs.1,892,357 out of which an amount of Kshs.883,844 related to stale cheques which were not reversed in the cashbook. Further, the Fund did not open and maintain a deposit account for holding third party monies amounting to Kshs.1,471,808.

In the circumstances, the accuracy and completeness of the cash and cash equivalent balance of Kshs.42,237,304 could not be confirmed.

3. Unsupported Payments - Tinganga Model Primary School

Review of project file revealed that Management awarded a contract to a local contractor on 30 August, 2021 for finishing of a classroom block at Tinganga Model Primary School at a contract price of Kshs.5,441,500. During the year under review an amount of Kshs.3,942,812 was withdrawn from the PMC account, out of which Kshs.3,302,822 was

paid to the contractor without any certificate of work done. Further, the Management did not account for the balance of Kshs.639,990 of the amount withdrawn.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.3,942,812 incurred for the project could not be confirmed.

4. Unsupported Project Management Committee Bank Balances

Note 19.4 to the financial statements reflects PMC account balances of Kshs.35,702,726. However, cash books and monthly bank reconciliation certificates were not provided to support the balances. Further, included in the PMC accounts were four (4) PMC bank balances with a total balance of Kshs.2,038,857 relating to completed and in-use prior years' projects. No explanation was provided to show why the balances were not refunded back to the Fund's account contrary to Section 12(8) of the National Government Constituency Development Fund Act, 2015 which provides that all unutilized funds of the Project Management Committee shall be returned to the Constituency account.

In the circumstances, the accuracy, completeness and regularity of the PMC account balances 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 – Kiambu Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.153,798,590 and Kshs.91,494,678 respectively resulting to an under-funding of Kshs.62,303,912 or 41% of the budget. Similarly, the Fund spent Kshs.49,257,374 against actual receipts of Kshs.91,494,678 resulting to an under-utilization of Kshs.42,237,304 or 46% of the total receipts.

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

My opinion is not modified in respect of this matter.

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. Irregular Branding of Projects

Physical inspection on projects implemented by Kiambu Constituency carried out on 19 March, 2024 revealed that projects implemented at Dr. John Kanunga High School and Kongo Primary School were branded with the names of the area member of parliament contrary to Section 25(3) of the National Government Constituency Development Fund Act, 2015, which provides that funds provided shall not be used for the purpose of supporting political bodies or political activities or for supporting religious bodies or religious activities.

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

2. Failure to Constitute a Bursary Committee

Review of financial statements revealed that a total of Kshs.32,329,681 was issued as bursaries to secondary schools, tertiary institutions and special schools. However, Management did not provide evidence of formation of the Education Bursary, Mock Examinations and Continuous Assessment Tests Committees to help in vetting of applicants. This was in contravention of Regulation 21(3) of the National Government Constituencies Development Fund Regulations, 2016 which provides that a Constituency Committee shall vet all applicants for bursary consideration in accordance with guidelines issued by the Board and every constituency shall establish a Sub-Committee for effective and efficient administration of education bursary schemes, mock examinations and continuous assessment tests.

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

3. Poor Contract Management at Kiambu Township Secondary school

Review of project file for Kiambu Township Secondary School revealed that Management awarded a contract to a local contractor for construction of a classroom block at Kiambu Township Secondary School on 20 July, 2022 at a contract sum of Kshs.6,416,350. However, the letters appointing the tender opening committee and tender evaluation committee were not provided for audit. Further, the notification of tender award was done on 5 July, 2022 before the professional opinion dated 7 July, 2022. Similarly, the unsuccessful bidders were not issued with letters of regret. This was in contravention of

Section 87(3) of the Public Procurement and Assets Disposal Act, 2015 which provides that when a person submitting the successful tender is notified the Accounting Officer of the procuring entity shall also notify in writing all other persons submitting tenders that their tenders were not successful, disclosing the successful tenderer as appropriate and reasons thereof.

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

4. Irregular Procurement at Kanunga High School

Review of project files revealed that Management awarded a contract for the construction of a dormitory at Kanunga High School to a local contractor on 20 July, 2022 at a contract sum of Kshs.6,029,460. However, the letter appointing the tender opening committee and tender evaluation committee were not provided for audit. Further, the notification of tender award was done on 5 July, 2022 before the professional opinion dated 7 July, 2022. In addition, unsuccessful bidders were not issued with letters of regret. This was in contravention of Section 87(3) of the Public Procurement and Assets Disposal Act, 2015 which provides that when a person submitting the successful tender is notified the Accounting Officer of the procuring entity shall also notify in writing all other persons submitting tenders that their tenders were not successful, disclosing the successful tenderer as appropriate and reasons thereof.

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

5. Irregular Procurement at Mungai Chengecha Primary School

Review of project files revealed that Management awarded a contract to a local contractor on 20 July, 2022 for the construction of a two-classroom block at Mungai Chengecha Primary School at a contract sum of Kshs.2,496,220. However, the letter appointing the members of tender opening committee and tender evaluation committee were not provided for audit. Further, the notification of tender award was done on 5 July, 2022 before the professional opinion dated 7 July, 2022 and the unsuccessful bidders were not issued with letters of regrets. This was in contravention of Section 87(3) of the Public Procurement and Assets Disposal Act, 2015 which provides that when a person submitting the successful tender is notified the Accounting Officer of the procuring entity shall also notify in writing all other persons submitting tenders that their tenders were not successful, disclosing the successful tenderer as appropriate and reasons thereof.

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

6. Irregular Procurement at Youth Empowerment Centre at Ndumberi

Review of project files revealed that a contractor was awarded a contract for the construction of a youth empowerment center at Ndumberi on 3 May, 2021 at a contract sum of Kshs.14,610,465. The contract included sub-structures, reinforced concrete superstructure, walling, doors, windows, finishes and roofing. On 2 August, 2022, the same contractor was awarded a contract for the construction of a basketball court, fencing with chain-link and mechanical works, electrical works at a cost of Kshs.3,800,000.

However, physical inspection carried out on 19 March, 2024 revealed that works inside the youth centre were not completed. In addition, fencing and fixing of electricals at the Youth Empowerment Centre were not complete.

In the circumstances, the value for money on the expenditure of Kshs.14,610,465 incurred on the project could not be confirmed.

7. Payment for Undelivered Goods

Review of project files revealed that PMC of Kihingo Chief's Office and Gichocho Youth Centre made a payment of Kshs.1,169,256 to a service provider for the supply of fiber, routers, digital access kit and WIFI. However, even though the supplier was paid in full, no evidence to show that the items were supplied

In the circumstances, the value for money for the Kshs.1,169,256 incurred on the service provision could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of 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 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 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 which 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 on whether, in all material respects, 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, in accordance with the provisions of Article 229(6) of the Constitution, and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls

which 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 which would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

29 May, 2024

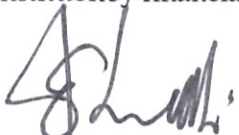
Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

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

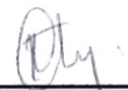
	Note	2022-2023	2021-2022
		Kshs	Kshs
Receipts			
Transfers From NGCDF Board	1	88,000,000	170,088,879
Proceeds From Sale of Assets	2	-	-
Other Receipts	3	10,000	-
Total Receipts		88,010,000	170,088,879
Payments			
Compensation Of Employees	4	1,339,231	1,000,128
Committee expenses	5	6,389,000	8,049,000
Use Of Goods and Services	6	2,199,462	4,668,483
Transfers To Other Government Units	7	3,500,000	76,000,000
Other Grants and Transfers	8	35,829,681	91,338,362
Acquisition Of Assets	9	-	-
Oversight Committee Expenses	10	-	-
Other Payments	11	-	4,700,000
Total Payments		49,257,374	185,755,973
Surplus/ (Deficit)		38,752,626	(15,667,094)

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


The Constituency financial statements were approved by the NGCDFC on _____ 2023 and signed by:



 Fund Account Manager



 National Sub-County Accountant



 Chairman NG-CDF Committee

Name: Edward Rotich

Name: FRACIAH GITUA
 ICPAK M/No: 19541

Name: JOSEPH K KIRANJE



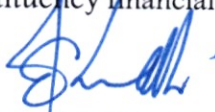
Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Annual Report and Financial Statements for The Year Ended June 30, 2023

X. Statement Of Assets and Liabilities As At 30th June, 2023

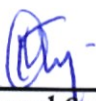
	Note	2022-2023	2021-2022
		Kshs	Kshs
Financial Assets			
Cash And Cash Equivalents			
Bank Balances (As Per the Cash Book)	12A	42,237,304	3,484,678
Cash Balances (Cash at Hand)	12B	-	-
Total Cash and Cash Equivalents		42,237,304	3,484,678
Accounts Receivable			
Outstanding Imprests	13	-	-
Total Financial Assets		42,237,304	3,484,678
Financial Liabilities			
Accounts Payable (Deposits)			
Retention	14A	-	-
Gratuity	14B	-	-
Total Financial Liabilities			
Net Financial Assets		42,237,304	3,484,678
Represented By			
Fund Balance B/Fwd	15	3,484,678	19,151,772
Prior Year Adjustments	16	-	-
Surplus/Deficit for The Year		38,752,626	(15,667,094)
Net Financial Position		42,237,304	3,484,678

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

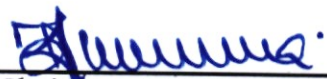
The Constituency financial statements were approved by NG CDFC on _____ 2023 and signed by:



Fund Account Manager



National Sub-County Accountant

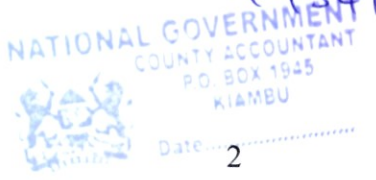


Chairman NG-CDF Committee

Name: 

Name: **FRACIAH N. GITIUA**
 ICPAK M/No: **19541**

Name: **JOSEPH K. KARANDA**



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

XI. Statement Of Cash Flows for The Year Ended 30th June 2023

	Notes	2022-2023	2021-2022
		Kshs	Kshs
Receipts From Operating Activities			
Transfers From NGCDF Board	1	88,000,000	170,088,879
Other Receipts	3	10,000	-
Total Receipts		88,010,000	170,088,879
Payments			
Compensation Of Employees	4	1,339,231	1,000,128
Committee Expenses	5	6,389,000	8,049,000
Use Of Goods and Services	6	2,199,462	4,668,483
Transfers To Other Government Units	7	3,500,000	76,000,000
Other Grants and Transfers	8	35,829,681	91,338,362
Oversight Committee Expenses	10	-	-
Other Payments	11	-	4,700,000
Total Payments		49,257,374	185,755,973
Total Receipts Less Total Payments		38,752,626	(15,667,094)
Adjusted For:			
Prior Year Adjustments	16	-	-
Decrease/(Increase) In Accounts Receivable	17	-	-
Increase/(Decrease) In Accounts Payable	18	-	-
Net Cash Flow from Operating Activities		38,752,626	(15,667,094)
Cashflow From Investing Activities			
Proceeds From Sale of Assets	2	-	-
Acquisition Of Assets	9	-	-
Net Cash Flows from Investing Activities		-	-
Net Increase In Cash And Cash Equivalent		38,752,626	(15,667,094)
Cash & Cash Equivalent At Start Of The Year	12	3,484,678	19,151,772
Cash & Cash Equivalent At End Of The Year	12	42,237,304	3,484,678

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

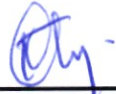
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on _____ 2023 and signed by:




Fund Account Manager

Name: Edwin Rotich



National Sub-County
Accountant
FRACIAT N. GITITHA
Name:
ICPAK M/No: 19544



Chairman NG-CDF
Committee
Name: JOSEPH K KARANGA



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

XII. Summary Statement of Appropriation for The Year Ended 30th June 2023

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
	2022/2023	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding disbursements	2022/2023	2022/2023		
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers From NGCDF Board	138,215,033	3,484,678	12,088,879	153,788,590	91,484,678	62,303,912	
Proceeds From Sale of Assets		-		-	-	-	
Other Receipts		10,000		10,000	10,000		
Totals	138,215,033	3,494,678	12,088,879	153,798,590	91,494,678	62,303,912	59.5%
Payments							
Compensation Of Employees	1,713,400	219,494	-	1,932,894	1,339,231	593,663	69.3%
Committee Expenses	7,350,000	-	-	7,350,000	6,389,000	961,000	
Use Of Goods and Services	3,715,443	131,726	-	3,847,169	2,199,462	1,647,707	57.2%
Transfers To Other Government Units	63,800,000	-	-	63,800,000	3,500,000	60,300,000	5.5%
Other Grants and Transfers	61,636,190	3,133,458	12,088,879	76,858,527	35,829,681	41,028,846	46.6%
Acquisition of Assets	-	-		-	-	-	
Oversight Committee Expenses	-	-		-	-	-	
Other Payments	-	-		-	-	-	
Funds Pending Approval**		10,000		10,000	-	10,000	
Totals	138,215,033	3,494,678	12,088,879	153,798,590	49,257,374	104,541,216	32.0%

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

***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) [For the revenue items, indicate whether they form part of the AIA by inserting the “AIA” alongside the revenue category.]
- (b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	104,541,216
Less undisbursed funds receivable from the Board as at 30 th June 2023	62,303,912
	42,237,304
Increase/ (decrease) Accounts payable	-
(Decrease)/Increase Accounts Receivable	-
Add/Less Prior Year Adjustments	
Cash and Cash Equivalents at the end of the 30 th June 2023	42,237,304

The Constituency financial statements were approved by NG CDFC on _____ 2023 and signed by:



Fund Account Manager

Name:

Edwin Rotich

National Sub-County Accountant

Name:

FRACIAH N. GITTHUA

ICPAK M/No:

19541

NATIONAL GOVERNMENT
 COUNTY ACCOUNTANT
 P.O. BOX 1945
 KIAMBU



Date:

Chairman NG-CDF Committee

Name:

JOSEPH K KARAWA

Kiambu Constituency

National Government Constituencies Development Fund (NGCDF)

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

XIII. Budget Execution By Sectors And Projects For The Year Ended 30th June 2023

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						
1.1 Compensation of employees	1,713,400	219,494	-	1,932,894	1,339,231	593,663
1.2 Committee allowances	3,600,000	-	-	3,600,000	3,500,000	100,000
1.3 Use of goods and services	2,756,600	131,726	-	2,888,326	1,855,678	1,032,648
Sub-total	8,070,000	351,220	-	8,421,220	6,694,909	1,726,311
2.0 Monitoring and evaluation						
2.1 Capacity building	470,000	-	-	470,000	-	470,000
2.2 Committee allowances	3,050,000	-	-	3,050,000	2,889,000	161,000
2.3 Use of goods and services	488,843	-	-	488,843	343,784	145,059
Sub-total	4,008,843	-	-	4,008,843	3,232,784	776,059
3.0 Emergency						
3.1 Primary Schools						
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
3.5 Unutilised	7,636,190	2,013,328	88,879	9,738,397	-	9,738,397
Sub-total	7,636,190	2,013,328	88,879	9,738,397	-	9,738,397
4.0 Bursary and Social Security						

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.1 Primary Schools						
4.2 Secondary Schools	24,000,000	620,130	-	24,620,130	22,673,681	1,946,449
4.3 Tertiary Institutions	13,000,000	500,000	-	13,500,000	8,613,000	4,887,000
4.4 Universities						
4.5 Social Security	2,000,000	-	-	2,000,000	1,043,000	957,000
4.6 Special Needs	1,000,000	-	-	1,000,000	-	1,000,000
Sub-total	40,000,000	1,120,130	-	41,120,130	32,329,681	8,790,449
5.0 Sports						
5.1	2,000,000	-	-	2,000,000	-	2,000,000
5.2						
5.3						
Sub-total	2,000,000			2,000,000	-	2,000,000
6.0 Environment						
6.1 Loreto Primary School	2,000,000	-	-	2,000,000	-	2,000,000
6.2						
6.3						
Sub-total	2,000,000	-	-	2,000,000	-	2,000,000
7.0 Primary Schools Projects (List all the Projects)						
Kangoya Primary School	6,000,000	-	-	6,000,000	-	6,000,000
Ngegu Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Loreto Primary School	3,000,000	-	-	3,000,000	-	3,000,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Mungai Chengecha Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Mary Immaculate Primary School	800,000	-	-	800,000	-	800,000
Kiambu Primary School	3,000,000	-	-	3,000,000	-	3,000,000
Thindigua Primary School	3,000,000	-	-	3,000,000	-	3,000,000
Gichocho Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Chief Wandie Primary School	4,500,000	-	-	4,500,000	-	4,500,000
Machiri Primary School	6,000,000	-	-	6,000,000	-	6,000,000
Tinganga Model Primary School	2,000,000	-	-	2,000,000	2,000,000	-
Kamiti Anmer Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Benson Njau Primary School	2,000,000	-	-	2,000,000	-	2,000,000
Kongo Primary School	5,000,000	-	-	5,000,000	-	5,000,000
Sub-total	43,300,000	-	-	43,300,000	2,000,000	41,300,000
8.0 Secondary Schools Projects (List all the Projects)						
St. Ann and Joakim Secondary School	3,000,000	-	-	3,000,000		3,000,000
Kanunga High School	3,000,000	-	-	3,000,000		3,000,000
Kiambu Township Secondary School	3,000,000	-	-	3,000,000	1,500,000	1,500,000
Riabai High School	4,000,000	-	-	4,000,000		4,000,000
Sub-total	13,000,000	-	-	13,000,000	1,500,000	11,500,000
9.0 Tertiary institutions Projects (List all the Projects)						
9.1						
9.2						

Kiambu Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
9.3						
Sub-total						
10.0 Security Projects						
Thindigua Police Station	2,000,000	-		2,000,000	-	2,000,000
Riabai Police Station	2,000,000	-		2,000,000	-	2,000,000
Tinganga Police Station	3,000,000	-		3,000,000	-	3,000,000
Ngegu Police Post	500,000	-		500,000	-	500,000
Kiamumbi police post	-	-	5,000,000	5,000,000	-	5,000,000
Ngegu police post	-	-	2,000,000	2,000,000	-	2,000,000
Sub-total	7,500,000	-	7,000,000	14,500,000	-	14,500,000
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
Sub-total						
12.0 Oversight Committee Expenses (itemize)						
Constituency Oversight	500,000	-	-	500,000	-	500,000
Hire of Transport	100,000	-	-	100,000	-	100,000

Kiambu Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Catering Services (Receptions)	100,000	-	-	100,000	-	100,000
Sub-total	700,000	-	-	700,000	-	700,000
13.0 Others						
Kiambu NG-CDF Strategic Plan	2,000,000	-	-	2,000,000	-	2,000,000
Kiambu NG-CDF Tower	3,500,000	-	5,000,000	8,500,000	3,500,000	5,000,000
Karunga Meeting Hall Fencing	500,000	-	-	500,000	-	500,000
Youth Empowerment Center Ndumberi	2,000,000	-	-	2,000,000	-	2,000,000
Gichocho Youth Center	1,000,000	-	-	1,000,000	-	1,000,000
Kihingo Youth Center	1,000,000	-	-	1,000,000	-	1,000,000
Sub-total	10,000,000	-	5,000,000	15,000,000	3,500,000	11,500,000
13.2 Innovation Hub						
13.2						
Sub-total						
Funds pending approval**						
Total	138,215,033	3,484,678	12,088,879	153,788,590	49,257,374	104,531,216

(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)

XIV. Significant Accounting Policies

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Significant Accounting Policies continued

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Significant Accounting Policies continued

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

Significant Accounting Policies continued

6. Cash and Cash Equivalent.

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

Significant Accounting Policies continued

7. Accounts Receivable

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

8. Accounts Payable

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

Significant Accounting Policies continued

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

Significant Accounting Policies Continued

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XV. Notes To the Financial Statements

1. Transfers from NGCDF Board

Description	2022-2023	2021-2022
NGCDF Board	Kshs	Kshs
AIE NO B185305	7,000,000	
AIE NO B206257	26,000,000	
AIE NO B206387	12,000,000	
AIE NO B205771	12,000,000	
AIE NO B207532	15,000,000	
AIE NO B207894	16,000,000	
AIE NO B140930		33,000,000
AIE NO B105654		44,000,000
AIE NO B105802		22,000,000
AIE NO B128542		5,000,000
AIE NO B128854		12,000,000
AIE NO B154050		12,000,000
AIE NO B164493		18,000,000
AIE NO B155848		24,088,879
TOTAL	88,000,000	170,088,879

2. Proceeds From Sale of Assets

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

Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
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3. Other Receipts

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	10,000	-
Hire of plant/equipment/facilities	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	10,000	-

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Notes To the Financial Statements (Continued)

4. Compensation Of Employees

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
NG-CDFC Basic staff salaries	978,276	955,104
Personal allowances paid as part of salary	-	-
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	291,715	-
Employer Contributions Compulsory national social security schemes	69,240	45,024
Total	1,339,231	1,000,128

5. Committee Expenses

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Sitting allowance	6,389,000	8,049,000
Other committee expenses	-	-
Total	6,389,000	8,049,000

Kiambu Constituency
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6. Use of Goods and services

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
Utilities, supplies and services	471,492	390,853
Communication, supplies and services	260,010	147,850
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	29,000	1,379,000
Rentals of produced assets	-	-
Training expenses	-	1,501,000
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	600,000	650,000
Fuel , oil & lubricants	-	-
Other operating expenses	-	207,940
Bank Charges	59,440	391,840
Security operations	779,520	-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
Total	2,199,462	4,668,483

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Notes To The Financial Statements (Continued)

7. Transfer To Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	2,000,000	46,500,000
Transfers To Secondary Schools (See Attached List)	1,500,000	29,500,000
Transfers To Tertiary Institutions (See Attached List)	-	-
Total	3,500,000	76,000,000

8. Other Grants and Other transfers

	2022-2023	2021-2022
	Kshs	Kshs
Bursary – secondary schools (see attached list)	22,673,681	36,966,155
Bursary – tertiary institutions (see attached list)	8,613,000	-
Bursary – special schools (see attached list)	1,043,000	-
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	-	26,100,000
Sports projects (see attached list)	-	4,000,000
Environment projects (see attached list)	-	2,000,000
Emergency projects (see attached list)	-	12,272,207
Roads projects (see attached list)	-	-
NG CDF Office	3,500,000	10,000,000
Total	35,829,681	91,338,362

Kiambu Constituency
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Notes To the Financial Statements (Continued)

9. Acquisition Of Assets

	2022-2023	2021-2022
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and renovation of plant, machinery and equipment	-	-
Acquisition of Land	-	-
Acquisition Intangible Assets	-	-
Total	-	-

10. Oversight Committee Expenses

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

11. Other Payments

	2022-2023	Insert Previous FY
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	4,700,000
TOTAL	-	4,700,000

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12. Cash Book Bank Balance

Name Of Bank, Account No. & Currency	2022-2023	2021-2022
	Kshs	Kshs
12A: Bank Accounts (Cash Book Bank Balance)	30/06/2023	30/06/2022
<i>Equity Bank of Kenya, Account No. 0640261707042 – Kiambu Branch- Main account</i>	42,237,304	3,484,678
	-	-
Total	42,237,304	3,484,678
12 B: Cash on Hand		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>Specify</i>)	-	-
Total	-	-
<i>[Provide Cash Count Certificates for Each]</i>		

13. 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	-	-	-
Total		-	-	-

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

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Notes to the Financial Statement Continued

14. Retention and Gratuity

14 A. Retention	<i>Insert current FY</i>	<i>Insert previous FY</i>
	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	-	-

14 B. Gratuity	<i>Insert current FY</i>	<i>Insert previous FY</i>
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

15. Fund Balance B/F

	(1st July 2022)	(1st July 2021)
	Kshs	Kshs
Bank accounts	3,484,678	19,151,772
Cash in hand	-	-
Imprest	-	-
Total	3,484,678	19,151,772
Less		
Payables: - Retention	-	-
Payables – Gratuity	-	-
Fund Balance Brought Forward	-	-

[Provide short appropriate explanations as necessary]

Kiambu Constituency
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16. Prior Year Adjustments

	Balance b/f FY 2022/2023 as per Audited Financial statements	Adjustments	Adjusted Balance** BF FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

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

17. Changes In Accounts Receivable – Outstanding Imprests

	2022-2023	2021-2022
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Net changes in accounts Receivables D - A	-	-

18. Changes In Accounts Payable – Deposits and Retentions

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

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Notes To the Financial Statements (Continued)

19. Other Important Disclosures

19.1: Pending Accounts Payable (See Annex 1)

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

19.2: Pending Staff Payables (See Annex 2)

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

19.3: Unutilized Fund (See Annex 3)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	619,943	219,494
Committee expense	-	-
Use of goods and services	5,270,427.40	131,726
Amounts due to other Government entities (see attached list)	54,800,000	-
Amounts due to other grants and other transfers (see attached list)	31,051,967	3,133,458
Acquisition of assets	-	-
Oversight Committee Expenses	700,000	-
Other Payments (<i>specify</i>)	-	-
Funds pending approval	-	-
Total	92,442,337.40	3,484,678

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19.4: PMC account balances (See Annex 5)

	<i>2022-2023</i>	<i>2021-2022</i>
	Kshs	Kshs
PMC account balances (see attached list)	35,702,726.00	22,141,010.00
Total	35,702,726.00	22,141,010.00

XVI. Annexes

Annexes: 1 Analysis of Pending Accounts Payable

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

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Annex 2 - Analysis of Pending Staff Payables

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2023	Comments
NG-CDFC Staff				
1. Helen Wanjiru Nganga	Office Administrator	1 st July 2021	Nil	
2. Teresia Nyambura Njoroge	Records Management	1 st July 2021	Nil	
3.				
Sub-Total				
Grand Total				

Kiambu Constituency
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Annex 3 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance Current FY 2022-2023	Outstanding Balance Previous FY 2021-2022	Comments
Compensation of employees	Payment of employees salaries	619,943		
Use of goods & services	Catering, committee allowances	5,270,427		
Amounts due to other Government entities				
Kangoya primary school	Facelift and renovation to completion of 15 no. classrooms	6,000,000		
Loreto primary school	Drilling and equipping of borehole	3,000,000		
Mary immaculate primary school	Renovation to completion by fitting of 8 No. classrooms with terrazzo floor	800,000		
Kiambu primary school	Construction to completion of 2 no. storied classrooms with a slab	3,000,000		
Thindigua primary school	Construction to completion of 2 no. storied classrooms with a roof slab	3,000,000		
Gichocho primary school	Facelift and renovation to completion of 3 no. classrooms	2,000,000		
Chief wandie primary school	Construction to completion of 4 no. changing	4,500,000		

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Name	Brief Transaction Description	Outstanding Balance Current FY 2022-2023	Outstanding Balance Previous FY 2021-2022	Comments
	rooms and 4 door ablution block			
Machiri primary school	Facelift and renovation to completion of 15 no. classrooms	6,000,000		
Benson njau primary school	Facelift and renovation to completion of 8 no. classrooms	2,000,000		
Kongo primary school	Facelift and renovation of 13 no. classrooms	5,000,000		
Kamiti anmer primary school	Construction of a laboratory	2,000,000		
Ngegu primary school	Construction of a laboratory	2,000,000		
Mungai chengecha primary school	Construction of a laboratory	2,000,000		
Kanunga high school	Construction of 3 storied 240 students capacity dormitory	636,190		
Riabai high school	Construction of a dormitory with a capacity of 60 beds to completion	4,000,000		
St. ann and joakim secondary school	Construction of a laboratory	3,000,000		
Kanunga high school	Construction of 3 storied 240 students capacity dormitory	2,363,810		
Kiambu township secondary school	Construction of storied classrooms	1,500,000		
Loreto primary school	Purchase and installation of solar power panels	2,000,000		

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Name	Brief Transaction Description	Outstanding Balance Current FY 2022-2023	Outstanding Balance Previous FY 2021-2022	Comments
Sub-Total		54,800,000		
Amounts due to other grants and other transfers				
Thindigua police station	Construction to completion of 2 bedsitter houses for the police	2,000,000		
Riabai police station	Facelift and renovation to completion of the administration block	2,000,000		
Tinganga police station	Construction to completion of 5 no. office block	3,000,000		
Kanunga chiefs office meeting hall	Fencing with chainlink and concrete poles	500,000		
Bursaries – secondary		7,402,449		
Emergency funds		9,649,518		
Emergency funds – 2020/2021		88,879		
Ngegu police post	Construction of police houses	500,000		
Constituency sports	Constituency sports activity	1,700,000		
Regional sports tournament	Regional sports tournament	300,000		
Gichocho youth center	Fencing the youth center	1,000,000		
Ndumberi youth empowerment center	Fencing and landscaping of youth center	2,000,000		
Kihingo youth center	Fencing and landscaping of the youth center	1,000,000		
Kiamumbi police post	Construction of a 6 roomed office	5,000,000		
Ngegu police post	Construction of	2,000,000		

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Name	Brief Transaction Description	Outstanding Balance Current FY 2022-2023	Outstanding Balance Previous FY 2021-2022	Comments
	police houses			
NG-CDF Office	Completion works at the NG-CDF office	5,000,000		
Sub-Total		43,140,846		
Acquisition of assets				
Oversight Committee Expenses (itemize)				
Allowances		500,000		
Transport		100,000		
Catering		100,000		
Others (<i>specify</i>)				
Sub-Total		700,000		
Funds pending approval				
Grand Total		104,531,216.40		

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Annex 4 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) At Year End
Land	-	-	-	-
Buildings and structures	58,000,000	-	-	-
Transport equipment	-	-	-	-
Office equipment, furniture and fittings				
ICT Equipment, Software and Other ICT Assets	1,499,390	-	-	1,499,390
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	59,499,390	-	-	1,499,390

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

PMC	Bank	Account number	Bank Balance Current FY 2022-2023	Bank Balance Previous FY 2021-2022
Benson Njau Primary School	Equity	0640266349626	2,000,000.00	2,000,000.00
Gichocho Chiefs Office	Equity	0640280989421	17,892.00	589,867.00
Kanunga High School	Equity	0640279022742	765,687.00	511,140.00
Kiambu County Commissioners Office	Equity	0640282687636	1,000,000.00	1,000,000.00
Kiambu Prisons	Equity	0640282745478	2,500,000.00	2,500,000.00
Kiamumbi Chiefs Office	Equity	0640282209954	4,000,000.00	4,000,000.00
Kihingo Chiefs Office	Equity	0640280988844	6,065.00	613,015.00
Kongo Primary School	Equity	0640280990828	2,198,630.00	2,000,000.00
Machiri Primary School	Equity	0640264358668	4,162,554.00	4,000,000.00
Mbureria Chiefs Office	Equity	0640282714461	3,000,000.00	3,000,000.00
Njunu Police Post	Equity	0640282673334	500,000.00	500,000.00
Ting'ang'a Chiefs Office Youth Empowerment Center	Equity	0640280539050	14,900.00	426,988.00
Ting'ang'a Police Post	Equity	0640282543273	1,000,000.00	1,000,000.00
Tinganga Model Primary School	Equity	0640277396136	2,168,102.00	
Kiambu Township Secondary School	Equity	0640277980382	1,856,635.00	
Kiambu Ng-Cdf Tower	Equity	0640264558705	4,223,056.00	
Youth Empowerment Center Ndumberi	Equity	0640264565595	4,772,956.00	
Mungai Chengecha Primary School	Equity	0640266428706	1,516,249.00	

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IC	Bank	Account number	Bank Balance Current FY 2022-2023	Bank Balance Previous FY 2021-2022
Total			35,702,726.00	22,141,010.00

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)
OAG/NRO/NGCDF/KIAM BU/2021-2022(6),	<p>1. <u>CONSTRUCTION OF ADMINISTRATION BLOCK AT KONGO PRIMARY SCHOOL</u></p> <p>During the audit of the FY under review, you noted that the Management awarded a contract for construction of administration block at a contract sum of Ksh. 3,998,898. Physical verification and review of project documents revealed the following;</p> <p>a) No evidence of extra works done or approvals for the same for the expenditure of Ksh. 200,000 allocated under provisional sums under contingency was attached in the PMC file.</p> <p>b) Field inspection of the project revealed that the base of the pillars on the</p>	<ul style="list-style-type: none"> ➤ On the issue of non-justification of a payment of ksh. 200,000 in respect to provisional sums under contingency, I wish to notify you that Kiambu NG-CDF Committee has written to the County Works Offices and has requested to be furnished with an itemized bill of quantities (B.Q) for Provisional Sums under Contingencies. The same will be forwarded to your office when ready. However, the committee has noted the auditor's recommendations and going forward we shall ensure that expenditure records for amounts provided for in the bill of quantities are properly accounted for. ➤ The matter of the defects on the administration block was discussed by the NG-CDF Committee and as such, the public works has been instructed to visit this project and give instructions to the contractor to correct the defects. I would also wish to notify you that, the retention of this project has not been paid and the project has not been officially handed over to the school 		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)									
	<p>building seems to be wearing out thus the stability of the building seems compromised</p> <p>c) The windows seem not to be properly aligned and could not close</p> <p>d) The roof seems not properly done and it's leaking thus affecting the ceiling. Further, the roofing sheets seem to be old and repainted.</p> <p>e) The gutters discharge water in front of the administration block thus seems to be affecting the floor at the entrance.</p>												
	<p>2. UNSUPPORTED CASH AND CASH EQUIVALENTS BALANCE</p> <p>During the examination of documents availed for audit, you have indicated that the</p>	<p>I wish to provide a breakdown of cash and cash equivalents balance of Ksh. 3,484,678 as follows;</p> <table border="1" data-bbox="853 1219 1518 1426"> <tbody> <tr> <td data-bbox="853 1219 943 1289">1</td> <td data-bbox="943 1219 1279 1289">Employees Salaries</td> <td data-bbox="1279 1219 1518 1289">186,894.00</td> </tr> <tr> <td data-bbox="853 1289 943 1359">2</td> <td data-bbox="943 1289 1279 1359">NHIF</td> <td data-bbox="1279 1289 1518 1359">32,600.00</td> </tr> <tr> <td data-bbox="853 1359 943 1426">3</td> <td data-bbox="943 1359 1279 1426">Goods And Services; Provision For Water</td> <td data-bbox="1279 1359 1518 1426">5,393.00</td> </tr> </tbody> </table>	1	Employees Salaries	186,894.00	2	NHIF	32,600.00	3	Goods And Services; Provision For Water	5,393.00		
1	Employees Salaries	186,894.00											
2	NHIF	32,600.00											
3	Goods And Services; Provision For Water	5,393.00											

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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)		
	management did not provide a Board of survey report and Certificate of bank balances as a confirmation of the balance of Ksh. 3,484,678 as disclosed in Note 10A of the financial statement.	4	Goods And Services; Airtime For Telephone	46,672.00				
		5	Goods And Services; Airtime For Internet	66,242.00				
		6	Committee Expenses - Transport	272.00				
		7	Capacity Building - Training For Pmc's	751.00				
		8	Committee Expenses - Conferences	750.00				
		9	Committee Expenses - Committee Sitting Allowances	2,000.00				
		10	Goods And Services - Cleaning Services	5,916.00				
		11	Security - Payment Of Security Services	3,730.00				
		12	Bursary - Secondary School	620,130.00				
		13	Bursary - Tertiary Institutions	500,000.00				
		14	Emergency 2020/2021	901,121.00				
		15	Emergency 2021/2022	1,112,207.00				
			Total	3,484,678.00				
		On the same note, I wish to state that going forward; we shall maintain a register showing the receipts and						

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
		<p>payments and shall maintain such other books and registers as may be necessary for the proper maintenance and production of the accounts of the vote. A certificate of bank balance has been provided for your attention</p> <p style="text-align: center;">KIAMBU NG-CDF CERTIFICATE OF BANK BALANCE.zip</p> <p>I would also wish to assure you that, the management will constitute a Board of Survey reporting Committee which will be responsible for management decisions and statutory reporting.</p>		
	<p>3. IRREGULAR BRADING OF PROJECTS</p> <p>During the inspection of projects implemented by Kiambu Constituency, it was revealed that some of our projects were branded with the name of the Area Member of Parliament contrary to the law.</p>	<p>I wish to assure you that, going forward Kiambu NG-CDF Committee will comply with the law on branding.</p>		

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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)
	<p>4. FAILURE TO SUBMIT MONTHLY BANK RECONCILIATION STATEMENTS TO THE OFFICE OF THE AUDITOR GENERAL</p> <p>During the audit of the Financial Year under review, you have indicated that the management of Kiambu Constituency did not submit a copy of the monthly bank reconciliation statements to the Office of the Auditor General contrary to Section 90(1) of the Public Finance Management Act, 2012.</p>	<p>This anomaly has been noted and going forward Kiambu NG-CDF will adhere to laws and regulations by ensuring that copies of bank reconciliations are submitted to the Office of the Auditor General as required by law.</p>		
	<p>5. IRREGULAR PROCUREMENT OF GOODS, WORKS AND SERVICES</p> <p>During your audit review, you have pointed out that the committee did not comply with the Public Procurement and Assets Disposal Act, 2015, which requires that the tender documents used by a</p>	<p>➤ These anomalies has been noted and going forward Kiambu NG-CDF will adhere to Section 84, Section 135(3), Section 78(9), Section 106(1) & Section 58(2) of Public Procurement and Assets Disposal Act, 2015 and ensure that public funds are not lost through use of inappropriate procurement procedure. Going forward, the management will ensure that Tender opening minutes are signed and</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>procuring entity under Section 58 (1) shall contain sufficient information to allow fairness, equitability, transparency, cost effectiveness and competition among those who may wish to submit their applications. Audit examination of payment voucher number 77 of Ksh. 1,350,000 paid to Pemil Enterprises for supply and delivery of calendars revealed some anomalies as follows;</p> <ul style="list-style-type: none"> ➤ Request for quotations did not indicate the date when the quotations were issued and expected date of return which is contrary to section 106 subsection (1c) of the public procurement and asset disposal act, 2015. ➤ There was no evidence that a professional opinion was issued to the accounting officer for approval in accordance with section 	<p>initialized by each committee member on each page of the minute as required under law.</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>84 of Public Procurement and Disposal Act, 2015.</p> <p>➤ Tender opening minutes was not signed by each committee members and not all members initialized each page of the minutes as required under law.</p>			
	<p>6. IRREGULAR PAYMENT OF TRAINING EXPENSES</p> <p>The Statement of receipts and payments reflects use of goods and services amounting to Ksh. 1,501,000 relating to training expenses at Voyager Beach Resort for that year. However, this expenditure was not supported by an approved training plan, needs assessment reports and invitation letters for the training attended.</p>	<p>The training at Voyager Beach Resort was a committee training held from 18th to 22nd August 2021 and as such it was supported by NG-CDFC minutes. The matter was discussed and approved in the meeting held on 12th August 2021</p> <p>The invitation to the committee to attend the training was done through messages. The committee has however noted the auditor's recommendations and going forward, they will ensure that all expenditures are supported by approved training plans, needs assessment reports and invitation letters for the training to be attended are sent.</p>		

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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)
	<p>7. NON-COMPLIANCE WITH BOARD COMMITTEE MEETINGS LIMIT</p> <p>During the audit examination of sampled board minutes provided for audit, you have indicated that Kiambu Constituency Development Committee held thirty (30) meetings in the Financial Year 2021/2022 including sub-committee meetings contrary to section 43(1) of the NG-CDF Act 2015.</p>	<p>On this one, I wish to state that, Kiambu Constituency Development Committee erroneously held thirty (30) meetings in the Financial Year 2021/2022 contrary to section 43(1) of the NG-CDF Act 2015. This was necessitated by the countless handing over exercise of the complete projects to the relevant authorities. On the same note, there were delays in disbursements of funds for financial year 2020/2021 from the NG-CDF board amounting to Ksh. 33,000,000 via A.I.E No. B140930 which were received on 22.07.2021. As such, the funds were utilized in the financial year 2021/2022 hence an increase in the activities. However, the committee wish to give an assurance that they always adhere to the law as stated in Section 43(1) of the NG-CDF Act 2015.</p>		
	<p>8. IRREGULAR PAYMENT OF EMERGENCY EXPENSES – PURCHASE OF MOTORBIKES</p> <p>The audit team observed that, the NG-CDF Committee awarded a tender for supply and delivery of three (3) motorbikes. However, the following omissions were</p>	<p>I wish to notify you that, on 15th April 2021 we received a letter from the Kenya Police Service – Kiambu County Police Headquarters referenced REF; KBU/CNTY/C/GEN/6/11/VOL.V1/(7) whereby, they requested for Emergency funding to enable them procurement 3 motorbikes to be used at Kanunga, Tinganga & Ndumberi police station since these areas had become crime hot spots. They reported that they had a challenge of accessing the “panya routes” used by these criminals since these days they use motorbikes to commit crimes because they are able to access all areas even those without good roads (letter attached).</p>		

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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)																								
	<p>noted;</p> <ol style="list-style-type: none"> 1) The quotation issued did not give the specifications of motorbikes required. 2) The delivery note did not specify the nature of motorbikes delivered, make and specifications 3) No evidence has been attached in the file to show that the office sort any assistance from the Ministry of Transport or the County Government of Kiambu in establishing the needs 4) No professional opinion, tender opening, tender evaluation and certificate of acceptance attached 5) No predelivery inspection report on the motorbikes has been availed for audit verification 6) Purchase of motor bikes does not meet the 	<p>They also stated that there is an increase in crime wave in many parts of the constituency that is causing great concern. As such, the committee deliberated on the same and unanimously agreed to consider funding the same to a tune of Ksh. 1,200,000 from the Emergency vote (attached - Min 001 of 25th January 2022).</p> <p>I would also wish to notify you that, a footnote giving specifications of the motorbike was given to each of the supplier. They were supposed to deliver; a DAYANG HIGHEST TOP SPEED SPORT BIKE WITH 183CC .</p> <p>A predelivery inspection report of the motorbikes was also done.</p> <p>I would also wish to confirm that the motorbikes supplied were of good quality and they had the specifications which have been provided below;</p> <table border="1" data-bbox="840 858 1496 1342"> <thead> <tr> <th>Make</th> <th>Model</th> <th>Chassis No.</th> <th>Engine No.</th> <th>Plate No.</th> <th>Color</th> </tr> </thead> <tbody> <tr> <td>Dayan g</td> <td>DY183-33</td> <td>LATP CLLY4 L1190 086</td> <td>DY163 FMK-L0169 430</td> <td>KM FT 91 6P</td> <td>BLAC K</td> </tr> <tr> <td>Dayan g</td> <td>DY183-33</td> <td>LATP CLLY8 L1190 074</td> <td>DY163 FMK-L0169 418</td> <td>KM FT 90 5Q</td> <td>BLAC K</td> </tr> <tr> <td>Dayan g</td> <td>DY183-33</td> <td>LATP CLLY7 L1190 079</td> <td>DY163 FMK-L0169 423</td> <td>KM FT 91 0P</td> <td>BLAC K</td> </tr> </tbody> </table> <p>On the issue of logbooks, the process of registering the 3 No. motorbikes under the recipient entities</p>	Make	Model	Chassis No.	Engine No.	Plate No.	Color	Dayan g	DY183-33	LATP CLLY4 L1190 086	DY163 FMK-L0169 430	KM FT 91 6P	BLAC K	Dayan g	DY183-33	LATP CLLY8 L1190 074	DY163 FMK-L0169 418	KM FT 90 5Q	BLAC K	Dayan g	DY183-33	LATP CLLY7 L1190 079	DY163 FMK-L0169 423	KM FT 91 0P	BLAC K		
Make	Model	Chassis No.	Engine No.	Plate No.	Color																							
Dayan g	DY183-33	LATP CLLY4 L1190 086	DY163 FMK-L0169 430	KM FT 91 6P	BLAC K																							
Dayan g	DY183-33	LATP CLLY8 L1190 074	DY163 FMK-L0169 418	KM FT 90 5Q	BLAC K																							
Dayan g	DY183-33	LATP CLLY7 L1190 079	DY163 FMK-L0169 423	KM FT 91 0P	BLAC K																							

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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)
	<p>criteria set out for emergency projects under the Act</p> <p>7) Copies of logbooks have not been attached to confirm that the delivered motor bikes are registered under the recipient entities for the intended use</p>	<p>(Government of Kenya – Ministry of Interior) has started and Copies of logbooks will be surrendered to your office in 2 weeks’ time to confirm that the delivered motor bikes are registered under the recipient entities for the intended use. The tender opening and tender evaluation reports have been provided as attached. Receipts and sale agreements has been provided For more insight on the same, a handing over report has been provided as attached..</p> <p style="text-align: center;">REPORT FOR MOTOR BIKES HANDING OVER EXERCISE I</p>		
	<p>9. INCONSISTENCIES ON PRESENTATION AND DISCLOSURES IN THE FINANCIAL STATEMENTS</p> <p>The review of Kiambu Constituencies Financial Statements for the year ended 30 June, 2022 revealed the following anomalies;</p> <p>1) The Management did not indicate the implementation challenges and recommended way forward in the NG-</p>	<p>The itemized anomalies of non-compliance with the prescribed format for presentation of financial statements has been noted and going forward the management will ensure that they comply with the pronouncements for financial reporting in a given accounting cycle detailing necessary information that should be included in the Financial Statements.</p>		

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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)
	<p>CDFC chairman's report during the year</p> <p>2) The emerging issues related to the entity were also not included in the NG-CDFC Chairman's report as provided in the template</p> <p>3) Page xv to the financial statement relating to employee welfare shows xx constituency instead of Kiambu Constituency</p> <p>4) The header on page 1 to 41 shows the name of the fund as Kiambu Town Constituency instead of Kiambu Constituency</p> <p>5) Page 16 significant accounting policies Note 11 relates to budget shows that the original budget was approved by parliament on xx June 20xx instead of the actual date</p> <p>6) Omission of purchase of laptops at a value of ksh</p>			

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)
	300,000 leading to understatement which affects the Statement of Receipts and Payments, Statement of Cash Flows, Statement of Assets and Liabilities and Note 8 to the Financial Statement			
	<p>10. INACCURACIES IN THE FINANCIAL STATEMENTS</p> <p>The PMC balances for 2021/22 and 2020/21 presented in the financial statements differ with the bank statement balances resulting in variances</p>	<p>On the issue of PMC balances for 2021/22 and 2020/21 presented in the financial statements differing with the bank statement balances, I would wish to clear the air by stating that, most of the above PMC projects were ongoing at the time of audit and have since completed. As such, the PMC bank balances provided in the financial statement 2021/2022 are balances after payment of the ongoing contracted works. However, the management has noted the auditor's recommendation on accuracy of information presented in the financial statements and going forward shall comply with reporting requirements.</p>		
	<p>11. FAILURE TO SUBMIT MONTHLY BANK RECONCILIATION STATEMENTS FOR AUDIT</p> <p>During your audit you have indicated that the management of Kiambu</p>	<p>This anomaly has been noted and going forward Kiambu NG-CDF will adhere to laws and regulations by ensuring that copies of bank reconciliations are submitted to the Office of the Auditor General as required by law.</p>		

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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)
	Constituency NG-CDF failed to submit a copy of the bank reconciliation statement to the Office of the Auditor General contrary to Section 90(1) of the Public Finance Management Act, 2012.			
	<p>12. CONSTRUCTION OF KIAMBU NG-CDF OFFICE</p> <p>The audit team highlighted that the management of Kiambu NG-CDF awarded a contract for construction of CDF office tower (Phase 1) to Soljam Investments Limited at a contract sum of Ksh. 39,732,100. Another contract (Phase 11) was awarded to the same contractor at a contract sum of Ksh. 12,427,948. Review of the bills of quantities and physical verification of the project revealed the following;</p> <p>1) The bill of quantities for Phase one included items such as walling</p>	<p>I would wish to state as follows;</p> <ul style="list-style-type: none"> ➤ That the bill of quantities for proposed cdf office tower - Phase I amounted to ksh. 39,732,100. This B.Q was only for 1st and 2nd floor and in this regard I would wish to state that there is no similarity of the works done in Phase I & II as stated. ➤ On the issue of having significant works remaining unfinished, this has been necessitated by the delay in receiving Ksh. 5,000,000 for financial year 2020/2021 from the NG-CDF Board. Upon receipt of the same, the implementation of the pending works will start immediately. ➤ In our summary of the fixed assets register, we omitted Kiambu NG-CDF tower in the list since it was still ongoing as at 30th June 2022. The oversight has since been corrected and building has been added to the asset register. 		

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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)
	<p>and internal partitioning, windows, doors, finishes, electrical and mechanical works valued</p> <p>ksh. 17,071,480.</p> <p>However, review of bill of quantities for Phase two reflects similar items which include internal partitions, windows, doors, ceiling finishes, floor finishes, internal and external wall finishes, electrical and mechanical works all valued at ksh. 12,127,948 which appear to be similar hence possibility of double costing which may result to loss of public funds.</p> <p>2) Inspection of the project revealed that significant works remain unfinished even though payment certificates and actual payments stand at approximately 99% which casts doubt as to whether the funds have</p>			

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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)
	<p>been utilized as intended as if payment are for works done.</p> <p>3) Summary of the fixed assets register shows that management has not disclosed the building as an asset.</p>			
	<p>13. FAILURE TO DISCLOSE PRIOR YEAR PMC BALANCES</p> <p>It was observed that, the financial statements showed that ksh. 22,141,010 was held in various PMC accounts as at 30 June 2022. Review of the bank balances against bank statements and reported figures in prior year financial statements revealed the following;</p> <p>➤ In the audited financial</p>	<p>On the issue of PMC balances for 2021/22 and 2020/21 presented in the financial statements differing with the bank statement balances, I would wish to clear the air by stating that, most of the above PMC projects were ongoing at the time of audit and have since completed. As such, the PMC bank balances provided in the financial statement 2021/2022 are balances after payment of the ongoing contracted works. However, the management has noted the auditor's recommendation on accuracy of information presented in the financial statements and going forward shall comply with reporting requirements. The PMC bank balances which were not disclosed in the financial statements were erroneously omitted but going forward we shall comply with reporting requirements.</p>		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>statements for the year ended 30 June 2021, the PMC bank balance was Ksh. 25,818,181 held in 30 bank accounts. These balances have not been disclosed under the comparatives section of the financial statements.</p>			
	<p>14. FAILURE TO MAINTAIN A COMPREHENSIVE FIXED ASSETS REGISTER</p> <p>During the physical verification of the office equipment, furniture and fittings and ICT assets carried out on 20th March 2022 the following anomalies were noted;</p> <ul style="list-style-type: none"> ➤ Some of the existing assets held were not 	<p>The management noted the above anomaly and has since updated the assets register. The serial numbers column and bar code numbers are now correctly captured as per the attached asset register.</p>		

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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)
	<p>tagged</p> <p>➤ The serial numbers column and the bar code number in the assets register for assets was not correctly captured</p>			
	<p>15. IRREGULAR PAYMENT OF COMMITTEE ALLOWANCES</p> <p>Review of sampled imprest payment vouchers revealed that; Expenditure amounting to Ksh. 3,086,040 was spent on items other than payment to committee allowances including sound entertainment, caterers and events management, cabs, tents, chairs & decorations.</p>	<p>I wish to state that expenditure which were spent on items other than payment to committee allowances including sound entertainment, caterers and events management, cabs, tents, chairs & decorations were as per the budget prepared and approved by the NG-CDF Committee and the purpose was as specified in the Imprest Warrant as required - Public Finance Management (National Government) Regulations 2015 Regulation 92(2) states that; An imprest shall be issued for a specific purpose, and any payments made from it, shall be only for the purposes specified in the imprest warrant.</p> <p>For the payments which were made to non-committee members including payments made to fully sponsored students for attending meetings, representatives from the works and CDF Office, I would with to say that; The payments which were made to non-committee members were compensation made to them to reimburse on expenses incurred in travel and other</p>		

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	<p>There was also a payment amounting to Ksh. 1,282,000 which were made to non-committee members including payments made to fully sponsored students for attending meetings, representatives from the works and CDF Office.</p>	<p>expenses. The payment made to the fully sponsored students under the Kiambu NG-CDF Fully Sponsored Program was a special payment to the needy students towards transport reimbursement. These students are extremely needy and their families live in crisis. This transport reimbursement gives them a feeling of satisfaction and also gives them a chance to build a unique relationship with the community. However, the observations highlighted has been noted and the management of Kiambu NG-CDF will ensure that all payments are justified.</p>														
	<p>16. OTHER GRANTS AND OTHER PAYMENTS – FAILURE TO CONSTITUTE A BURSARY COMMITTEE AND IRREGULAR DISBURSEMENT OF BURSARIES WITHOUT APPROVALS</p> <p>The audit team observed that;</p> <ul style="list-style-type: none"> ➤ There was no evidence of formation of the education bursary, mock examination and 	<p>On the issue of formation of the education bursary, mock examination and continuous assessment tests committee whose main mandate is vetting of applicants, I would wish to state that the bursary evaluation exercise is done at the ward level by an ad hoc bursary evaluation committee comprising of the chiefs, assistant chiefs, religious leaders, community leaders, CDFC members, P.W.D's, youths and women representatives. It is also a requirement that the said committee should give reasons for bursary application rejection.</p> <p>On the issue of the amount to be awarded to the successful applicants, the committee had a bursary ceiling of various institutions as follows;</p> <table border="0" style="margin-left: 20px;"> <tr> <td>SECONDA</td> <td>NEEDY</td> <td>ORPH</td> <td>PWD</td> </tr> <tr> <td>RY</td> <td>CASE</td> <td>ANS</td> <td></td> </tr> <tr> <td>SCHOOL</td> <td></td> <td></td> <td></td> </tr> </table>	SECONDA	NEEDY	ORPH	PWD	RY	CASE	ANS		SCHOOL					
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	<p>continuous assessment tests committee whose core mandate is vetting of applicants contrary to guidelines of the circular.</p> <p>➤ An examination of a sample of the bursary application forms revealed that all of the forms had no evidence of vetting by education bursary, mock examination and continuous assessment tests committee since the chairman or the secretary of the vetting committee did not sign the application form as prove of approval or rejection of the application. Further, it could not be ascertained how much the successful applicants were awarded since it was not indicated on the</p>	<p>(DAY)</p> <p>3,000 – 4,000</p> <p>4,000 – 5,000</p> <p>5,000 – 6,000</p> <p>6,000 – 7,000</p> <p>7,000 – 8,000</p> <p>8,000 – 9,000</p> <p>SECONDARY SCHOOL (BOARDING)</p> <p>COLLEGE</p> <p>UNIVERSITY</p> <p>NEEDY CASE</p> <p>NEEDY CASE</p> <p>NEEDY CASE</p> <p>ORPH ANS</p> <p>ORPH ANS</p> <p>ORPH ANS</p> <p>PWD</p> <p>PWD</p> <p>PWD</p> <p>About the students in the list of bursary disbursements whose registration numbers were missing, I would wish to notify you that we contacted the school administration and we were furnished with the missing information. However, the management has noted all the above anomalies and going forward the committee will adhere to the law as stated in Section 21(2) of the National Government Constituencies Development Fund Regulations, 2016.</p>		

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	<p>application form.</p> <ul style="list-style-type: none"> ➤ Analysis of schedules provided in support of bursaries disbursed during the year as reported under note 7 revealed that students in tertiary institutions received Ksh 476,000. However, this amount has not been reported under the respective category being bursary – tertiary institutions as provided for in the template. ➤ In addition, a number of students in the list of disbursements had no registration numbers thus casting doubt as to 			

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	whether the disbursements were based on completed application forms as required.			


 Name
 Fund Account Manager.

10/11/19

10/11/19

10/11/19

