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REPORT

DATE: 01 MAR 2023

DAY: Wednesday

OF

TABLED
BY:

Majority Party Whip
Fenlaye Munuki

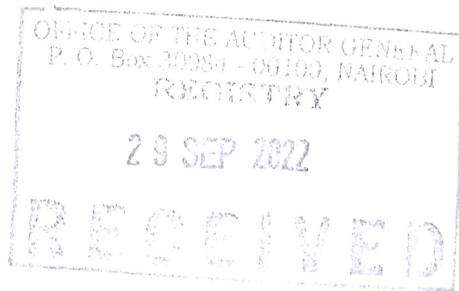
THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**

Revised Template 30th June 2021



KIAMBU CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

***Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	2
II. NG-CDFC CHAIRMAN'S REPORT	5
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES	10
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	13
V. STATEMENT OF MANAGEMENT RESPONSIBILITIES.....	16
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- KIAMBU CONSTITUENCY</i>	17
VII. STATEMENT OF RECEIPTS AND PAYMENTS.....	18
VIII. STATEMENT OF ASSETS AND LIABILITIES	19
IX. SUMMARY STATEMENT OF APPROPRIATION.....	15
X BUDGET EXECUTION BY SECTORS AND PROJECTS.....	17
XI. SIGNIFICANT ACCOUNTING POLICIES	20
XII. NOTES TO THE FINANCIAL STATEMENTS.....	23

*Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Gumato Sharamo Budha
2.	Sub-County Accountant	Jackline Wasilwa
3.	Chairman NGCDFC	Stephen Mwaura Ngugi
4.	Member NGCDFC	Josephine W. Mwangi

(d) Fiduciary Oversight Arrangements

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

(e) KIAMBU Constituency NGCDF Headquarters

P.O. Box 1767-00900
Kugeria Estate (Ha-Ngethe) After Gratom Babz Security Offices Kiambu
Kiambu Road
KIAMBU, KENYA

***Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

(f) KIAMBU Constituency NGCDF Contacts

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

(g) KIAMBU Constituency NGCDF Bankers

Equity Bank (Kenya) Limited
Kiambu Branch
P.O Box 783 - 00900
Kiambu, Kenya

Kiambu National Government Constituency Development Fund
A/C Number: 0640261707042

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II. NG-CDFC CHAIRMAN'S REPORT



STEPHEN MWAURA NGUGI

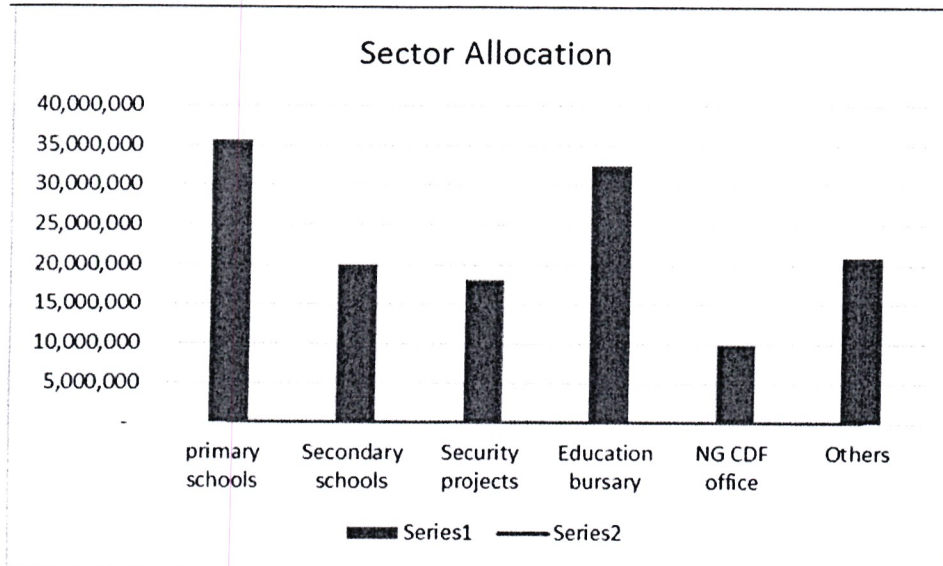
I am pleased to present the unaudited financial statements for Kiambu Constituency for the Financial Year ended 30th June 2021. During the year, the Constituency was allocated a total of Kshs 137,098,879.

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

During the year, the bulk of the funds was allocated to the education sector. A total of Kshs. 56,600,000 was allocated as transfers to other Government Units which consist of transfers to primary schools & secondary schools.

Project allocation	Amount allocated	%age
Primary school projects	35,600,000	26%
Secondary school projects	20,000,000	15%
Security	18,100,000	13%
Bursaries/mocks/cats	32,500,000	24%
NG CDF Office	10,000,000	7%
Others	20,898,879	15%
Total	137,098,879	

Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021



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

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



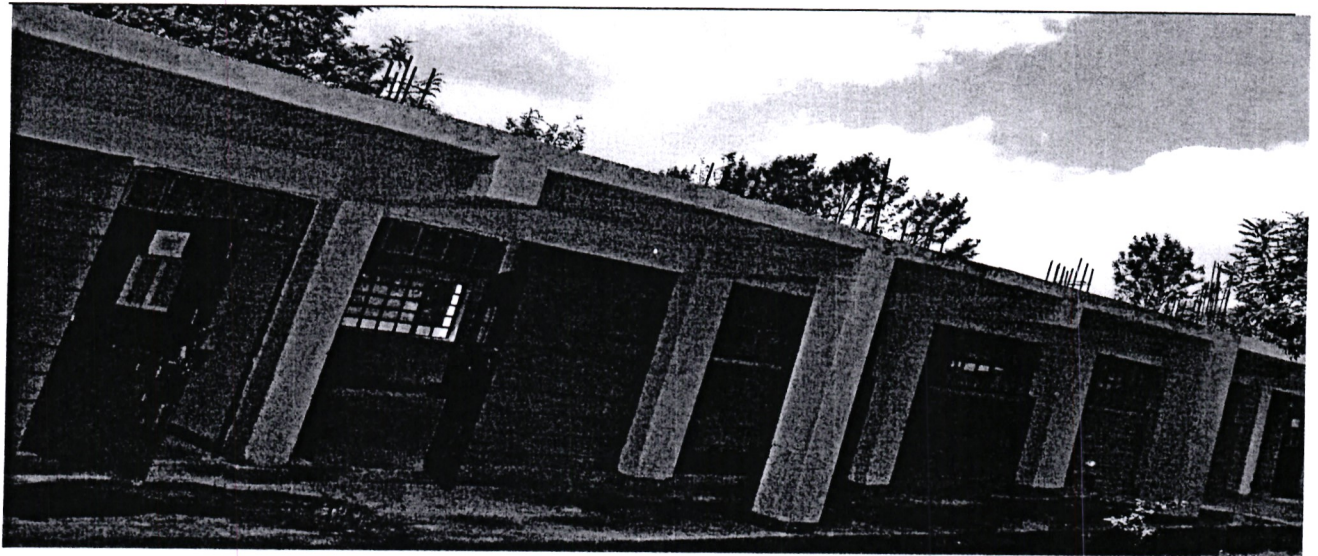
*Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*



In the spirit of creating conducive environment for learning, the committee has also constructed dining halls and classroom blocks in several secondary schools

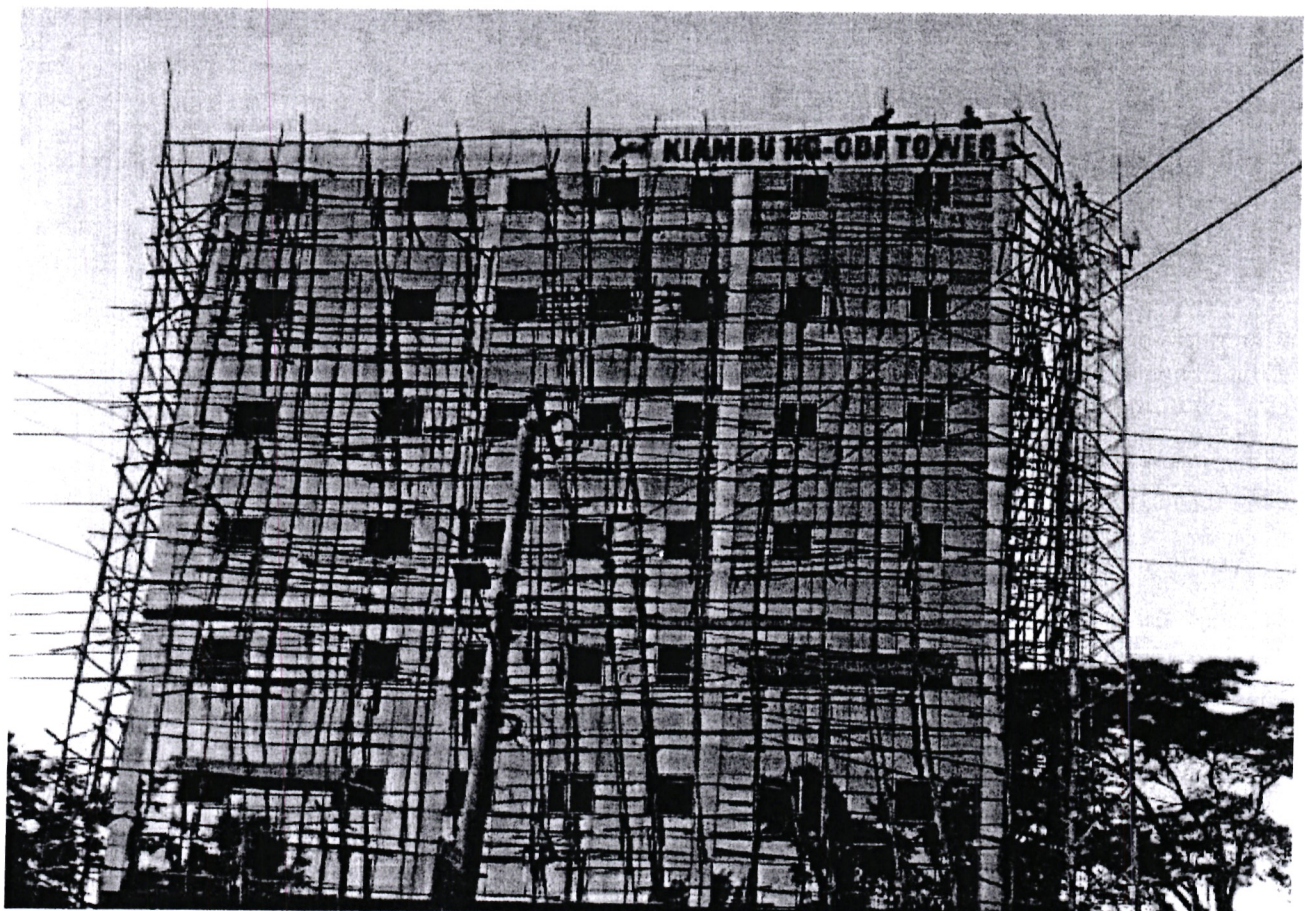


*Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*



The impact of the Covid 19 pandemic continued to be felt in the constituency during the financial year. The delays in disbursement of funds from the board was also a major challenge In the timely implementation of the project in the constituency. Despite the above challenges, the committee was able to implement project across the Constituency through proper planning.

The committee is excited about the ongoing NG CDF tower which will House Kiambu NG-CDF Office. The project is 60% complete, with an expected commissioning in December 2021



***Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***


Signature

CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

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

Education

- Improving access to primary and secondary education through increasing capacity schools in terms of infrastructure such as classrooms, dormitories and laboratories.
- Facelift all public primary schools and gradually equip with lockers to improve learners moral.
- Build modern septic ablution blocks in all primary schools
- Digitalise learning in schools through provision of wifi to schools

Security

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

Youth empowerment

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

People/staff

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

Others

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

Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

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 Program	Objective	Outcome	Indicator	Performance
Education	<p>To have all children of school going age attending school</p> <p>Improve the transition rate from primary to secondary school</p> <p>To ensure quality education by providing all necessary infrastructure</p>	<p>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</p>	<p>Number of usable physical infrastructure built in primary, secondary and tertiary institution.</p> <p>Number of bursary beneficiary</p>	<p>In FY 2020/21 -we increased number of classrooms by 30</p> <p>Constructed 2 dormitories with capacity of 100 beds.</p> <p>completed construction of 3 secondary schools complete with classrooms, library and administration block</p> <p>Facelifted all 3 primary school</p>
Security	<p>to equip the security agents with necessary infrastructure to handle insecurity cases within the constituency</p>	<p>Improved security within the constituency</p>	<p>Number of physical infrastructure built in chiefs offices and police stations</p>	<p>Constructed 2 ACCS OFFICES</p> <p>Constructed 4 chiefs and assistant chiefs office</p>
Youth empowerment	<p>Create infrastructure for youth engagement to enable youths to tap into existing economic</p>	<p>Improved social and economic welfare of the youths. Reduced crime rates within the constituency.</p>	<p>Number of a youth empowerment centre ICT hubs in Kiambu town.</p> <p>Number of beneficiaries from sports activities</p>	<p>Ongoing construction of 4youth empowerment center</p> <p>3 meeting rooms</p>

Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

	opportunities.			completed Ict hub ongoing Held kiambu sports day dubbed "improving livelihoods of the youths" with Over 100 beneficiaries
People	To develop human resources capabilities to help achieve set objectives	Low staff turn over Motivated staff who are able to meet set performance targets.	Number of staff leaving the organisation. Number of staff unable to meet set performance targets	Held 2 staff training during the year. Salaries are benchmarked with neighbouring constituencies

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- *Kiambu NG-CDF supports students carry out environment conservation activities e.g. planting trees once in an academic calendar.*
- *Kiambu NG-CDF sponsored sporting activities / tournament during which communities are sensitized on environmental conservation matters.*

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. KIAMBU constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

4. Market place practices-

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

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

***Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

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

Public Awareness

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

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

Kiambu Constituency

National Government Constituencies Development Fund (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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


The Accounting Officer in charge of the NGCDF-KIAMBU Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-KIAMBU Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- KIAMBU Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the financial statements

The NGCDF- KIAMBU Constituency financial statements were approved and signed by the Accounting Officer on 9th September 2021.



Chairman NGCDF Committee
Name: GUMATO SHARAMO



Fund Account Manager
Name: GUMATO SHARAMO

***Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

VI. REPORT OF THE INDEPENDENT AUDITORS ON THE *NGCDF- KIAMBUCONSTITUENCY*

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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Anniversary Towers
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P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KIAMBU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

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 intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kiambu Constituency set out on pages 18 to 55,

Report of the Auditor-General on National Government Constituencies Development Fund - Kiambu Constituency for the year ended 30 June, 2021

which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kiambu Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Inaccuracies in Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.19,151,772. However, the bank reconciliation statement in support of the balance reflected unrepresented cheques amounting to Kshs.9,555,200 which in turn included cheques amounting to Kshs.87,000 which were stale and had not been reversed in the cash book. Further, Management did not provide bank balance certificates and the thirty (30) Project Management Committees' bank accounts reflected in Annex 5 to the financial statements for audit. In addition, out of the bursary cheques totalling to Kshs.2,159,000 which had been replaced, cheques worth Kshs.531,000 were not reversed in the cash book.

In the circumstances, the accuracy of the cash and cash equivalents balance of Kshs.19,151,772 could not be confirmed.

2. Non-Disclosure of Disbursements to Tertiary Institutions

The statement of receipts and payments reflects other grants and transfers balance of Kshs.51,398,441 which, as disclosed in Note 7 to the financial statements includes Kshs.27,785,000 in respect of disbursements to Secondary Schools. It was however noted that the disbursements include an amount of Kshs.7,289,000 disbursed to Tertiary Institutions which should have been disclosed separately as per the approved reporting template.

In the circumstances, the accuracy and completeness of disbursements to Secondary Schools of Kshs.27,785,000 could not be confirmed.

3. Unsupported Use of Goods and Services

The statement of receipts and payments and the corresponding Note 5 to the financial statements, reflects use of goods and services expenditure totalling to Kshs.9,267,720. However, payment vouchers in respect to expenditure amounting to Kshs.2,026,600 were not provided for audit.

In the circumstances, the accuracy and completeness of use of goods expenditure of Kshs.2,026,600 could not be confirmed.

4. Unsupported Other Grants and Transfers

The statement of receipts and payments reflects other grants and transfers balance of Kshs.51,398,441 which, as disclosed in Note 7 to the financial statements includes bursary to secondary schools amounting to Kshs.27,785,000. However, two (2) payment vouchers totalling to Kshs.1,387,000 were not provided for audit review. Further, out of Kshs.14,513,441 spent on security projects, an amount of Kshs.10,913,441 was paid vide three (3) payment vouchers whose original tender documents were not provided for audit verification.

In the circumstances, the accuracy and completeness of other grants and transfers totalling to Kshs.12,300,441 could not be confirmed.

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

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

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.209,288,471 and Kshs.164,199,591 respectively, resulting to an under-funding of Kshs.45,088,879 or 22% of the budget. Similarly, the Management spent Kshs.145,047,819 against an approved budget of Kshs.209,288,470, resulting to an under- absorption of Kshs.64,240,651 or 31% of the budget.

The underfunding and underperformance may have resulted in the Fund's inability to implement planned activities, which may have negatively impacted delivery of services to the residents of Kiambu Constituency.

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

Unrealistic Project Cost in Machiri Primary School

During the year under review, the Fund granted the School an amount of Kshs.1,400,000 for water connection covering a distance of 1.5 kilometre from a nearby river, construction of a pump house, purchase of a pump and piping as per the BQ. However, verification of the piping system revealed that the distance covered was only 200 metres against 1.5 kilometers provided in the bill of quantities. Further, there was no indication that the works were supervised by the Sub- County Works Officer as no inspection reports from the Officer were provided for audit.

In the circumstances, value for money derived from the project could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that a 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 which 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 intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report which includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level

of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 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 which might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts 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 which is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions which may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner which achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control which 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 which may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


29 July, 2022

Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021


VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	161,367,724	68,000,000
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	=	10,000
TOTAL RECEIPTS		161,367,724	68,010,000
PAYMENTS			
Compensation of employees	4	1,231,658	1,174,344
Use of goods and services	5	9,267,720	8,434,064
Transfers to Other Government Units	6	82,800,000	46,138,993
Other grants and transfers	7	51,398,441	24,711,167
Acquisition of Assets	8	350,000	-
Other Payments	9	=	=
TOTAL PAYMENTS		145,047,819	80,458,568
SURPLUS/(DEFICIT)		<u>16,319,905</u>	<u>(12,448,568)</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIAMBU Constituency financial statements were approved on 9th September 2021 and signed by:


Fund Account Manager

Name: GUMATO SHARAMO


National Sub-County Accountant

Name: JACKLINE MUKHIA
ICPAK M/No: 10875


Chairman NG-CDF Committee

Name: STEPHEN MWAVRA

*Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	19,151,772	2,831,867
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		19,151,772	2,831,867
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		19,151,772	2,831,867
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES			
NET FINANCIAL ASSETS		<u>19,151,772</u>	<u>2,831,867</u>
REPRESENTED BY			
Fund balance b/fwd		2,831,867	15,280,436
Prior year adjustments	14	-	
Surplus/Deficit for the year		16,319,905	(12,448,568)
NET FINANCIAL POSITION		<u>19,151,772</u>	<u>2,831,867</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIAMBU Constituency financial statements were approved on 9th September 2021 and signed by:

Fund Account Manager

Name: GUMATO CHARANO

National Sub-County
Accountant

Name: Faithline Kariuki
ICPAK M/No: 10878

Chairman NG-CDF Committee

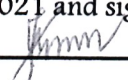
Name:


Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

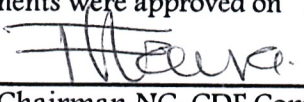
STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	161,367,724	68,000,000
Other Receipts	3	=	<u>10,000</u>
Total receipts		161,367,724	68,010,000
Payments for operating activities			
Compensation of Employees	4	1,231,658	1,174,344
Use of goods and services	5	9,267,720	8,434,064
Transfers to Other Government Units	6	82,800,000	46,138,993
Other grants and transfers	7	51,398,441	24,711,167
Other Payments	9	-	-
Total payments		144,697,819	80,458,568
Total Receipts Less Total Payments			
Adjusted for:			
Decrease/ (Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/ (Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		16,669,905	(12,448,568)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(350,000)	-
Net cash flows from Investing Activities		(350,000)	-
NET INCREASE IN CASH AND CASH EQUIVALENT		16,319,905	(12,448,568)
Cash and cash equivalent at BEGINNING of the year	10	2,831,867	15,280,436
Cash and cash equivalent at END of the year		<u>19,151,772</u>	<u>2,831,867</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIAMBU Constituency financial statements were approved on 5th September 2021 and signed by:


Fund Account Manager
Name: GUMATO SHARAMO


National Sub-County Accountant
Name: Jackson Mwangi
ICPAK M/No: 10825


Chairman NG-CDF Committee
Name: STEPHEN MWANGA

**Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

IX. SUMMARY STATEMENT OF APPROPRIATION

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	c=a+b	d	e=c-d	f=d/c %
RECEIPTS	2020/2021	Kshs	Kshs	2020/2021	30/06/2021	Kshs	
Transfers from NGCDF Board	137,088,879	2,831,867	69,367,724.10	209,288,471	164,199,591	45,088,879	78.5%
Proceeds from Sale of Assets				0	-	-	0.0%
Other Receipts				0	-	-	
TOTALS	137,088,879	2,831,867	69,367,724	209,288,471	164,199,591	45,088,879	78.5%
PAYMENTS							
Compensation of Employees	1,305,023			1,305,023	1,231,658	73,365	94.4%
Use of goods and services	8,541,649	1,218,307	2,869,482	12,629,438	9,267,720	3,361,718	73.4%
Transfers to Other Government Units	55,600,000		20,700,000	76,300,000	76,300,000	-	100%
Other grants and transfers	71,292,207	1,613,560	45,798,242	118,704,009	57,898,441	60,805,568	48.8%
Acquisition of Assets	350,000			350,000	350,000	-	
Other Payments	-			-	-	-	
Funds pending approval**							
TOTALS	137,088,879	2,831,867	69,367,724	209,288,470	145,047,819	64,240,651	69.3%


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

**Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

- i. Low absorption in other grants and transfers is due to delays in receiving funds from the Board
- ii. Overall the committee was able to implement projects on timely manner despite the challenges stated above

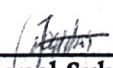
Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	64,240,651
Less undisbursed funds receivable from the Board as at 30 th June 2021	45,088,879
	19,151,772
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	19,151,772

The NGCDF-KIAMBU Constituency financial statements were approved on _____ 2021 and signed by:



Fund Account Manager

Name: GUMATO SHARAMO


National Sub-County Accountant

Name: *Lucyline Mwangi*
ICPAK/M/No: 10875


Chairman NG-CDF Committee

Name: STEPHEN MWAZA

*Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget		Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
1.0 Administration and Recurrent							
1.1 Compensation of employees	1,301,023				1,301,023	1,231,658	69,365
1.2 Committee allowances	3,200,000			2,500,000	5,700,000	5,200,000	500,000
1.3 Use of goods and services	2,745,649		362,985	369,482	3,478,116	1,500,000	1,978,116
	7,246,672		362,985	2,869,482	10,479,139	7,931,658	2,547,481
2.0 Monitoring and evaluation							
2.1 Capacity building	400,000				400,000		400,000
2.2 Committee allowances	1,700,000		855,322		2,555,322	2,366,500	188,822
2.3 Use of goods and services	500,000				500,000	201,220	298,780
Total	2,600,000		855,322	-	3,455,322	2,567,720	887,602
3.0 Emergency							
3.1 Primary Schools							
3.2 Secondary schools							
3.3 Tertiary institutions							
3.4 Security projects							
3.5 Unutilised	7,192,207			4,198,241	11,390,448		11,390,448
Total	7,192,207			4,198,241	11,390,448		11,390,448
4.0 Bursary and Social Security							
4.1 Primary Schools							
4.2 Secondary Schools	22,500,000		1,613,560	29,500,001	53,613,561	27,785,000	25,828,561
4.3 Tertiary Institutions	10,000,000				10,000,000		10,000,000

**Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.4 Universities						
4.5 Social Security						
Total	32,500,000	1,613,560	29,500,001	63,613,561	27,785,000	35,828,561
5.0 Sports						
5.1	2,000,000		2,100,000	4,100,000	2,100,000	2,000,000
5.2						
5.3						
Total	2,000,000		2,100,000	4,100,000	2,100,000	2,000,000
6.0 Environment						
6.1	1,500,000			1,500,000		1,500,000
6.2						
6.3						
Total	1,500,000			1,500,000		1,500,000
7.0 Primary Schools Projects (List all the Projects)						
Purchase of 55" TV for 8 primary schools	1,000,000			1,000,000	1,000,000	-
Chief wandie primary school	5,000,000			5,000,000	3,000,000	2,000,000
HGM Tinganga primary school	2,500,000			2,500,000	2,500,000	-
Kamiti anmer primary school	1,200,000			1,200,000	1,200,000	-
Kiambu primary school	3,500,000			3,500,000	3,500,000	-
Kongo primary school	4,000,000			4,000,000	4,000,000	-
Mungai chengecha primary school	2,500,000			2,500,000	2,500,000	-
Ndumberi primary school	1,500,000			1,500,000	1,500,000	1,500,000
Ngegu primary school	1,500,000			1,500,000	1,500,000	-
Riara primary school	2,500,000			2,500,000	1,500,000	1,000,000

**Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Strong rooms in 8 primary schools	2,400,000			2,400,000	2,400,000	-
Thindigua primary school	3,000,000			3,000,000	3,000,000	-
Tinganga model primary school	5,000,000			5,000,000	2,500,000	2,500,000
Kamiti anmer primary school			2,500,000	2,500,000	2,500,000	-
Kiambu primary school			3,000,000	3,000,000	3,000,000	-
Gichocho primary school			100,000	100,000	100,000	-
Desks for primary school			2,600,000	2,600,000	2,600,000	-
Chief wandie primary school					600,000	(600,000)
Kamiti anmer primary school					2,000,000	(2,000,000)
Karunga primary school					6,000,000	(6,000,000)
Machiri primary school					1,400,000	(1,400,000)
Chief wandie primary school					4,000,000	(4,000,000)
Loreto primary school					4,000,000	(4,000,000)
Total	35,600,000	-	8,200,000	43,800,000	54,800,000	(11,000,000)
8.0 Secondary Schools Projects (List all the Projects)						
HGM Tinganga secondary school	1,000,000			1,000,000	1,000,000	-
Kanunga high school	4,000,000			4,000,000	2,000,000	2,000,000
Kasarini secondary school	5,000,000			5,000,000	2,500,000	2,500,000
Kiambu township secondary school	4,000,000			4,000,000		4,000,000
St. joseph riabai secondary school	6,000,000			6,000,000		6,000,000
Riabai high school			3,000,000	3,000,000	3,000,000	-
Tinganga secondary school			2,000,000	2,000,000	2,000,000	-
Kiambu township secondary school			3,000,000	3,000,000	3,000,000	-
Swimming pool at st. peters high school ndumberi			4,500,000	4,500,000	4,500,000	-

**Kiambu Constituency
National Government Constituencies Developmen. und (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Riabai high school					3,000,000	(3,000,000)
Tinganga secondary school					2,000,000	(2,000,000)
Tinganga HGM secondary school					500,000	(500,000)
Tinganga secondary school					1,500,000	(1,500,000)
Kiambu township secondary school					3,000,000	(3,000,000)
Total	20,000,000		12,500,000	32,500,000	28,000,000	4,500,000
9.0 Tertiary institutions Projects (List all the Projects)						
9.1						
9.2						
9.3						
9.4						
10.0 Security Projects						
Gichocho chiefs office	3,000,000			3,000,000	3,000,000	-
Kamiti anmer chiefs office	2,500,000			2,500,000		2,500,000
Kiamumbi police post	5,000,000			5,000,000	3,000,000	5,000,000
Kihingo chiefs office	3,000,000			3,000,000		-
Ngegu assistant chiefs office	300,000			300,000	300,000	-
Ngegu police post	4,000,000			4,000,000	2,000,000	2,000,000
Rungu assistant chiefs office	300,000			300,000	300,000	-
Tinganga A.C.C's offices			3,000,000	3,000,000		3,000,000
Ndumberi chiefs office					513,441	(513,441)
Kanunga chiefs office					600,000	(600,000)
Kirigiti chiefs office					300,000	(300,000)

**Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Riabai chiefs office					1,500,000	(1,500,000)
Tinganga chiefs office					3,000,000	(3,000,000)
Total	18,100,000	-	3,000,000	21,100,000	14,513,441	6,586,559
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers	350,000			350,000	350,000	-
11.5 Purchase of land						
Total	350,000			350,000		
12.0 Others						
Kiambu NG-CDF Office	10,000,000		7,000,000	17,000,000	7,000,000	10,000,000
12.2						
12.2						
Total	10,000,000		7,000,000	17,000,000	7,000,000	10,000,000
Funds pending approval**						
Total	137,088,879	2,831,867	69,367,724	209,288,470	145,047,819	64,240,651

(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)

*Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

***Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

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 10th June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

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.

*Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO B096961	1	15,000,000	
AIE NO A823536	2	35,000,000	
AIE NO B104548	3	19,367,724	
AIE NO B124549	4	9,000,000	
AIE NO B124982	5	8,500,000	
AIE NO B119836	6	13,000,000	
AIE NO B128125	7	6,900,000	
AIE NO B128437	8	6,000,000	
AIE NO B132181	9	6,000,000	
AIE NO B138849	10	12,000,000	
AIE NO B126143	11	7,000,000	
AIE NO B126436	12	11,600,000	
AIE NO B140580	13	12,000,000	
AIE NO B047457			4,000,000
AIE NO B047780			16,000,000
AIE NO B047832			7,000,000
AIE NO B049304			15,000,000
AIE NO B104329			10,000,000
AIE NO B096582			16,000,000
TOTAL		161,367,724	68,000,000

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

***Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	10,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	10,000

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	891,408	847,320
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	277,826	264,600
Employer Contributions Compulsory national social security schemes	62,424	62,424
Total	1,231,658	1,174,344

Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses		
Utilities, supplies and services	49,110	20,880
Communication, supplies and services	113,850	92,560
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	148,200	250,114
Rentals of produced assets	-	-
Training expenses		482,000
Hospitality supplies and services	-	-
Other committee expenses	-	-
Committee allowance	7,566,500	6,213,500
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	600,000	600,000
Other operating expenses	-	-
Routine maintenance – vehicles and other transport equipment	-	-
Routine maintenance – other assets	-	-
Office rent	420,000	420,000
Bank service commission and charges	106,060	91,010
Security operations	264,000	264,000
Total	9,267,720	8,434,064

*Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	54,800,000	24,838,993
Transfers to secondary schools (see attached list)	28,000,000	21,300,000
Transfers to tertiary institutions (see attached list)	-	-
TOTAL	82,800,000	46,138,993

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	27,785,000	2,129,340
Bursary – tertiary institutions (see attached list)	-	-
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)		1,920,000
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	14,513,441	8,877,027
Sports projects (see attached list)	2,100,000	500,000
Environment projects (see attached list)	-	1,500,000
Emergency projects (see attached list)	-	2,784,800
Others (youth, library, kiosks) – CDF OFFICE	7,000,000	7,000,000
Total	51,398,441	24,711,167

Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Purchase of computers, printers and other IT equipments	350,000	-
Total	350,000	0

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs (30/6/2021)	Kshs (30/6/2020)
<i>Name of Bank, Account No. 0640261707042</i>	19,151,772	2,831,867
<i>Name of Bank, Account No.</i>		
<i>Name of Bank, Account No.</i>		
Total	19,151,772	2,831,867
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

**Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 th June D= A+B-C	-	-

[Provide short appropriate explanations as necessary.]

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	-	-
Gratuity held during the year (B)	-	-
Gratuity paid during the Year (C)	-	-
Closing Gratuity as at 30 th June D= A+B-C	-	-

[Provide short appropriate explanations as necessary]

Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	2,831,867	15,280,436
Cash in hand	-	-
Imprest	-	-
Total	2,831,867	15,280,436

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
TOTAL	-	-	-

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

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST*

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-

Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS		
	2020 – 2019	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-

Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	-	-
Others (<i>specify</i>)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	73,365	-
Use of goods and services	3,361,718	4,087,789
Amounts due to other Government entities (see attached list)	0	20,700,000
Amounts due to other grants and other transfers (see attached list)	60,805,568	47,411,802
Acquisition of assets	0	-
Others (<i>specify</i>)	0	-
Funds pending approval	0	0
	64,240,651	72,199,591

Kiambu Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	25,818,181	26,363,610
	25,818,181	26,363,610

**XXX Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2020 d=a-c	Comments
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1.				
2.				
3.				
	Sub-Total			
	Grand Total			

**XXX Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees			428,679	
Use of goods & services		6,269,324	2,856,593	
Amounts due to other Government entities		-		
Kiabai primary school		1,500,000		
Tinganga model primary school		2,500,000		
Kiambu primary school		1,500,000		
Ndumberi primary school		1,500,000		
Chief wandie primary school		2,000,000		
Riara primary school		1,000,000		
Kasarini secondary school		2,500,000		
Kanunga high school		2,000,000		
Kiambu township secondary school		1,000,000		
St joseph riabai secondary school		6,000,000		
Sub-Total		21,500,000	23,700,000	
Amounts due to other grants and other transfers				
Sports		2,000,000	2,100,000	
Kamiti anmer chiefs office		2,500,000		
NG-CDF Office construction		5,000,000	7,000,000	
Emergency		7,541,042	4,413,441	
Kiamumbi police post		5,000,000		
Ngegu police post		2,000,000	1,000,000	
NG-CDF Office construction		5,000,000		
Bursary		7,430,285	30,690,878	
Sub-Total		36,471,327	45,204,319	
Acquisition of assets				
Others (specify)			10,000	

XXX Constituency

***National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Sub-Total				
Funds pending approval				
Grand Total		64,240,651	72,199,591	

*XXX Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings				
ICT Equipment, Software and Other ICT Assets	849,390	350,000		1,199,390
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	849,390	350,000		1,199,390

XXX Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/2 0
Kiambu Cdf Office Construction	Equity	0640264558705	4,917,739.00	
Tinganga Hgm Primary School	Equity	0640263334109	2,500,572	
Youth Empowerment Centre - Ndumberi	Equity	0640264565595	12,914,022.00	
Kasarani Secondary School	Equity	0640262104265	2,832,578.50	
Riara Primary School	Equity	0640268968054	4,279,541	
Kiambu Primary School	Equity	0640270186102	5,991,143.00	
Kamiti Anmer Primary School	Equity	0640280077985	1,392,685.00	
Tinganga Model Primary School	Equity	0640277396136	3,054,052	
Thindigua Primary School	Equity	0640279891202	3,058,975.00	
Kongo Primary School	Equity	0640280990828	3,999,100.00	
Mungai Chengecha Primary School	Equity	0640266428706	2,546,781.00	
Ngegu Primary School	Equity	0640266315725	1,500,262.00	
Virtual School Of Music	Equity	0640281021173	999,100.00	
Chief Wandie Primary School	Equity	0640266316347	7,121,108.00	
Kanunga High School	Equity	0640279022742	2,220,766.00	
Kiambu Township Secondary School	Equity	0640277980382	3,000,526	
H.G.M Tinganga Secondary School	Equity	0640263333290	1,086,982.00	
Kihingo Chiefs Office	Equity	0640280988844	2,999,100	
Gichocho Chiefs Office	Equity	0640280989421	2,999,100.00	
Ngegu Assistant Chiefs Office	Equity	0640279890790	1,499,487.50	
Swimming Pool At St Peters Ndumberi	Equity	0640279031108	9,000,000	
Riabai High School	Equity	0640280062532	305,508.00	
Tinganga Secondary School	Equity	0640280123022	121,469.00	
Kiambu High School	Equity	0640279022671	25,173.00	

XXX Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/2 0
Rungu Assistant Chiefs Office	Equity	0640279896340	225,561.50	
Kanunga Chief Office	Equity	0640279817168	488,767.50	
Karunga Chief Office	Equity	0640279817136	488,767.50	
Youth Empowerment Centre - Tinganga	Equity	0640280539050	1,859,721.00	
Karunga Primary School	Equity	0640262914038	6,646,537.00	
Loreto Primary School	Equity	0640271101147	984,390	
Total			25,818,181	

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>CEN/HUB/KBU.C/KI AMBU CDF/10/1B/4 dated 18th February 2021</p>	<p>I. BUDGET PERFORMANCE</p> <p>During the audit of the year under review, it was found that the NG-CDF Board approved various projects to be implemented by the NG-CDF Kiambu Constituency. However, a comparison of the approved code list and the actual expenditure as disclosed in the Financial Statements showed variances as shown in the table below;</p> <table border="1" data-bbox="941 1500 1268 2004"> <thead> <tr> <th>Description</th> <th>Approved Code list Amount</th> <th>Financial Statements Figure</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>Receipts</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Transfers from NG-CDF Board</td> <td>137,367,724.14</td> <td>68,000,000.00</td> <td>69,367,724.14</td> </tr> <tr> <td>Other Receipts</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>10,000.00</td> <td>10,000.00</td> </tr> </tbody> </table>	Description	Approved Code list Amount	Financial Statements Figure	Variance	Receipts				Transfers from NG-CDF Board	137,367,724.14	68,000,000.00	69,367,724.14	Other Receipts						10,000.00	10,000.00	<p>I would wish to notify you that the variance between the approved code list and the actual expenditure was necessitated by the delay in disbursement of funds by the NG-CDF Board.</p> <p>Ksh 69,367,724.14 has since been received from the NG-CDF Board as per the attached A.I.E's.</p> <p>The underutilized funds amounting to ksh 56,809,155.76 were as a result of delays in disbursements from the Board.</p>	Resolved	
Description	Approved Code list Amount	Financial Statements Figure	Variance																					
Receipts																								
Transfers from NG-CDF Board	137,367,724.14	68,000,000.00	69,367,724.14																					
Other Receipts																								
		10,000.00	10,000.00																					

**XXX Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

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)
	TOTAL	137,567,724.14	68,010,000.00	69,557,724.14			
	RECEIPTS						
	Payments						
	Compassionate Employment	1,603,023.00	1,174,344.00	428,679.00			
	Use of Goods and Services	8,166,459.76	8,434,064.00	267,604.24			
	Transfer to Other Government Units	61,700,000.00	46,138,993.00	15,561,007.00			
	Other Grants and Transfers	65,798,241.00	24,711,167.00	41,087,074.00			
	TOTAL PAYMENTS	137,267,723.76	80,458,568.00	56,809,155.76			
	<p>From the analysis above, the NG-CDF Kiambu Constituency received ksh 69,367,724.14 less from the National Government Constituency Development Fund Board thus an under disbursement. It was further noted that the NG-CDF</p>						

XXX Constituency

**National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

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>Kiambu Constituency under spent by ksh 56,809,155.76 and this may have had a negative impact on project implementation.</p> <p>The audit team recommended the NG-CDF Kiambu to ensure that it puts available funds to use to avoid delay in implementation of projects</p>									
	<p>2. <u>VARIANCES BETWEEN STATEMENT OF RECEIPTS AND PAYMENTS AND SUMMARY STATEMENT OF APPROPRIATION</u></p> <p>A variance between the statement of receipts and payments and the actual on comparable basis of the figures in the summary statement of appropriation relating to transfers from the NG-CDF Board was noted as shown below: -</p> <table border="1" data-bbox="1262 1357 1398 1783"> <thead> <tr> <th>Summary Statement of Appropriation</th> <th>Summary Statement of Receipts and Payments</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Summary Statement of Appropriation	Summary Statement of Receipts and Payments	Variance				<p>➤ We would like to clarify that the variance of ksh 15,280,435 was the Closing Cash book Balance at the end of 2018/2019 financial year. (attached are cash book extract, bank reconciliation as at 30th June 2019.</p>	Resolved	
Summary Statement of Appropriation	Summary Statement of Receipts and Payments	Variance								

**XXX Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)				
	<table border="1" data-bbox="438 716 526 963"> <tr> <td>Transfers from NG-CDF Board</td> <td>83,280,435</td> <td>68,000,000</td> <td>15,280,435</td> </tr> </table> <p>The fund manager was required to ensure that the figures in the statement of receipts and payments agree with the figures in the summary statement of appropriation: Recurrent and Development Combined.</p>	Transfers from NG-CDF Board	83,280,435	68,000,000	15,280,435			
Transfers from NG-CDF Board	83,280,435	68,000,000	15,280,435					
	<p>3. CASH AND BANK BALANCES – UNPRESENTED STALE CHEQUES</p> <p>During your audit it was noted that the cash and cash equivalents was Kshs. 2,831,867 as at 30th June 2020. However, examination of the bank reconciliation statements showed that unrepresented cheques amounting to Kshs. 214,000 had become stale as at 30th June 2020 thus the accuracy and completeness of cash and cash equivalents balance of Kshs 2,831,867 could not be confirmed. The details of the unrepresented stale cheques were as shown below: -</p>	<p>➤ The stale Cheques amounting to kshs. 214,000 have since been reversed in the cash book and necessary adjustments made in the financial statements. The funds were allocated to other needy cases.</p>	Resolved					

National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

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)
	Check number	Date	Payee	Amount in Kshs.			
	572	24/5/2019	Githun guri Girls	6,000.00			
	584	14/5/2019	Kamithi Secondary	5,000.00			
	585	14/5/2019	Kangemi High Lari	5,000.00			
	582	14/5/2019	Secondary School	50,000.00			
	602	24/5/2019	Kwanzara Girls	3,000.00			
	610	24/5/2019	Mugumo Secondary	5,000.00			
	612	24/5/2019	Murangaga University	6,000.00			
	645	24/5/2019	Ucekeini Secondary	5,000.00			
	646	24/5/2019	Wankam Girls	3,000.00			
	652	24/5/2019	Njoki Secondary	3,000.00			
	663	25/6/2019	G. Polytechnic	6,000.00			

XXX Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

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668	27/6/2019	KMTC	7,000.00		
5		Kenya University			
669	27/6/2019		7,000.00		
6		Kiriri Women Centre			
670	27/6/2019		7,000.00		
5		Moi University			
673	27/6/2019		30,000.00		
0		Thika Medical			
681	27/6/2019		6,000.00		
5		KUAT			
686	27/6/2019		10,000.00		
6		Yumbi Secondary			
697	23/7/2019		5,000.00		
8		Komoti Hai Boys			
699	23/7/2019		10,000.00		
2		Karen Training Institute			
702	30/7/2019		10,000.00		
4		Mount Kenya University			
706	13/9/2019		25,000.00		
6					
Total			214,000.00		

You recommended that the stale cheques be reversed in the cash book and the necessary adjustments made in the financial statements.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>4. ADMINISTRATION AND RECURRENT COST IN EXCESS OF THE ALLOWED LIMIT</p> <p>The audit team highlighted that, in the financial year 2019/2020, the expenditure on administration costs and recurrent costs amounted to Kshs.9,608,408 being total recurrent expenditure comprising compensation of employees and use of goods and services expenditure.</p> <p>The total allocation during the financial year 2019/2020 was Kshs. 137,367,724.14 out of which Kshs. 68,000,000 was received. Therefore, the total recurrent expenditure of Kshs. 9,608,408 represents 7% of the total allocation of Kshs. 137,367,724.14. The maximum annual allocation under administration and recurrent cost ought to have been Kshs 8,242,063.45. As a result, the total recurrent expenditure of</p>	<p>➤ We wish to notify you that in the 2019/2020 allocation of ksh 137,367,724.14, we allocated Ksh 7,169,482.76 to administration vote and ksh 2,600,000 to monitoring and evaluation vote, as such, the management of NG-CDF Kiambu Constituency did not exceed the 6% ceiling on administration and recurrent costs and 3% on monitoring and evaluation exercises. Furthermore, there were also administration funds that were carried forward from the previous financial year amounting to Kshs. 3,124,197. Therefore, Kiambu NG-CDF did not spend the constituency annual allocation on administration and recurrent costs at the expenses of new</p>	Resolved	

**XXX Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

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)
	Kshs. 9,608,408 exceeded the set limit by Kshs. 1,366,344.55. The management of NG-CDF Kiambu Constituency should ensure that the 6% ceiling on administration and recurrent costs is not exceeded.	projects.		
	<p>5. MISSTATEMENT OF USE OF GOODS AND SERVICES</p> <p>Included in the Statement of Receipts and Payments is use of goods and services expenditure of Kshs. 8,434,064. However, examination of the monthly expenditure returns provided for audit revealed that the payments relating to use of goods and services during the 2019/2020 financial year totalled to Kshs. 8,539,864. This resulted in a variance of Kshs. 105,800.</p> <p>The financial statements may not be fairly stated and the management of NG-CDF Kiambu Constituency should accordingly</p>	<p>➤ The amount for use of goods and services in the signed 2019/2020 financial statement and the MER provided for the audit indicates an amount of 8,434,064. Therefore, there was no variance.</p>	Resolved	

National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

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)															
	amend the financial statements.																		
	<p>6. PROJECT IMPLEMENTATION ANALYSIS</p> <p>The Review of the Statement of appropriation showed 74.7% and 31.7% budget utilization of transfers to other government units and other grants and transfers respectively. However, a detailed analysis of project implementation showed the following: -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Project Category</th> <th>No of Projects Budgeted</th> <th>No of Projects Implemented</th> <th>% of Budget Utilization</th> </tr> </thead> <tbody> <tr> <td>Tran</td> <td>53</td> <td>35</td> <td>66.04%</td> </tr> <tr> <td>Other</td> <td></td> <td>18</td> <td>74.74%</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td>70.4%</td> </tr> </tbody> </table>	Project Category	No of Projects Budgeted	No of Projects Implemented	% of Budget Utilization	Tran	53	35	66.04%	Other		18	74.74%	Total			70.4%	<p>Resolved</p>	
Project Category	No of Projects Budgeted	No of Projects Implemented	% of Budget Utilization																
Tran	53	35	66.04%																
Other		18	74.74%																
Total			70.4%																
		<p>➤ The delay in implementation of this project was as a result of delays in receiving funds from the Board as well as challenges in obtaining projects bill of quantities (B.Q) and drawings from the ministry of public works. Going forward we shall ensure that projects are implemented without undue delay.</p>																	

XXX Constituency
 National Government Constituencies Development Fund (NGCDF)
 Reports and Financial Statements for The Year Ended June 30, 2021

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)
	38,993			
	Other Government Units			
	Other Grants			
	21	19	2	
	73,914,261			
	24,711,33%			

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">n d T r a n s f e r s</td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td style="text-align: center;">T o t a l</td> <td style="text-align: right;">74</td> <td style="text-align: right;">54</td> <td style="text-align: right;">20</td> <td style="text-align: right;">61</td> <td style="text-align: right;">135,914,241</td> <td style="text-align: right;">70,850,160</td> <td style="text-align: right;">52%</td> <td style="text-align: right;">52%</td> <td style="text-align: right;">52%</td> </tr> </table> <p>The National Government CDF had allocated a total of Kshs. 135,914,261 out of which Kshs. 127,498,241 was allocated in the 2019/2020 financial year and Kshs. 8,416,020 in the 2018/2019 financial year. However, a total of Kshs. 70,850,160 was spent resulting in an underutilization of funds by Kshs. 65,064,101.</p>	n d T r a n s f e r s										T o t a l	74	54	20	61	135,914,241	70,850,160	52%	52%	52%			
n d T r a n s f e r s																								
T o t a l	74	54	20	61	135,914,241	70,850,160	52%	52%	52%															

**XXX Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>The management of kiambu NG-CDF risked the Delay in implementation of projects especially where funds have been provided halts infrastructural development and delays the benefit of the project to the community.</p> <p>The underutilization of funds indicates that the NG-CDF is delaying in providing much needed projects to the residents of Kiambu Constituency.</p>			
	<p>7. EXTENSION OF CONTRACT PERIOD FOR CONSTRUCTION OF NG-CDF KIAMBU CONSTITUENCY DEVELOPMENT FUND OFFICE TOWER</p> <p>The audit team noted that the total approved amount as at 30 June 2020 for the construction of NG-CDF Kiambu Constituency Office Tower was Kshs. 43,000,000. The contract was awarded to Soljam</p>	<p>Ground breaking of the NG CDF tower took place in January 2019 with the initial construction period of 40weeks, this period was later revised to 52 weeks in one of the site consultative meetings. The project encountered several challenges which led to the extended construction period:</p> <p>I. The delay in receiving funds from the board, the delay in disbursement of funds was one of the</p>	Resolved	

**XXX Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

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>Investments Limited at a contract price of Kshs 39,732,100. The contract was signed on 21st January 2019. As at the time of audit in February 2021, nine (9) interim payment certificates had been issued. Certificate number 9 was issued on 21st Oct 2020 and the works valued up to ninth certificate total to Kshs. 33,136,636.</p> <p>The approved allocation for this project in the financial year 2019/2020 was Kshs. 14,000,000. However, only Kshs. 7,000,000 was received and disbursed to the project management committee's (PMC) account. Further, a total of Kshs. 36,000,000 had been disbursed to the project management committee's (PMC) account for this project.</p> <p>It was also noted that the period for implementation of this project as per the contract has elapsed yet the project is not complete. The project was to be implemented within forty (40) weeks but</p>	<p>major challenges during the implementation. On several occasions the contractor had to suspend works as we wait for funds.</p> <p>II. The COVID 19 pandemic also posed a major challenge to the project. The construction works were suspended for 6 months as the committee awaited guidelines and protocols for safely managing the sites.</p> <p>Its important to note that currently the construction is on track.</p>			

**XXX Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

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>a period of over two (2) years has elapsed and the project is still incomplete and without approval for extension of the contract period.</p> <p>The works yet to be completed as noted during physical verification and as per monitoring and evaluation reports include: - roofing, internal plastering, electrical installations, mechanical installations, external plastering and doors and windows.</p> <p>The audit team recommended the NG-CDF Kiambu Constituency to ensure that any extension of contract period shall be approved by an accounting officer of the procuring entity.</p>			