

REPUBLIC OF KENYA



*Enhancing Accountability*



THE NATIONAL ASSEMBLY  
PAPERS LAID  
DATE: 17 SEP 2024  
TUESDAY  
BY: HON. OWEN BATA  
DIMAMURU  
INZORU  
LEADER  
MURALE

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**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

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

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



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**KIRINYAGA CENTRAL CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2023**

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

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**I. Acronyms and Abbreviations**

NGCDF-National Government Constituency Development Fund

NGCDFC - National Government Constituency Development Fund Committee

NGCDFB - National Government Constituency Development Fund Board

PFM- Public Finance Management

IPSAS- International Public Sector Accounting Standards.

PMC- Project Management Committee

FY- Financial Year

ARMC - Audit and Risk Management Committee

## 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 Kirinyaga Central Constituency NGCDF day-to-day management is under the following key organs:

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

### **Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Kenneth Kariuki
2.	Sub-County Accountant	Nahason N. Mathagu
3.	Chairman NG-CDFC	Stephen Murimi Murage
4.	Secretary NG-CDFC	Peter Muriuki Maregwa

#### **(c) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Kirinyaga Central 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) Kirinyaga Central Constituency NG-CDF Headquarters**

P.O. Box 753-10300 Kerugoya  
Kerugoya Chief's Compound  
Kerugoya Town

#### **(e) Kirinyaga Central Constituency NGCDF Contacts**

E-mail: [cdfkirinyagacentral@ngcdf.go.ke](mailto:cdfkirinyagacentral@ngcdf.go.ke)  
Website: [www.kirinyagacentralcdf.org](http://www.kirinyagacentralcdf.org)

**(f) Kirinyaga Central Constituency NGCDF Bankers**

Co-operative Bank  
Kerugoya Branch  
P.O.Box 635-10300  
Kerugoya.

**(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



Dear Stakeholders,

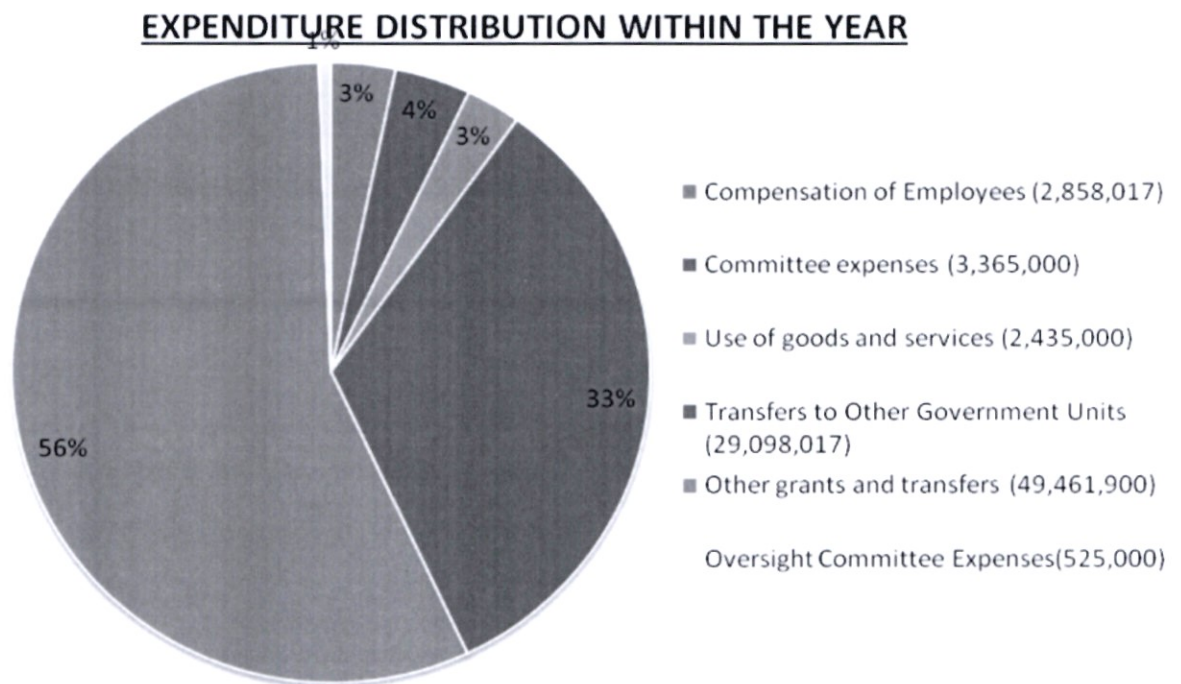
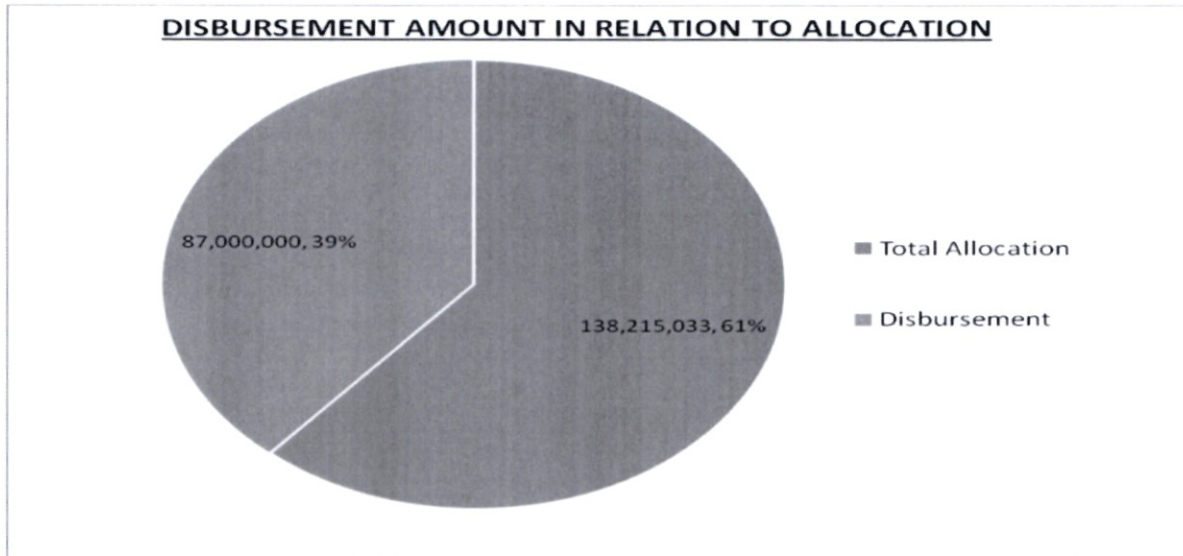
I am pleased to present to you the annual report and financial statements for Kirinyaga central National Government Constituency Development Fund for the financial year that ended on 30<sup>th</sup> June 2023.

#### **Introduction**

Kirinyaga Central Constituency is one of the four constituencies of Kirinyaga County in the republic of Kenya. The other Constituencies are: Mwea, Gichugu and Ndia. The Constituency has a population of over 200,000 residents, the main economic activity being farming, in all its form, e.g. Subsistence farming, dairy farming, Horticulture, Tea, Coffee and Rice farming in swampy areas of Kanyekiini Ward. Due to the high population, the Constituency has a number of challenges which the National Government Constituency Development fund committee has to deal with. Especially during this period, the country is struggling to recover from the effects of corona virus pandemic, prolonged draught, National elections and their effects on the country's economy. Despite these effects the Kirinyaga Central NG-CDF committee has performed fairly well as indicated in the budget performance.




#### **BUDGET PERFORMANCE**

The Kirinyaga Central NG-CDF committee budgeted for Kshs 138,215,033 with an additional budget roll-over from the previous years of Kshs 12,088,879 and an opening cashbook balance of Kshs 19,622,599. During the year a total of Kshs 87,000,000 was disbursed from the NG-CDF board to Kirinyaga Central NG-CDF bank account giving a total fund available for use in the financial year as Kshs 106,622,599. The disbursed amount and the opening cashbook balance were spent on the development projects and other recurrent expenditures as shown in the charts below:



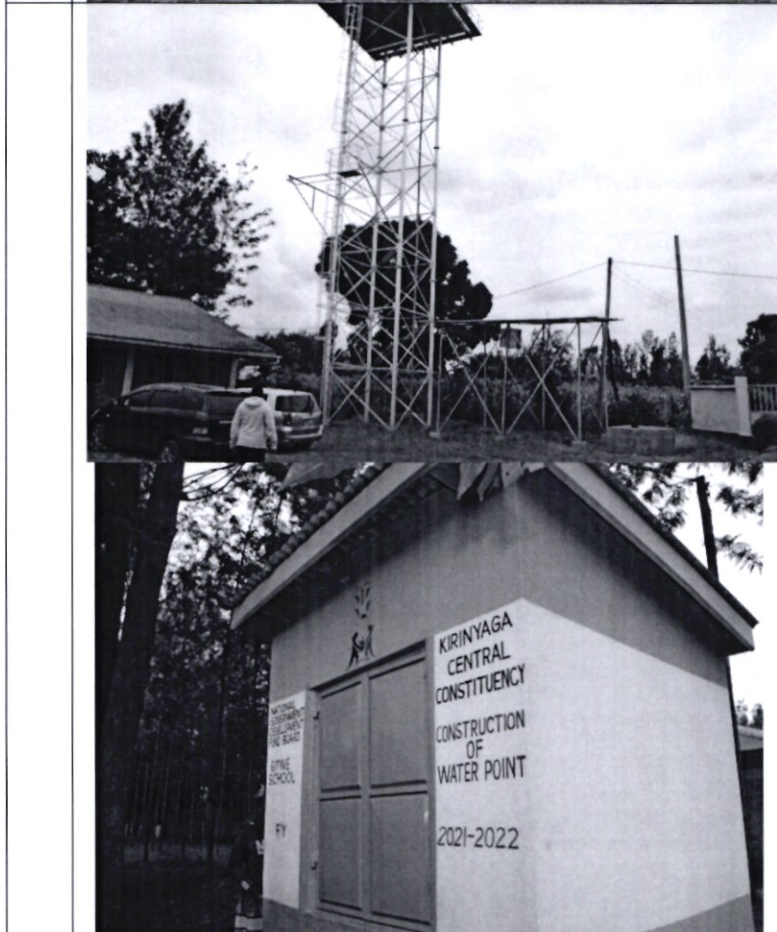
**Kirinyaga Central NG-CDF key achievements**

Kirinyaga Central NG-CDF committee has made a lot of achievements through implementation of a number of education, environment, sports, and security projects among other projects as stated below:

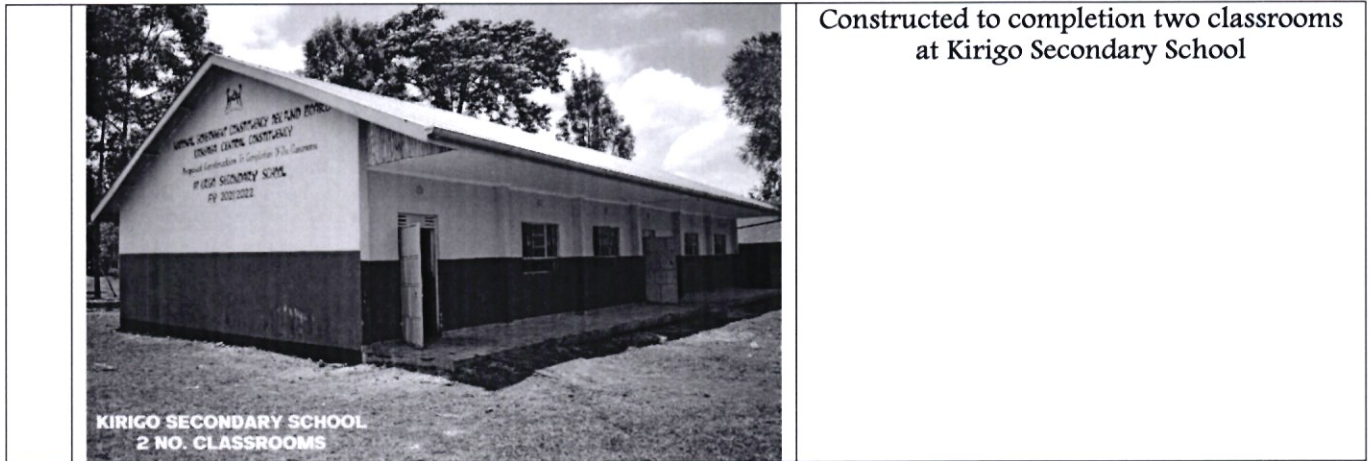
<p style="text-align: center;"><b>ST JOHN'S THAITA SECONDARY SCHOOL</b></p> 	<p>Construction of Storey administration Block at St John Thaita secondary School</p>
	<p>Supporting Needy Students through bursary funds. A total of Kshs 47,000,000 distributed to needy students from different institutions</p>
<p style="text-align: center;"><b>KARAINI SECONDARY SCHOOL</b> <b>TWIN LABOLATORY</b></p> 	<p>Karaini Secondary School          Constructed to completion Twin Story Science Laboratory</p>



Pupils Ablution Block constructed to completion at Kiandieri Primary school.



Drilled and equipped borehole at Gitwe Secondary School




**List of emerging issues related to the Kirinyaga Central NG-CDF**

- Delayed disbursement of funds and the budget ceiling by the NG-CDF board to the constituencies has resulted in the delay in proposal making hence a delay in the project implementation.
- NG-CDF board delayed approval of re-allocation requests and re-submission approvals.
- Difficulties in project supervision during implementation due to different command centres: to improve the supervision of the Kirinyaga Central NG-CDF projects being implemented there need to be a common communication from the NG-CDF board to other government ministries involved in these supervisions defining their roles and entitlements, so that there be in turn an official communication from the respective ministry head-quarters to their field officers on their roles during NG-CDF projects implementation especially ministry of infrastructure and public works.

**The Projects Implementation Challenges.**

- Delayed preparation and approval of project documents by ministry of infrastructure, roads and public works which directly affects the project implementation timeframe and delayed benefit to community.
- Delayed disbursement of funds by NG-CDF board resulting to delayed projects implementation which in some cases result in contractors demand for project cost variation.
- High inflation levels that affects the project cost and especially the cost of the construction materials which in most cases makes some projects very expensive to implement.
- Dishonest contractors who in some cases offer poor quality services or use low standard materials.

The budget utilization has been doing fairly well since we started but due to the delayed funds disbursement by the NG-CDF board to the constituencies leaving no enough time for project implementation hence low budget utilization of 52% of the total allocation.,

.....  
  
 Name: Stephen Murimi Murage

**CHAIRMAN NG-CDF 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 *Kirinyaga Central Constituency 2018-2023* plan are to:

- a) Collaborate in improving learning/educational infrastructure;
- b) Augment the security welfare;
- c) Enhance youth empowerment;
- d) Strengthen governance, operational capacity and institutional development.
- e) Ensure environmental sustainability

**Progress on attainment of Strategic development objectives**

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels	In FY 2022/2023 we increased number of primary schools' funded classrooms by eleven(11) distributed in four schools, school offices by 15 in five primary schools (Kirima primary School-1; Kaitheri Primary School-3; Kirimunge Secondary School-3; St James Kiaritha Secondary School-4).A total of 46 classrooms renovated in two(2) primary schools (Gakoigo Primary school 24, Karaini Primary School-22) and three offices in each of the two primary schools
Security	To have a constituency free of criminal	Improved security network in the	Construction and improvement of security facilities in the constituency	In the financial year 2022/2023 one security facility benefitted with borehole construction and

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

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	activities	constituency		equipping it. Kagumo assistant chief's office
Environment	To have a constituency with well sustained environment	Reduced environmental degradation	Reduced cases of diseases outbreak in schools and also reduced soil erosion in schools	One modern septic pupils toilets constructed to completion (Gathuthuma primary school pupils' septic toilet blocks), eleven classrooms and one administration block were fitted with gutters and other water goods to collect and control rain water run-off effects on the environment
Sports	To identify and nurture the youths talents	Reduced youth idleness	Reduced cases of crime	In the financial year 2022/2023 a total of 34 men football clubs and 16 women football clubs were issued with sports equipment and kits to enhance their sporting activities.

## **V. Statement of Governance**

Kirinyaga Central 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.

### **PROCESS OF APPOINTMENT OF NG- CDFC MEMBERS**

- I. For a Person Living with Disability, the Fund Account Manager shall write to a registered group representing persons with disabilities in the constituency requesting for nomination of one person with disability to sit in the NG-CDF committee. The nominating organization shall be required to provide specific description of the kind of disability to enable the board and NG-CDF Committee to plan for necessary support to facilitate full participation of the nominee in various activities of the fund.
- II. Invite applications from interested and Qualified members of the public for appointment to the Constituency Committee. The invitation shall be widely publicized to reach all parts of the constituency.
- III. The selection panel consider the applications and select four suitable persons taking into account age, gender, special interest groups and regional balance.
- IV. Obtain from the Constituency Office Manager via a formal written communication names of two nominees to the NG-CDF Committee, one being of either gender, for avoidance of doubt, the nominees under this paragraph shall not include persons who sat in the selection panel at any point of the current selection process.
- V. Submit the list of seven nominees (four recommended by the selection panel, one nominated by registered group representing persons with disabilities in the constituency office) to the Board within seven days of the selection process.
- VI. Ensure the original report of the Selection Panel duly signed by all members of the Panel, original letter from the Constituency Office Manager forwarding two nominees to the NG-CDF



Committee one being of either gender, original letter and copies of minutes of the meeting of the body nominating person with disability to NG-CDF Committee, copies of National Identity Cards of all the nominees(certified as true copy of the original by the Fund Account Manager),the long –listing and shortlisting criteria, and three colour passport-size photographs of each of the respective nominees(stamped and signed at the back by the Fund Account Manager)are attached to the list submitted to the Board.

VIII. For avoidance of doubt, the two persons to be nominated by the Constituency Office to sit in the selection panel and the two persons nominated by the same office to sit in the NG-CDF Committee shall be drawn from Community and not serving public officers, Fund Account Managers are required to ensure that this is strictly adhered to.

IX. After appointment of members of the NG-CDF Committee through publication in the Kenya Gazette the parliament, the Deputy County Commissioner (or in his/her absence) the Fund Account Manager shall convene the first meeting of the NG-CDF Committee during which the members will elect the Chairman and the Secretary.

X. The Fund Account Manager will then submit to the Board the names of the elected Chairman and Secretary, attaching a certified copy of form four certificates and the academic certificate for the highest level of education attained and the minutes of the NG-CDF Committee meeting that approved the appointments.

<b>NO</b>	<b>NAME</b>	<b>CATEGORY</b>	<b>WARD</b>
1.	STEPHEN MURIMI MURAGE	MEN (ADULT)	KANYEKIINI
2.	SUSAN WANGU KAHUKO	WOMEN (ADULT)	KERUGOYA
3.	JOSPHINE WAMIRU	WOMEN (YOUTH)	MUTIRA
4.	PETER MAREGWA	MEN (YOUTH)	MUTIRA
5	LILIAN WANJIKU GATHOMI	FEMALE ADULT	MUTIRA
6	MARTIN KINYUA WACHIRA	MALE ADULT	INOI
7	BELICE MAHUTI NJOKA	PWD	INOI
8	JAMES MACHARIA WANGECI	NG-CDF BOARD COOPTED MEMBER	KERUGOYA
9	DANIEL NDEGE	national government official responsible for coordination of national government functions	
10	KENNETH KARIUKI	OFFICER OF THE BOARD	EX-OFFICIO MEMBER

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 ensure that all projects receive adequate funding and are completed within three years.
- v) To consult with relevant government departments to ensure that cost estimates for projects are realistic.
- vi) 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.
- vii) To build the capacity of project management committees and sensitize the community on the operations of National Government Constituency Development Fund.
- viii) To ensure that projects proposed for funding fulfill the requirements provided in the Act and relevant circulars issued by the Board.
- ix) To monitor implementation of projects in accordance with the monitoring and evaluation framework prescribed by the NGCDF Board.
- x) To ensure that project reports are prepared and submitted to the NGCDF Board.
- xi) 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

#### **The process of Removal of a Member of the Constituency Committee**

The members of a Constituency Committee may remove a member in accordance with section 43 (13) and (14) of the Act upon Conflict / complain against a member. A complain against a member of a Constituency Committee shall be deposited with the National Government Constituency Office.

The complain referred to shall clearly set out the particulars of the issues complained of. The Secretary shall convene a special meeting in accordance with these Regulations to deliberate on the complain, but the member against whom the complain is raised shall not participate in such a meeting. If, at a meeting held pursuant to above paragraph, members determine that sufficient grounds exist requiring the member against whom the complain is raised to respond to the issues complained of, the secretary shall by notice, require the member to respond to the issues received in the complain within fourteen days of the date of the notice. A copy of the complain and any other grounds of removal shall be attached to the notice issued under above. The member against whom the complain is raised may be required to respond to the complain in writing. The member against whom a complain is raised may, in addition to the written response required, elect to be heard orally, and a Constituency Committee may hear such a member. The member against whom a complain is made may call witnesses. If the member against whom a complain is raised chooses not to submit a response in writing or to attend the hearings, a Constituency Committee may proceed to determine the matter. The Constituency Committee may summon the member against whom the complain is made to clarify any issue, and such member shall attend the hearing. Kenya Subsidiary Legislation, 2016 1955 If the member against whom a complain is made fails to respond to the complain as may be directed by a Constituency Committee, the Committee may proceed and make a determination based on the evidence available. A Constituency Committee shall issue its decision on the complain within seven days after the conclusion of the hearing. If a Constituency Committee resolves to remove the member against whom a complain is made, the secretary shall communicate the decision of the Constituency Committee to the Board within fourteen days of the decision. The communication to the Board under above paragraph shall include duly executed proceedings, together with all the supporting documents. The Board shall, within thirty days after receipt of the communication, consider the matter and issue a final declaration which shall be binding on all parties.

The current NG-CDF committee was gazetted in the Kenya gazette on 29<sup>th</sup> November 2022 and were first inducted by the funds account manager through an on-job training and were later inducted in April 2023 through a five days' workshop organised by the NG-CDF board at Mountain Breeze Hotel Embu. During the workshop it was made clear that no conflict of interest will be allowed during the committee operations. In the event that any member has any personal interest they must declare it in writing.

The committee were informed that they can conduct a maximum of twenty four (24) meetings including the sub-committee meetings and a minimum of twelve meetings, during the year the committee conducted eighteen (18) meetings, where their remunerations payable as a meeting sitting allowance will be paid at the rate of Kshs 5,000 for the ordinary members and Kshs 7,000 for the chairperson. This remuneration will be subjected to taxation at the rate of 35% since they are considered as secondary employees. During their operations the members are required to conduct themselves in an ethical manner so that they could meet the constituents needs efficiently and effectively hence will meet the goals and objectives of the NG-CDF.

After the induction the committee formed the following two sub-committees which they felt were very critical for their operations:

**Bursary Sub-committee:** Comprising of all NG-CDF committee members, Oversight committee members and one representative from each of the thirty nine sub-locations. The responsibility of this sub-committee is to receive bursary applications, vet them and recommend the bursary awards to needy applicants. This sub-committee held two meetings during the vetting of the bursary applicants.

**Complaint handling Sub-committee:** This is a four member sub-committee, whose members are

- |                           |                  |
|---------------------------|------------------|
| 1. STEPHEN MURIMI MURAGE  | NG-CDFC CHAIRMAN |
| 2. JAMES MACHARIA WANGECI | NG-CDFC MEMBER   |
| 3. MARTIN KINYUA WACHIRA  | NG-CDFC MEMBER   |
| 4. SUSAN WANGU KAHUKO     | NG-CDFC MEMBER   |

The mandate of this sub-committee is to receive and handle any arising complaint both from the public and from within the NG-CDF committee. The sub-committee held one meeting within the year.

## **VI. Environmental and Sustainability Reporting**

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

- a. **Education and Training:** Kirinyaga Central 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**

The Kirinyaga Central NG-CDF has a great concern of the wellbeing of the environment resulting to its great support of the projects that are geared towards the environmental improvement. These projects includes construction of pupils and teachers ablution blocks to improve the environmental sanitation, also installation of gutters and other water to ensure that there is reduced rain water run-off hence reduced soil erosion.

Kirinyaga Central NG-CDF has in several occasions emphasised on the negative effects drug abuse on the consumers' social behaviour and other. This has been emphasized mostly on bursary disbursement events, projects ground-breaking events, Project handing over events among others. Funding the construction of the police stations, chiefs' and assistant chiefs' office among others with the aim of mitigating the drug abuse among the youths hence its effects on the community.

Kirinyaga Central has on yearly basis supported the youths on their sports talents, this support has been in form of sports uniforms/ kits and other sports equipment. To achieve this the committee has identified thirty four(34) men football clubs and sixteen (16) women football clubs from where the kits are given. In addition a budget has been set aside to finance the constituency and the regional football tournaments for both men and women.

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Kirinyaga Central 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. Kirinyaga Central 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-**

Kirinyaga Central 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.

NG-CDF has put in efforts to ensure:

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

#### **5. Community Engagements-**

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

**Public Participation in Project Identification and Implementation and Monitoring**

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

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

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

**Public Awareness**

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

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

.....  
Name: Kenneth Kariuki

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-Kirinyaga Central 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-Kirinyaga Central 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-Kirinyaga Central 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 Kirinyaga Central 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


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

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for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF- Kirinyaga Central Constituency financial statements were approved and signed by the Accounting Officer on 6/9/ 2023.

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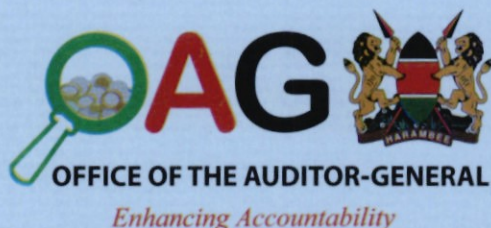
Name : Stephen Murimi Murimi  
Chairman – NGCDF Committee

.....  
  


Name : Kenneth Kariuki  
Fund Account Manager

# REPUBLIC OF KENYA

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



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

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

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### 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 - Kirinyaga Central Constituency set out on pages 1 to 31, which comprise of the statement of assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and summary

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position as at 30 June 2023 and 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 National Government Constituencies Development Fund Act, 2015 (Amended 2022) and the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Incomplete Summary of Fixed Assets Register**

Annex 2 to the financial statements reflects summary of fixed assets register balance of Kshs.52,901,324. However, included in the balance is Kshs.2,226,470 in respect of furniture and laptops that were not tagged and coded. Further, the value of land was not disclosed in the summary of fixed assets yet buildings and structures of Kshs.41,263,548 were disclosed. In addition, the assets were not insured against any risk and had not been valued to determine their economic value.

In the circumstances, the accuracy and completeness of the fixed assets summary could not be confirmed.

#### **2. Unsupported Project Management Committee Balances**

Note 19.4 and Annex 3 to the financial statements reflects Project Management Committee (PMC) accounts balance of Kshs.39,741,046. However, cash books bank reconciliation statements and certificates of bank balances for the individual PMC accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the PMC bank balance of Kshs.39,741,046 could not be confirmed.

#### **3. Unsupported Bursary Disbursements**

The statement of receipts and payments reflects other grants and transfers amount of Kshs.49,461,900 and as disclosed in Note 8 to the financial statements which includes bursary payments amounting to Kshs.30,658,000 Kshs.14,542,000 and Kshs.4,261,900 disbursed to secondary schools, tertiary institutions and special schools respectively. However, no acknowledgement letters from beneficiary institutions were provided for audit.

In the circumstances, the accuracy and completeness of bursary disbursements totalling Kshs.49,461,900 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund – Kirinyaga Central Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.170,072,811 and Kshs.106,622,599, respectively resulting to an under-funding of Kshs.63,450,212 or 37% of the budget. However, the Fund spent Kshs.87,742,934 against actual receipts of kshs.106,622,599 resulting to under-utilization of Kshs.18,879,665 or 18% 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.

#### **Other Matter**

#### **Unresolved Prior Year Issues**

In the report of the previous year, several issues were raised under Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Although Management had indicated that some of the issues had been resolved as at 30 June, 2023, no documentation was provided indicating how they were resolved.

### **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 matter 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**

### **Failure to Retain Emergency Reserve**

During the year under review, the Fund received a total of Kshs.87,000,000 from the National Government Constituencies Development Fund Board. However, Management did not retain five (5) % of these funds as emergency reserve. This was contrary to Section 8(1) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022) which provides that a portion of the Fund, equivalent to five per centum (hereinafter referred to as the "Emergency Reserve") shall remain unallocated and shall be available for emergencies that may occur within the Constituency.

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

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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 governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal 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 to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or cease operations.

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

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

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

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal 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 control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that

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

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

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


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

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

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



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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

20 June, 2024

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

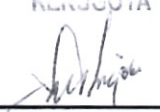
	Note	2022-2023	2021-2022
Kshs			
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	87,000,000	170,088,879
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	146,300	383,000
<b>TOTAL RECEIPTS</b>		<b>87,146,300</b>	<b>170,471,879</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,858,017	2,448,128
Committee expenses	5	3,365,000	5,775,200
Use of goods and services	6	2,435,000	4,557,858
Transfers to Other Government Units	7	29,098,017	63,451,272
Other grants and transfers	8	49,461,900	77,366,673
Acquisition of Assets	9	-	149,000
Constituency Oversight Committee Expenses	10	525,000	-
Other Payments	11	-	-
<b>TOTAL PAYMENTS</b>		<b>87,742,934</b>	<b>153,748,131</b>
<b>SURPLUS/DEFICIT</b>		<b>(596,634)</b>	<b>16,723,748</b>

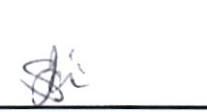
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by the NGCDFC on 6/9/ 2023 and signed by:

THE NATIONAL SUB-COUNTY ACCOUNTANT  
KIRINYAGA CENTRAL  
P.O. BOX 10300,  
KERUGOYA

  
Fund Account Manager

  
National Sub-County  
Accountant

  
Chairman NG-CDF  
Committee

Name: Kenneth Kariuki

FUND ACCOUNT MANAGER  
NG - CDF KIRINYAGA CENTRAL

06 SEP 2023

P. O. BOX 10300,  
KERUGOYA.

Name: Nahason N. Mathagu  
ICPAK M/No : 20475

Name: Stephen M. Murage


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

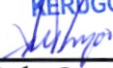
**X. Statement of Assets and Liabilities as At 30th June, 2023**


	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	12A	19,025,965	19,622,599
Cash Balances (cash at hand)	12B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>19,025,965</b>	<b>19,622,599</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	13	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>19,025,965</b>	<b>19,622,599</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	14A	-	-
Gratuity	14B	-	-
<b>NET FINANCIAL ASSETS</b>		<b>19,025,965</b>	<b>19,622,599</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	15	19,622,599	2,898,851
Prior year adjustments	16	-	-
Surplus/Deficit for the year		(596,634)	16,723,748
<b>NET FINANCIAL POSITION</b>		<b>19,025,965</b>	<b>19,622,599</b>

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 6/9/ 2023 and signed by:

  
 Fund Account Manager

THE NATIONAL SUB-COUNTY ACCOUNTANT  
 KIRINYAGA CENTRAL  
 P. O. Box 836 - 10300,  
 KERUGOYA  
  
 National Sub-County  
 Accountant

  
 Chairman NG-CDF  
 Committee

Name: Kenneth Kariuki

Name: Nahason M. Mathagu  
 ICPAK M/No : 20475

Name: Stephen M. Murage



**Kirinyaga Central 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**

		<b>2022-2023</b>	<b>2021-2022</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	87,000,000	170,088,879
Other Receipts	3	146,300	383,000
		<b>87,146,300</b>	<b>170,471,879</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	2,858,017	2,448,128
Committee expenses	5	3,365,000	5,775,200
Use of goods and services	6	2,435,000	4,557,858
Transfers to Other Government Units	7	29,098,017	63,451,272
Other grants and transfers	8	49,461,900	77,366,673
Constituency Oversight Committee Expenses	10	525,000	-
Other Payments	11	-	-
		<b>87,742,934</b>	<b>153,599,131</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	17	-	-
Increase/(Decrease) in Accounts Payable	18	-	-
Prior year Adjustments	16	-	-
<b>Net Adjustments</b>		-	-
<b>Net cash flow from operating activities</b>		<b>(596,634)</b>	<b>16,872,748</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	(149,000)
<b>Net cash flows from Investing Activities</b>		-	<b>(149,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		<b>(596,634)</b>	<b>16,723,748</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>12</b>	<b>19,622,599</b>	<b>2,898,851</b>
<b>Cash and cash equivalent at END of the year</b>		<b>19,025,965</b>	<b>19,622,599</b>

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 NGCDF on 6/9/ 2023 and signed by:

Fund Account Manager

Name: Kenneth Kariuki

FUND ACCOUNT MANAGER  
NG-CDF KIRINYAGA CENTRAL

06 SEP 2023

P. O. BOX 755 - 10300,  
KERUGOYA.

THE NATIONAL SUB-COUNTY NGCDF on  
KIRINYAGA CENTRAL  
P. O. Box 836 - 10300  
KERUGOYA

National Sub-County  
Accountant

Name: Nahason N. Mathagu  
ICPAK M/No : 20475

Chairman NG-CDF  
Committee

Name: Stephen M. Murage

*Kirinyaga Central Constituency  
National Government Constituencies Development Fund (NGCDF)  
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**XII. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2023**

Receipt/Expense Item	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 %
<b>RECEIPTS</b>		<b>Opening Balance (C/Bk) and AIA</b>	<b>Previous years Outstanding Disbursements</b>				
Transfers from NG-CDF Board	138,215,033	19,622,599	12,088,879	169,926,511	106,622,599	63,303,912	63%
Proceeds from Sale of Tender and hall hire	-	27,500	-	27,500		-	
Other Receipts(Partial office rent)	-	118,800	-	118,800		-	
<b>TOTAL RECEIPTS</b>	<b>138,215,033</b>	<b>19,768,899</b>	<b>12,088,879</b>	<b>170,072,811</b>	<b>106,622,599</b>	<b>63,450,212</b>	63%
<b>PAYMENTS</b>							
Compensation of Employees	4,381,306	1,900,446	-	6,281,752.00	2,858,017	3,423,735	45%
Committee expenses	5,394,450	3,464,471	-	8,858,921.00	3,365,000	5,493,921	38%
Use of goods and services	2,653,087	699,344	-	3,352,431.00	2,435,000	917,431	73%
Transfers to Other Government Units	62,700,000	7,298,018	9,314,904	79,312,922.00	29,098,017	50,214,905	37%
Other grants and transfers	61,786,190	5,450,000	1,178,407	68,414,597.00	49,461,900	18,952,697	72%
Acquisition of Assets		379,320	1,595,568	1,974,888.00	-	1,974,888	0%
Oversight Committee Expenses	1,300,000	0		1,300,000.00	525,000	775,000	40%
Other Payments	0	0		-	-	-	0%
AIA Awaiting Approval		577,300		577,300.00			0%
<b>TOTAL</b>	<b>138,215,033</b>	<b>19,768,899</b>	<b>12,088,879</b>	<b>170,072,811</b>	<b>87,742,934</b>	<b>82,329,877</b>	52%

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

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

**Explanatory Notes.**

- (a) The AIA awaiting approval was collected from partial rent of the NG-CDF office to Liaison office totalling Kshs 549,800, Kshs 22,000 were received from tender sales and Kshs 5,500 from hire of the Kirinyaga Central NG-CDF main hall.
- b) i) The utilization of funds below 90% of the allocation in all the areas of expenditure were mainly caused by the delay by the NG-CDF Board to disburse funds into the constituency account except for the employee compensation and committee expenses which occurred as a result of:
- ii) The under-expenditure in the Compensation of employees occurred due to the delay of the planned hiring of additional employees and payment of gratuities. The hiring of employees delayed as result of the in the formation of the NG-CDF committee, which was gazetted in November 29<sup>th</sup> 2022 instead of the expected dates of July 2022.
- iii) The under-expenditure in the committee expenses occurred as a result of delayed formation of NG-CDF committee that ended on November 29<sup>th</sup> 2022 through gazettelement instead of the expected period within July 2022, where the financial year begins.
- where funds were disbursed as follows:

DISBURSEMENT DATE	AIE NUMBER	AMOUNT IN-Kshs
3-1-2023	AIE NO. B185118	7,000,000.00
31-1-2023	AIE NO. B185387	7,000,000.00
20-2-2023	AIE NO. B185828	14,000,000.00
24-2-2023	AIE NO. B206152	5,000,000.00
8-3-2023	AIE NO. B206418	12,000,000.00
16-3-2023	AIE NO. B205790	12,000,000.00
16-6-2023	AIE NO. B207652	15,000,000.00
20-6-2023	AIE NO. B207812	15,000,000.00
	<b>TOTAL</b>	<b>87,000,000.00</b>

- c) The changes in the original budget occurred as a result of budget roll-over from the previous years balance amounting to Kshs 31,711,478.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	82,329,877
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	63,303,912

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

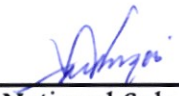
	19,025,965
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	19,025,965

The Constituency financial statements were approved by NG CDFC on 6/9/ 2023 and signed by:



Fund Account Manager  
 Name : Kenneth Kariuki

**FUND ACCOUNT MANAGER**  
**NG - CDF KIRINYAGA CENTRAL**  
**06 SEP 2023**  
 P. O. BOX 755 - 10300,  
 KERUGOYA.



National Sub-County Accountant  
 Name: Nahason N. Mathagu  
 ICPAK M/No : 20475

**THE NATIONAL SUB-COUNTY ACCOUNTANT**  
**KIRINYAGA CENTRAL**  
 P. O. Box 836 - 10300,  
 KERUGOYA



Chairman NG-CDF Committee  
 Name: Stephen M. Murage

**Kirinyaga Central Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
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**XIII. Budget Execution by Sectors and Projects for the Year Ended 30<sup>th</sup> June 2023**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilization (f=d/c %)
	<b>2022-2023</b>	<b>Opening Balance (C/Bk) and AIA</b>	<b>Previous years Outstanding Disbursements</b>	<b>2022-2023</b>	<b>30/06/2023</b>		
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	4,381,306	1,900,446	-	6,281,752	2,858,017	3,423,735	45
1.2 Committee allowances	1,248,000	1,573,306	-	2,821,306	1,393,500	1,427,806	49
1.3 Use of goods and services	2,653,087	899,344	-	3,552,431	2,099,400	1,453,031	59
<b>Total</b>	<b>8,282,393</b>	<b>4,373,096</b>	<b>-</b>	<b>12,655,489</b>	<b>6,350,917</b>	<b>6,304,572</b>	<b>50</b>
<b>2.0 Monitoring and evaluation</b>						-	
2.1 Capacity building	1,676,000	1,615,500	-	3,291,500	413,600	2,877,900	13
2.2 Committee allowances	1,488,000	75,665	-	1,563,665	1,390,000	173,665	89
2.3 Use of goods and services	982,450	-	-	982,450	503,500	478,950	51
<b>Total</b>	<b>4,146,450</b>	<b>1,691,165</b>	<b>-</b>	<b>5,837,615</b>	<b>2,307,100</b>	<b>3,530,515</b>	<b>40</b>
<b>3.0 Emergency</b>							
3.1 Primary Schools	-	-	-	-	-	-	
3.2 Secondary schools	-	-	-	-	-	-	
3.3 Tertiary institutions	-	-	-	-	-	-	



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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilization (f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023		
3.4 Security projects	-	-	-	-	-	-	
3.5 Unutilised	7,636,190	-	-	7,636,190	-	7,636,190	-
<b>Total</b>	<b>7,636,190</b>	<b>-</b>	<b>-</b>	<b>7,636,190</b>	<b>-</b>	<b>7,636,190</b>	<b>-</b>
<b>4.0 Bursary and Social Security</b>				-			
4.1 Secondary Schools	31,000,000	-	-	31,000,000	30,658,000	342,000	99
4.2 Tertiary Institutions	16,000,000	-	-	16,000,000	14,542,000	1,458,000	91
4.3 Social Security	-	-	-	-	-	-	
4.4 Special Needs	-	5,450,000	-	5,450,000	4,261,900	1,188,100	78
<b>Total</b>	<b>47,000,000</b>	<b>5,450,000</b>	<b>-</b>	<b>52,450,000</b>	<b>49,461,900</b>	<b>2,988,100</b>	<b>94</b>
<b>5.0 Sports</b>				-		-	
5.1 Sports Project	2,750,000	-	-	2,750,000	-	2,750,000	-
<b>Total</b>	<b>2,750,000</b>	<b>-</b>	<b>-</b>	<b>2,750,000</b>	<b>-</b>	<b>2,750,000</b>	<b>-</b>
<b>6.0 Environment</b>							
6.1 Gathuthuma Primary School	2,400,000	-	-	2,400,000	-	2,400,000	-
<b>Total</b>	<b>2,400,000</b>	<b>-</b>	<b>-</b>	<b>2,400,000</b>	<b>-</b>	<b>2,400,000</b>	<b>-</b>
<b>7.0 Primary Schools Projects</b>							

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilization (f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023	30/06/2023		
7.1 Kiandieri Primary School	3,400,000	-	-	3,400,000	3,400,000	-	100
7.2 Kaitheri Primary School	3,600,000	-	-	3,600,000	3,600,000	-	100
7.3 Kirima Primary School	1,200,000	-	-	1,200,000	-	1,200,000	-
7.4 Kamuiru Primary School	3,400,000	-	-	3,400,000	3,400,000	-	100
7.5 Gatwe Primary School	2,400,000	-	-	2,400,000	2,400,000	-	100
7.6 Karaini Primary School	10,700,000	-	-	10,700,000	-	10,700,000	-
7.7 Kiranja Primary School	2,400,000	-	-	2,400,000	2,400,000	-	100
7.8 Mukinduri Primary School	-	-	2,000,000	2,000,000	-	2,000,000	-
7.9 Kiangungu Primary School	-	-	2,814,904	2,814,904	-	2,814,904	-
8.0 Primary School Lockers	-	-	4,500,000	4,500,000	-	4,500,000	-
8.1 St Joseph Primary School	-	2,398,017	-	2,398,017	2,398,017	-	-
8.2 Gakoigo Primary School	10,000,000	-	-	10,000,000	-	10,000,000	-
<b>Total</b>	<b>37,100,000</b>	<b>2,398,017</b>	<b>9,314,904</b>	<b>48,812,921</b>	<b>17,598,017</b>	<b>31,214,904</b>	<b>36</b>
<b>8.0 Secondary Schools Projects</b>						-	
8.1 St James Kiaritha Secondary School	5,950,000	-	-	5,950,000	-	5,950,000	-
8.2 Ngaru Girls Secondary School	2,050,000	-	-	2,050,000	-	2,050,000	-

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b) 2022-2023	Actual on comparable basis(d) 30/06/2023	Budget utilization difference(e = c-d)	% of Utilization (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
8.3 Kiamutaira Secondary School	4,200,000			4,200,000	4,200,000	-	100
8.4 Kiamuruga Secondary School	2,400,000			2,400,000	2,400,000	-	100
8.5 Kirimunge Secondary School	4,400,000			4,400,000		4,400,000	-
8.6 St Johns Thaita Secondary School	-	4,900,000		4,900,000	4,900,000		
<b>Total</b>	<b>19,000,000</b>	<b>4,900,000</b>	<b>-</b>	<b>23,900,000</b>	<b>11,500,000</b>	<b>12,400,000</b>	<b>48</b>
<b>9.0 Tertiary institutions Projects</b>				-		-	
9.1 Kirinyaga Central TVC	6,600,000			6,600,000		6,600,000	-
<b>Total</b>	<b>6,600,000</b>		<b>-</b>	<b>6,600,000</b>	<b>-</b>	<b>6,600,000</b>	<b>-</b>
<b>10.0 Security Projects</b>				-		-	
10.1 Mutitu ACC Office	-		1,178,408	1,178,408	-	1,178,408	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,178,408</b>	<b>1,178,408</b>	<b>-</b>	<b>1,178,408</b>	<b>-</b>
<b>11.0 Acquisition of assets</b>				-		-	
11.1 Kirinyaga Central NG-CDF Office	-	378,320	1,595,568	1,973,888	-	1,973,888	-
11.2 Laptop balance	-	1,000		1,000	-	1,000	-
<b>Total</b>	<b>-</b>	<b>379,320</b>	<b>1,595,568</b>	<b>1,974,888</b>	<b>-</b>	<b>1,974,888</b>	<b>-</b>
<b>12.0 Oversight Committee Expenses (itemize)</b>				-		-	

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilization (f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023			2022-2023	30/06/2023		
12.1 Constituency Oversight Allowances	800,000	-	-	800,000	525,000	275,000	66
12.2 Hire of Training Facilities and Equipment	400,000	-	-	400,000	-	400,000	-
12.3 Travel Allowance	100,000	-	-	100,000	-	100,000	-
<b>Total</b>	<b>1,300,000</b>	<b>-</b>	<b>-</b>	<b>1,300,000</b>	<b>525,000</b>	<b>775,000</b>	<b>40</b>
<b>13.0 Other payments</b>				-		-	
13.1 Strategic Plan	2,000,000	-	-	2,000,000	-	2,000,000	-
<b>Total</b>	<b>2,000,000</b>			<b>2,000,000</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>
<b>14.0 unallocated fund</b>							
Unapproved projects	0	-	-	0		0	
AIA		577,300	-	577,300		577,300	0
PMC savings	-	-	-				
Sub-Total	-	577,300	-	577,300	-	577,300	-
<b>GRAND TOTAL</b>	<b>138,215,033</b>	<b>19,768,898</b>	<b>12,088,880</b>	<b>170,072,811</b>	<b>87,742,934</b>	<b>82,329,877</b>	<b>52</b>

(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-Kirinyaga Central 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.

###### **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.

*Significant Accounting Policies continued*

**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.

**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

*Significant Accounting Policies continued*

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.

**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.

*Significant Accounting Policies continued*

**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.

**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<sup>th</sup> June 2022 for the period 1<sup>st</sup> July 2022 to 30<sup>th</sup> 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.



*Significant Accounting Policies continued*

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> 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.

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

**XV. Notes To the Financial Statements**

**1. Transfers from NGCDF Board**

NG-CDF BOARD	2022/2023	2021/2022
Normal Allocation	Kshs	Kshs
AIE NO. B185118	7,000,000.00	
AIE NO. B185387	7,000,000.00	
AIE NO. B185828	14,000,000.00	
AIE NO. B206152	5,000,000.00	
AIE NO. B206418	12,000,000.00	
AIE NO. B205790	12,000,000.00	
AIE NO. B207562	15,000,000.00	
AIE NO. B207812	15,000,000.00	
AIE NO. B140951		33,000,000.00
AIE NO. B105473		44,000,000.00
AIE NO. B105818		22,000,000.00
AIE NO. B128561		5,000,000.00
AIE NO. B128873		12,000,000.00
AIE NO. B154070		15,000,000.00
AIE NO. B154070		18,000,000.00
AIE NO. B155931		21,088,879.00
<b>TOTAL</b>	<b>87,000,000.00</b>	<b>170,088,879.00</b>

**2. Proceeds From Sale of Assets**

Description	2022-2023	2021-2022
	Kshs	Kshs
Receipts from the Sale of Buildings	-	0
Receipts from the Sale of Vehicles and Transport Equipment	-	0
Receipts from the Sale Plant Machinery and Equipment	-	0
Receipts from the Sale of Office and General Equipment	-	0
<b>TOTAL</b>	<b>-</b>	<b>0</b>

**3. Other Receipts**

Description	2022-2023	2021-2022
	Kshs	Kshs
Interest Received	-	-
NG-CDF Office Rent	118,800.00	378,000.00
Receipts Sale of Tender and Prequalification Documents	22,000.00	5,000.00
Hire of plant/equipment/facilities (Hall Hire)	5,500.00	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
<b>TOTAL</b>	<b>146,300.00</b>	<b>383,000.00</b>

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

*Notes: To the Financial Statements (Continued)*

4. Compensation of Employees

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries	2,015,217.00	1,567,953.00
<b>Personal allowances paid as part of salary</b>		
House allowance	220,800.00	202,400.00
Transport allowance	240,000.00	214,000.00
Leave allowance	20,000.00	91,000.00
Gratuity-contractual employees	232,400.00	307,494.00
Employer Contributions Compulsory national social security schemes	129,600.00	65,281.00
<b>TOTAL</b>	<b>2,858,017.00</b>	<b>2,448,128.00</b>

5. Committee Expenses

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
Sitting allowance	2,783,500.00	4,179,500.00
Other committee expenses	581,500.00	1,595,700.00
<b>TOTAL</b>	<b>3,365,000.00</b>	<b>5,775,200.00</b>

6. Use of Goods and services

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	379,414.00	450,656.00
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	121,278.00	1,500,000.00
Rentals of produced assets	-	-
Training expenses	413,600.00	294,500.00
Hospitality supplies and services	-	-
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	1,249,386.00	1,944,577.00
Fuel , oil & lubricants	-	-
Other operating expenses	48,322.00	140,125.00
Security operations	223,000.00	228,000.00
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets	-	-
<b>TOTAL</b>	<b>2,435,000.00</b>	<b>4,557,858.00</b>

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**7. Transfer to Other Government Units**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to Primary Schools	17,598,017.00	15,670,000.00
Transfers to Secondary Schools	11,500,000.00	47,781,272.00
Transfers to Tertiary Institutions	-	
<b>TOTAL</b>	<b>29,098,017.00</b>	<b>63,451,272.00</b>

**8. Other Grants and Other transfers**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary - Secondary ( see attached list)	30,658,000.00	42,627,000.00
Bursary -Tertiary ( see attached list)	14,542,000.00	17,373,000.00
Bursary- Special Schools	4,261,900.00	-
Mocks & CAT ( see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security Projects ( see attached list)	-	9,331,683.00
Sports Projects ( see attached list)	-	5,374,990.00
Environment Projects ( see attached list)	-	2,660,000.00
Emergency Projects ( see attached list)	-	-
Roads Projects	-	-
<b>TOTAL</b>	<b>49,461,900.00</b>	<b>77,366,673.00</b>

**9. Acquisition Of Assets**

<b><u>Non-Financial Assets</u></b>	<b>2022-2023</b>	<b>2021-2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of office furniture and and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	149,000.00
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
<b>TOTAL</b>	<b>-</b>	<b>149,000.00</b>

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	2022-2023	2021-2022
10. Oversight Committee Expenses	Kshs	Kshs
COC Members allowance	525,000.00	-
Other COC expenses	-	-
<b>TOTAL</b>	<b>525,000.00</b>	<b>-</b>

**11. Other Payments**

Description	2022/2023	2021/2022
	Kshs.	Kshs.
Strategic Plan	-	-
ICT Hubs	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**12. Cash Book Bank Balance**

<b>11A: Bank Balances (cash book bank balance)</b>		
Name of Bank, Account No. & currency	2022-2023	2021-2022
	Kshs (30/6/2023)	Kshs (30/6/2022)
<i>Cooperative Bank, A/C no.01120034956700. , Branch: Kerugoya. (main account)</i>	19,025,965.00	19,622,599.00
<b>TOTAL</b>	<b>19,025,965.00</b>	<b>19,622,599.00</b>
<b>11B: CASH IN HAND)</b>		
	2022-2023	2021-2022
Description	Kshs (30/6/2023)	Kshs (30/6/2022)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**13. Outstanding Imprests**

<b>OUTSTANDING IMPRESTS</b>				
Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2023)
	Date Imprest taken	Kshs	Kshs	Kshs
		-	-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>

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14A. Retention

<b>13A Retention</b>		
	<b>2022-2023</b>	<b>2021-2022</b>
<b>Description</b>	<b>KShs</b>	<b>KShs</b>
Retention as at 1st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30th June D= A+B-C	-	-

14B. Gratuity

<b>13 B Gratuity</b>		
	<b>2022-2023</b>	<b>2021-2022</b>
<b>Description</b>	<b>KShs</b>	<b>KShs</b>
Gratuity as at 1 <sup>st</sup> July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C	-	-

15. Fund Balance B/F

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs (1/7/2022)</b>	<b>Kshs (1/7/2021)</b>
Bank accounts	19,622,599	2,898,850
Cash in hand	-	-
Imprest	-	-
<b>TOTAL</b>	<b>19,622,599</b>	<b>2,898,850</b>

16. Prior Year Adjustments

	<b>Balance b/f FY 2022/2023 as per Audited Financial statements</b>	<b>Adjustments</b>	<b>Adjusted Balance b/f FY 2021/2022</b>
<b>Description of the error</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Bank accounts balances	-	-	-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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**17. Changes In Accounts Receivable – Outstanding Imprests**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Outstanding Imprest as at 1st July (A)	-	-
Imprest issued during the year (B)	<b>631,500.00</b>	<b>1,645,700.00</b>
Imprest surrendered during the Year (C)	<b>631,500.00</b>	<b>1,645,700.00</b>
Closing accounts receivable as at 30th June 2022 (D=A+B-C)	-	-
<b>Net changes in accounts receivables D-A</b>	-	-

**18. Changes In Accounts Payable – Deposits and Retentions**

	<b>2022-2023</b>	<b>2021-2022</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Deposits and Retention as at 1st July 2019 (A)	-	-
Deposits and Retention held during the year (B)	-	-
Deposits and Retention paid during the year ©	-	-
Closing accounts payable at 30th June (D=A+B-C)	-	-
<b>Net changes in accounts payables D-A</b>	-	-

**19. Other Important Disclosures**

**19.1: Pending Accounts Payable**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
<b>TOTAL</b>	-	-

**19.2: Pending Staff Payables**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
NGCDF Staff	-	-
Others (specify)	-	-
	-	-

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19.3: Unutilized Fund (See Annex 1)

	2022-2023	2021-2022
	Kshs	Kshs
Compensation of employees	3,423,735.00	1,900,446.00
Committee Expenses	5,493,921.00	3,464,471.00
Use of goods and services	917,431.00	699,344.00
Amounts due to other Government entities (see attached list)	50,214,905.00	9,314,904.00
Amounts due to other grants and other transfers (see attached list)	18,952,697.00	13,926,425.00
Acquisition of assets	1,974,888.00	1,596,889.00
Oversight Committee Expenses	775,000	-
Others ( <i>specify</i> )		
Funds pending approval	577,300.00	809,000.00
<b>Total</b>	<b>82,329,877.00</b>	<b>31,711,479.00</b>

19.4: PMC account balances (See Annex 3)

Description	2022-2023	2021-2022
	Kshs	Kshs
PMC account balances (see attached list)	39,741,046.00	67,004,918.00
	<b>39,741,046.00</b>	<b>67,004,918.00</b>



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XVI. Annexes

Annex 1 – Unutilized Fund

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022-2023	2021-2022	
Compensation of employees		3,423,735	1,900,446.00	
Use of goods & services		917,431	4,163,814.00	
Committee Expenses		5,493,921	-	
<b>Amounts due to other Government entities</b>				
Primary School lockers and Chairs		4,500,000	4,500,000.00	
Mukinduri Primary School Water Project		2,000,000	2,000,000.00	
Kiangungu Primary School		2,814,904	2,814,904.00	
Kirima Primary School		1,200,000		
Karaini Primary School		10,700,000		
St James Kiaritha Secondary School		5,950,000		
Ngaru Girls Secondary School		2,050,000		
Kirimunge Secondary School		4,400,000		
Kirinyaga Central Technical and Vocational College		6,600,000		
Gakoigo Primary School		10,000,000		
<b>Sub-Total</b>		<b>60,049,991.00</b>	<b>15,379,164.00</b>	
<b>Amounts due to other grants and other transfers</b>				
Emergency		7,636,190.00	7,192,207.00	
Bursaries- Bodaboda riders		1,188,100	5,450,000.00	
Mutitu Acc. Office Block		1,178,408	1,178,408.00	
Sports Activities		2,750,000	105,810.00	
Education Bursaries		1,800,000		
Gathuthuma Primary School		2,400,000		
<b>Sub-Total</b>		<b>16,952,698.00</b>	<b>13,926,425.00</b>	

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Acquisition of assets				
Purchase of Laptop		1,000.00	1,596,889.00	
Sub-Total		1,000.00	1,596,889.00	
Oversight Committee Expenses(itemize)		775,000.00		
Sub-Total		775,000.00		
<b>Others (specify)</b>				
Strategic Plan		2,000,000		
NG-CDF Office		1,973,888		
Sub-Total		3,973,888.00	0.00	
Funds pending approval		431,000	809,000.00	
Grand Total		82,183,577.00	31,711,478.00	

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Annex 2 – Summary of Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2021-2022	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022-2023
Land	-	-	-	-
Buildings and structures	41,263,548.00	-	-	41,263,548.00
Transport equipment	-	-	-	-
Office equipment, furniture and fittings	9,163,595.00	-	-	9,163,595.00
ICT Equipment, Software and Other ICT Assets	2,338,301.00	-	-	2,338,301.00
Other Machinery and Equipment	135,880.00	-	-	135,880.00
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>52,901,324.00</b>	<b>-</b>	<b>-</b>	<b>52,901,324.00</b>

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**Annex 3–PMC Bank Balances As At 30<sup>th</sup> June 2023**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2022-2023</b>	<b>Bank Balance 2021-2022</b>
Gakoigo Primary School	Equity Bank	100262481718	15,789.80	15,789.80
Kiamutaira Secondary School	Equity Bank	100262592544	4,215,661.50	15,661.50
Gatuto Secondary School	Equity Bank	100292771881	5,874.00	5,874.00
Kiamuruga Primary School	Equity Bank	100262470791	11,840.85	526,737.85
Kiandieri Primary School	Equity Bank	100297778709	1,183,525.00	483,671.00
Njega Primary School	Equity Bank	100262469182	604.50	8,191.50
Kirigo Primary School	Equity Bank	100267066810	1,242.50	12,432.50
Kiarugu Primary School	Equity Bank	100297732409	27,435.50	27,435.50
Karaini Primary School	Equity Bank	100299381136	110.70	110.70
Kiamaina Primary School	Equity Bank	100262468204	37,435.00	37,435.00
Kaitheri Primary School	Equity Bank	100262468439	3,849,953.50	249,953.50
Mutira Primary School	Equity Bank	100262480475	265.00	454,565.00
Kirima Primary School	Equity Bank	100262470637	20,450.00	849,928.00
Kiamutaira Primary School	Equity Bank	100262592437	755.00	755.00
St. Joseph Primary School	Equity Bank	100262217751	2,400,033.00	23,801.00
Mutuma Primary School	Equity Bank	100294353205	42.50	724,722.00
St. Joseph Secondary School	Equity Bank	100267033162	24,824.50	226,215.50
Kiaga Secondary School	Equity Bank	100264500638	5,466,660.00	8,144,160.00
Karaini Secondary School	Equity Bank	100282012968	481,089.00	6,263,860.00
Kagumo Assistant Chief Office	Equity Bank	100282462366	877,000.00	8,506,000.00
Kirigo Secondary School	Equity Bank	100292572045	295,831.50	2,603,035.50
Kianjege Assistant Chief Office	Equity Bank	100264325520	60.00	350,560.00
Kirimunge Mixed Secondary School	Cooperative Bank	1139273758402	63,136.00	63,136.00
Kiaga Primary School	Cooperative Bank	1139034842802	38.00	38.00
Kirimunge Primary School	Cooperative Bank	1139034847002	26,692.50	268,674.50
Ngaru Primary School	Cooperative Bank	1139567549600	103,537.00	103,537.00

Mukinduri Primary School	Cooperative Bank	1139034848601	1,136.00	455,136.50
Gatwe Primary School	Cooperative Bank	1139034846400	2,435,309.50	408,059.50
Mutitu Primary School	Cooperative Bank	1139034843501	12,976.50	462,976.50
Kagumo CCM Primary School	Cooperative Bank	1139034609101	805.50	532,235.50
Gatuto Primary School	Cooperative Bank	1139034840903	45,483.50	495,483.50
Kiabarikiri Primary School	Cooperative Bank	1139034843401	248,776.50	2,291,354.50
Kianjege East Primary School	Cooperative Bank	1139034840103	44,703.50	44,703.50
Kamuritu Primary School	Cooperative Bank	1139034002503	3,414,542.75	464,542.75
Thaita Primary School	Cooperative Bank	1139034841502	80.50	431,880.50
Mutitu Secondary School	Cooperative Bank	1139035077502	880,577.00	5,333,636.00
Gathuthuma Secondary School	Cooperative Bank	1139273900602	608.75	1,327,799.75
Gitwe Primary School	Cooperative Bank	1139034841903	24,846.00	24,846.00
Kerugoya Chief's Office	Cooperative Bank	1134568469900	356.00	356.00
Kiaritha Primary School	Cooperative Bank	1139034848701	847,998.60	4,278,373.50
Kiranjya Primary School	Cooperative Bank	1139273777401	2,414,541.00	707,276.00
Kiangungu Primary School	Cooperative Bank	1139034843302	653,334.50	2,731,327.50
Gathuthuma Primary School	Cooperative Bank	1139034845600	365.50	365.50
Waigiri Primary School	Cooperative Bank	1139567186500	2,447.75	456,248.50
Gitwe mixed Day Secondary School	Cooperative Bank	1139035189403	6,892,173.00	10,740,901.00
Kaguyu Assistant Chiefs Office	Cooperative Bank	1134567308300	46,531.15	46,531.15
Kiandieri Secondary School	Cooperative Bank	1139034396502	305,451.00	1,771,868.00
St Johns Thaita Secondary School	Cooperative Bank	1139568799100	2,291,770.00	3,504,272.00
Mugwandi Primary School	Sidian Bank	1013030000084	9,926.00	472,046.00
Mutitu ACC office PMC	Sidian Bank	1013030000094	1,284.55	1,284.55
Ngomongo AP/Chief Camp PMC	Sidian Bank	1013030000104	1,961.00	1,961.00
Kaitheri Assistant Chief office PMC	Sidian Bank	1013030000074	17,236.00	17,236.00
Ndimi Kibingo Assistant Chief Office	Family Bank	57000034751	4,121.82	4,121.82
Kangaita Primary School	KBC	1155029054	685.00	685.00

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Kiranja Secondary School	KCB	1104034182	31,130.00	31,130.00
<b>Total</b>			<b>39,741,045.72</b>	<b>67,004,918.37</b>

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**Annex 4: Progress On Follow Up of Auditor Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p><b>Cash and Cash Equivalents</b>                      The statement of assets and liabilities and as disclosed in Note 10 to the financial statements reflects Kshs.19, 622,599 in respect of cash and cash equivalents balance as at 30 June, 2022. Review of 30 June, 2022 bank reconciliations statements revealed reconciling items amounting to Kshs.3,755,469 (un-presented cheques) out of which Kshs.137,000 relate to un-presented cheques which were stale and were still outstanding at the time of audit in the month of March, 2023.</p> <p>In the circumstances, the validity, completeness and accuracy of the cash and cash equivalents balance of Kshs.19, 622,599 as at 30 June, 2022 could not be confirmed</p>	<p><i>The management of Kirinyaga Central NG-CDF is in the process of verifying the stale bursary cheques amounting to Kshs 137,000 with the aim of replacing them. However the other un-presented cheques amounting to Kshs 3,618,469 have already been presented to the bank and cleared. The following cheques amounting to kshs 137,000 have since been replaced as stated indicated in (Annex 5).</i></p> <p>MURANGA HIGH SCHOOL (cheque Number 017547) amounting to Kshs 4,000 had already cleared and was erroneously included in the list.</p>	Resolved	
<p><b>Key Audit Matters</b>                      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.</p>				
<p><b>Other Matter</b></p>				
1.0	<p><b>Budgetary Control and Performance</b>                      Review of the summary statement of appropriation revealed total payments budget of Kshs.185, 459,609 against actual payments of Kshs.153, 748,131 resulting to under absorption of Kshs.31, 711,478 or 17%. This an indication that some activities and budgeted projects may not have been implemented.</p> <p>In addition, the bank balance reflected Kshs.19, 622,599 in</p>	<p>The delay in the fund utilization occurred due to the delay in funds disbursement by the NG-CDF National board. This occurred in all stages from the release of the constituencies' budget ceiling by NG-CDF board to disbursement of funds to the constituency account. The whole process was to commence from 1<sup>st</sup> July 2021 but it delayed upto 26<sup>th</sup> August 2021 and given proposal deadline of submission as 30<sup>th</sup> September 2021.</p>	Not Resolved	By the next audit period

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	<p>respect to cash released by the Board but not spent by the Fund. Failure to spend funds released by the Board denied the residents of the constituency equivalent services.</p> <p>Further, the summary statement of appropriation reflects funds pending approval balance of Kshs.809, 000 in respect to other receipts.</p> <p>In the circumstance, under expenditure may have affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>The balance of Kshs 809,000 pending approval in the summary statement of appropriation was received from partial rent of the Kirinyaga central NG-CDF office to liaison/ constituency office (Kshs 798,000) and sale of tender documents (Kshs 11,000).</p>		
<p><b>2.0</b></p> <p><b>Unresolved Prior Year Issues</b></p> <p>In the report of the previous year, several issues were raised under Report on the financial statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Although the Management has indicated that some of the issues have been resolved, as at 30 June 2022, no documentation was provided indicating if the issues were resolved or not.</p> <p>In the circumstances, the issues remain unresolved.</p> <p>Report On Lawfulness And Effectiveness In Use Of Public Resources</p> <p><b>Conclusion</b></p> <p>As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis on 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.</p>			<p>Not Resolved</p>	<p>By the next audit period</p>
<p><b>1.0</b></p> <p><b>Asset Management</b></p>		<ul style="list-style-type: none"> <li>• The asset count and valuation are always done at the end of the financial year from where a detailed asset</li> </ul>	<p>Not resolved</p>	<p>By next audit Period</p>
	<p><b>Basis for Conclusion</b></p>			



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<p>Annex 4 to the financial statements reflects summary of fixed assets register amount of Kshs.52,901,324 However, included in this balance is Kshs.461,181 in respect of old and damaged computers/accessories, cameras that have since been stolen and furniture and fitting total which are not in use. Further, included in the register are seven (7) computers and accessories from the Board of un-known value with five (5) of them being old and not in use (spoilt).In addition the balance of Kshs 52,901,324 excludes an amount of Kshs.675,540 described as land donation to the Ministry of ICT. However, supporting documents and approval for the donation were not provided contrary to Regulation 143 of the Public Finance Management (National Government Regulations, 2015 which states that the Accounting Officer shall be responsible for maintaining a register of assets under his control or possession as prescribed by the relevant laws.</p> <p>In addition, the following other anomalies were noted in regard to fixed assets management;</p> <ul style="list-style-type: none"> <li>i. Most of the assets were not tagged and asset movement's registers were not appropriately kept.</li> <li>ii. The assets were not insured against any risk</li> <li>iii. The assets had not been valued to determine the economic value.</li> <li>iv. There was no evidence of any disposal having ever been done yet there were several bonded/damaged beyond repair items kept in the respective departments.</li> </ul> <p>In the circumstances, Management was in breach of the law. In addition, the effectiveness of the asset management systems in place at the Fund could not be confirmed.</p>	<ul style="list-style-type: none"> <li>• The committee is in the process of sourcing the insurance company to insure its assets with.</li> <li>• The assets amounting to Kshs 675,540 excluded from the fixed asset register were partitions done by the Kirinyaga central NG-CDF committee to the previous offices where Kirinyaga central NG-CDF was housed. The offices belonged to the ministry of ICT, Innovations and Youth Affairs. These partitions were donated to the ministry without any monetary consideration hence no receipts to Kirinyaga Central NG-CDF.</li> </ul>	<p>register showing asset location and their status is prepared, also the assets that require disposal are recommended. The process of asset tagging is in progress.</p>	
<p><b>2.0</b></p>	<p><b>Project Implementation Status</b> Review of project records and field verifications revealed the following.</p>		

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i	<p><b>Delayed or Stalled Projects</b></p> <p>The Fund had had six Projects worth Kshs.35,191,272 whose expected completion period had lapsed. Delay in project completion is an indication that the Fund did not comply with Regulation 11(1)(j) of the National Government Constituencies Development Fund Regulations, 2016 which states that the constituency committee shall ensure that all projects receive adequate funding and are completed within three years.</p>	<p>The level of completion of the said projects are as indicated in <b>Annex 6</b></p>	Resolved	
ii	<p><b>Under Absorption/Utilization of Funds in Project Execution</b></p> <p>Review of the Budget performance under chairperson’s report, revealed six (6) projects with estimated cost of Kshs.20,720,882 had fund utilization below 50%. In the circumstance, under-utilization may have affected the planned activities and have impacted negatively on service delivery to the public.</p>	<p>The management responded to the issues raised as per the table below against each item <b>Annex 7</b></p>	Resolve	

  
 Name : Kenneth Kariuki...  
 Fund Account Manager



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Annex 5: REPLACED STALE BURSARY CHEQUES

STALE CHEQUES TO BE REPLACED				REPLACED WITH			
CHQ DATE	CHQ No.	PAYEE	AMOUNT	DATE	CHQ No.	PAYEE	AMOUNT
23/03/2022	017411	Cardinal Maurice Otunga School	4,000.00	21/06/2023	019544	St Mary Karumandi Boys High School	79,000
19/05/2022	017712	Kahuhia Girls High School	12,000.00	21/06/2023	019545	Kahuhia Girls High School	12,000
19/05/2022	017751	Kenema College Of Professional Studies	4,000.00	21/06/2023	019546	St James Kiaritha Secondary School	5,000
19/05/2022	017790	Kenya School Of Law	4,000.00	21/06/2023	019547	Kamuiru Boys High School	6,000
19/05/2022	018109	Kiamuriuki Secondary School	4,000.00	21/06/2023	019548	St Joseph Kerugoya Secondary School	5,000
19/05/2022	017857	Nairobi Institute Of Science And Technology	4,000.00	21/06/2023	019549	Nyeri High School	5,000
19/05/2022	017914	Rift Valley Institute Of Science And Technology	8,000.00	21/06/2023	019551	Kabete National Polytechnic	5,000
19/05/2022	017932	Serene Haven Girls Secondary School	4,000.00	21/06/2023	019552	Kiharu Technical College	5,000
19/05/2022	017933	Sericho Secondary School	2,000.00	21/06/2023	019553	Kianyaga High School	5,000
19/05/2022	017975	St Marys Karumandi Boy High School	79,000.00	21/06/2023	019554	Ngiriambu Girls High School	6,000
30/05/2022	017535	Karangare Secondary School	4,000.00				
30/05/2022	017547	Muranga High School	4,000.00				
13/06/2022	018088	Kenya Medical Training College-Thika	4,000.00				
		<b>TOTAL</b>	<b>137,000</b>				<b>133,000</b>

**Annex 6: DELAYED COMPLETION PROJECTS**

S.No	Project Name- Activity	% Completion	Amount (Kshs)	Remarks
1	Kiaga secondary school-drilling, equipping of a borehole and water connection to kiaga assistant chief office and kiaga primary school	100%	8,140,000	The Project is now complete, handed over and in use.
2	Gitwe secondary school-drilling, equipping of a borehole and water connection to ngomongo ap camp, gitwe primary school and nduini assistant chief's office	70%	9,600,000	The Project is now complete, handed over and in use.
3	Karaini secondary school-construction of a storey science laboratory	95%	8,650,000	The Project is now complete, handed over and in use.
4	St johns thaita secondary school-construction of a story administration block	60%	3,501,272	The Project is now complete, handed over and in use.
5	Kirigo secondary school-construction of two classrooms	80%	2,600,000	The Project is now complete, handed over and in use.
6	KIANGUNGU PRIMARY SCHOOL-Construction of a Perimeter wall around Kiangungu TVET	80%	2,700,000	The Project is now complete, handed over and in use.
	<b>Total</b>		<b>35,191,272</b>	

Annex 7: PROJECT FUNDS UNDER-ABSORPTION

S.No	Project Name	Total Available For The Project	Project Expenditure To Date	Balance At The End Of Financial Year	% of funds utilization	Management Comment
1	Bursary Vocational Training	5,450,000	4,289,270	1,160,730	78.7%	A total of 782 bodaboda riders trained and paid for, training of the remaining 218 riders in progress.
2	Kiangungu Primary School	5,514,904	2,700,000	2,814,904	49%	The Project is now 100% complete, handed over and in use
3	Primary School lockers and Chairs	4,500,000	0	4,500,000	0%	The Project is now 100% complete, handed over and in use
4	Mukinduri Primary School Water project	2,000,000	0	2,000,000	0%	The funds are in the process of being re-allocated to others projects since the project was done to completion by another financier.
5	Mutitu ACC Office	1,660,090	481,683	1,178,407	29%	The Project is now 100% complete, handed over and in use
6	NG-CDF Office	1,595,888	0	1,595,888	0%	The Project is now 100% complete, handed over and in use
	<b>Total</b>	<b>20,720,882</b>	<b>3,181,683</b>	<b>17,539,199</b>	<b>15%</b>	