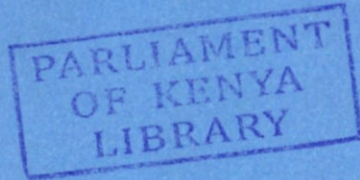


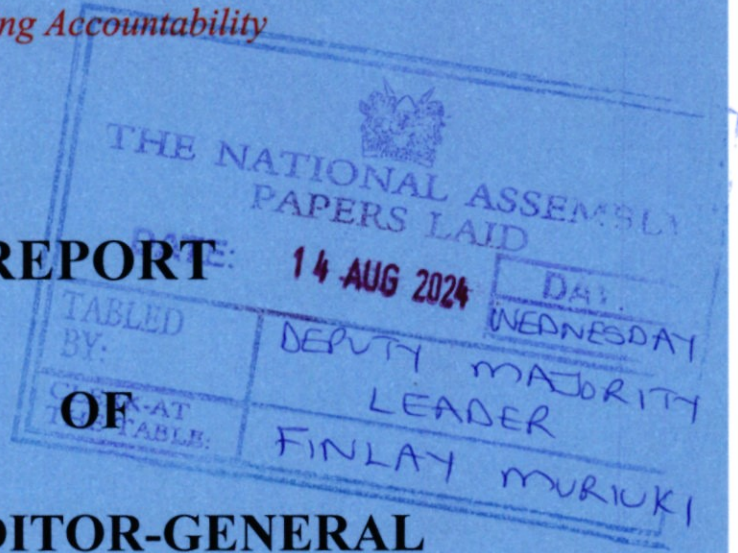
REPUBLIC OF KENYA



*Enhancing Accountability*



**REPORT**



**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – NORTH MUGIRANGO  
CONSTITUENCY**

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



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**NORTH MUGIRANGO CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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

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

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

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**1. Acronyms and Glossary of terms**

DA	District Accountant
CDF	Constituency Development Fund
IPSAS	International Public Sector Accounting Standards.
NG-CDF	National Government Constituencies Development Fund
NG-CDFC	National Government Constituency Development Fund Committee
PFM	Public Finance Management
FY	Financial Year

## **2. Key Constituency Information and Management**

### **(a) Background information**

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

### **Mandate**

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

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

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

### **Vision**

**Equitable Socio-economic development countrywide.**

### **Mission**

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

### **Core Values**

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

### **Functions of NG-CDF Committee**

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

#### **(b) Key Management**

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

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

**Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	Robert Serem
2.	Sub-County Accountant	Mary Sibwoga
3.	Chairman NGCDFC	Yuvinalis Terah
4.	Member NGCDFC	Elizabeth Arika

**(c) Fiduciary Oversight Arrangements**

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

**(d) North Mugirango Constituency NGCDF Headquarters**

P.O. Box 105-40500  
Sub- county Commissioners building  
Nyamira Ikonge Road  
Nyamira, KENYA

**(e) North Mugirango Constituency NGCDF Contacts**

Telephone: (254) 721431120  
E-mail: [cdfnorthmugirango@ngcdf.go.ke](mailto:cdfnorthmugirango@ngcdf.go.ke)  
Website: [www.go.ke](http://www.go.ke)

**(f) North Mugirango Constituency NGCDF Bankers**

Equity Bank  
Branch- Nyamira  
A/C no. 0520262112242

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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



**3. NG-CDFC Chairman's Report**



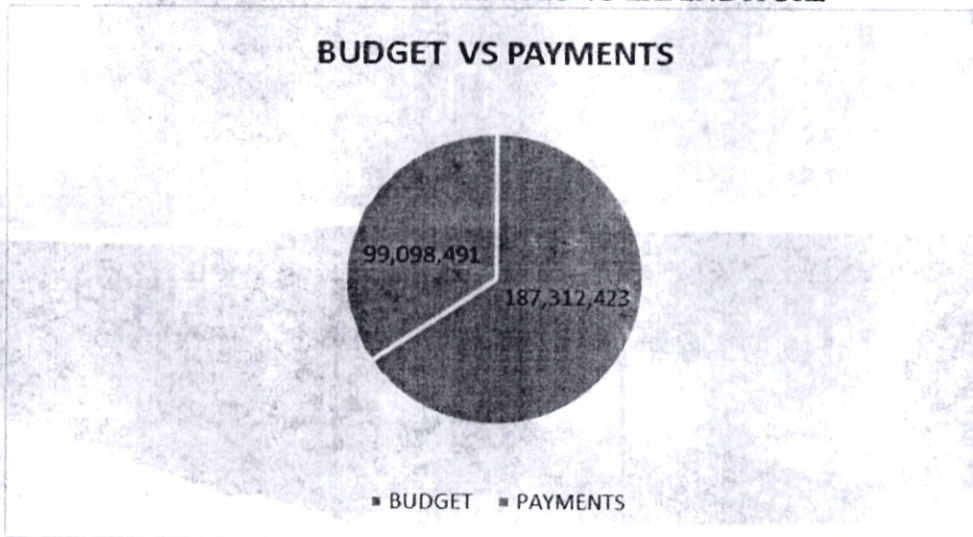
***Yuvinalis Terah- Chairman NGCDF North Mugirango***

North Mugirango NG-CDF has in the last financial year received a disbursement of **Kshs 85,988,879** . This includes undisbursed funds of **Ksh 13,988,879** from previous periods and **Kshs 72,000,000** received as part of this year's allocation of **Kshs 145,397,603**. This makes current balance of undisbursed funds from the Board to be **Kshs 81,192,616**.

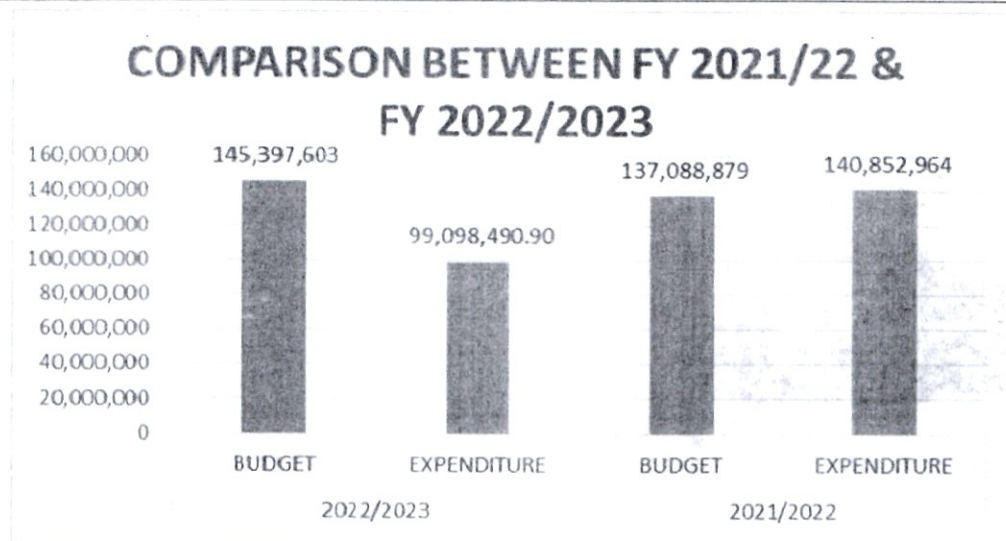
Out of the **Kshs 85,988,879** received, the constituency spent **Kshs 99,098,491** which includes **unspent balance of Kshs 20,130,928** from the **FY 2021/2022**. This translates to a favourable absorption rate of over 52% despite operating with a unique environmental context of electioneering period. Further, the amounts spent was less than the current year allocation by **Kshs 46,299,112**

Below we present a graphical presentation of the annual allocation and actual amounts spent in **FY 2022/2023**

**I. BUDGET FOR THE FY 2022/2023 VS EXPENDITURE**



**2. COMPARISON BETWEEN FY 2021/22 & FY 2022/2023**



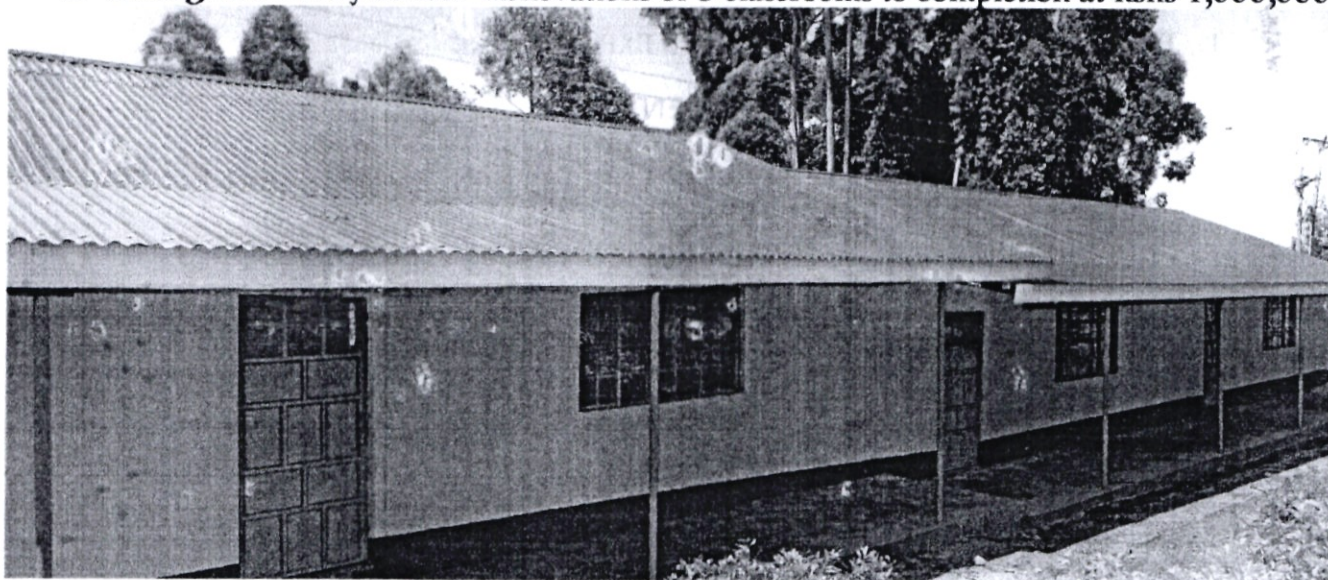
**Key Achievements:**

The greatest achievements are in project implementation which included improvement of learning structures in schools by construction of classrooms and administration blocks:

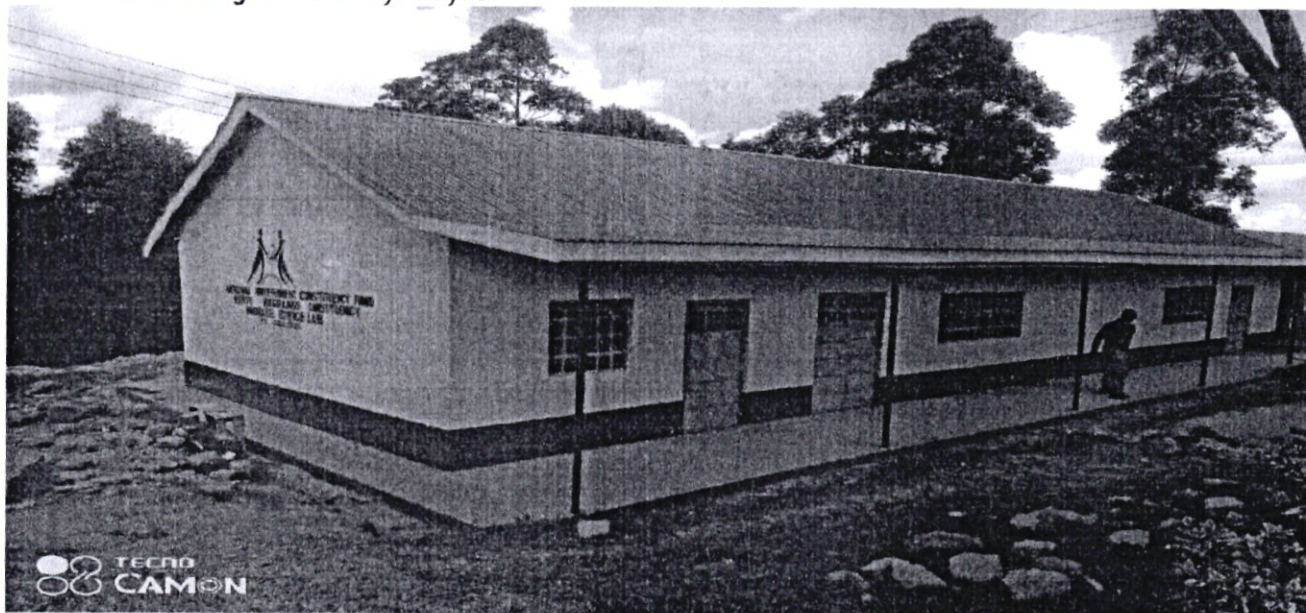
The management also constructed several classes during the financial year to create conducive environment for learning:

Sample of the classrooms constructed:

1. Getangwa Primary School- Renovations of 3 classrooms to completion at Kshs 1,000,000



**2. Omorare Secondary School- Construction to completion of 90 capacity science laboratory at Kshs 4,000,00**



**Emerging issues:**

Emerging issues include:

1. High demand for bursary due to high poverty index.
2. High cost of building materials due making the cost of building a classrooms higher and hence less number are allocated funds in the Financial Year

**Challenges:**

1. Some schools are inaccessible due to poor road networks

**Recommendation**

Boards timely disbursements of projects funds to the constituency

I finally wish to sincerely thank the area MP, FAM and my Committee that have been a great team in guiding us on financial regulations and constitutional expectations of the North Mugirango National Government Constituency development fund committee

.....  
  
Name: Yuvinalis Terah  
Chairman NGCDF Committee

#### **4. Statement of Performance Against Predetermined Objectives for FY 2022/2023**

##### **Introduction**

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

The key development objectives of **North Mugirango Constituency 2022-2027** plan are to:

- Agri-business Project.
- Environmental conservation.
- Promoting of Sporting activities
- Governance and Resource Mobilization
- Promotion of access to quality Education.
- Promotion of employment creation activities
- Enhance administration and Security infrastructure and facilities of Interior and Coordination of National Government

##### **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:

<b>Constituency Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 2022/23 -we have purchased 1 bus for Gekonge sec school, constructed 1 science lab, 5 classrooms, disburse bursary for the 4,000 needy students, drilled one borehole
Security	To have conducive working environment for security agencies	Increased construction of chief's office	Improved security in the area	In FY 2022/23 we have not implemented security projects due to prolonged electioneering period
Environment	To improve	Increased	Improved	In the FY 2022/23,

*North Mugirango Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

Constituency Program	Objective	Outcome	Indicator	Performance
	environment by carrying out environmental activities	planting of trees both indigenous and fruit trees	environment	constructed one Ecosystem toilet, water harvesting at Esamba Nyakenimo.
Sports	To empower youth through sports activities	Increased sports activities through North Mugirango tournament	Improved youth empowerment	In the year 2022/23, carried out sports tournament at the constituency level
Emergency	To mitigate disasters through disaster management	Increased capacity building on disaster management	Improved awareness	Management has carried out PMC & CDFC capacity building to improve in the management of NG-CDF funds

## 5. Governance Statement

Governance is the process of making and enforcing decisions within an organization or society. It's the process of interactions through the laws, social norms, power or language as structured in communication of an organized society over a social system.

The NG-CDFC North Mugirango constituency has strived to achieve good governance in the management of the funds allocated to it through the following;

- 1) Process of appointment and removal of a member-the appointment of NG-CDFC member is done competitively through advertisement for the positions to the people of the constituency. A selection panel consisting of competent persons is constituted for vetting of the applicants in terms of education, integrity and leadership qualities
- 2) A member of NG-CDFC can be removed from the office on cross misconduct but a member is given an opportunity to be heard
- 3) The roles of the committee include the following;
  - i. Build the capacity of project management committees
  - ii. Consider all projects proposals from all wards in the constituency and any other projects which a constituency considers beneficial to the constituency
  - iii. Ensure that all proposed projects that are approved for funding meeting the requirements of section 24 of the Act
  - iv. Ensure that project proposals submitted to the board include detailed budget proposals, procurement plans and work plans
  - v. In approving a project and before submitting the project to the board for consideration, satisfy itself and make a declaration to the effect that such project [works and services] fall within the functions of the national Government under the Constitution.
  - vi. Consult with relevant departments to ensure that cost estimates for projects are realistic
  - vii. In considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects
  - viii. Subject to the provisions of the Act and these Regulations, enter into a memorandum of understanding with collaborating partners, detailing all aspects of funding and implementation before respective constituencies approve such a project for joint funding
  - ix. Rank projects proposals in order of priority while ensuring that ongoing projects take precedence
  - x. Ensure that all projects receive adequate funding and are completed within 3 years

*North Mugirango Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

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- Where a project involves purchase of a parcel of land or a building, ensure that the ownership thereof is duly verified and ownership documents authenticated with relevant government agencies.
- xii. Ensure that projects proposed for funding fulfil the requirements provided in the Act and relevant circulars issued by the Board.
- 4) Induction and training of members-The NG-CDFC has been fully inducted and trained on its mandate and roles in executing their functions and roles.
  - 5) Number of meetings held in the financial year 2022-2023-NG-CDF Act dictates that the committee members can hold a minimum of 6 meetings and a maximum of 24 meetings in a year, sub-committee meetings inclusive. On discharging its mandate NG-CDFC North Mugirango held a total of 20 meetings signifying a total commitment to attaining its performance target where the chairman is paid Kshs 7,000 and the members are paid Kshs 5,000 as sitting allowances.
  - 6) Disclosure policy on conflicts of interests- in every meeting all committee members are expected to declare their interest in all matter related to the agendas of the day.
  - 7) The NG-CDFC members are remunerated according to the rates provided by the board
  - 8) Ethics and conduct of members-all members are expected to be ethical and have good conduct in the management of the fund. All members signed public officers code of ethics to deter them from engaging in unethical matters
  - 9) The management is committed in risk management by at all times responding to risk analysis

## **6. Environmental and Sustainability Reporting**

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

- a. **Education and Training:** North Mugirango 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.

## **2. Environmental performance**

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

## **3. Employee welfare**

We invest in providing the best working environment for our employees. North Mugirango 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. North Mugirango 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-**

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

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

NGCDF has put in efforts to ensure:

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

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

North Mugirango 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.

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

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

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

**Public Awareness**

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

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



.....  
**Name: Robert Serem**  
**Fund Account Manager.**



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

The Accounting Officer in charge of the NGCDF-North Mugirango 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 North Mugirango financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- North Mugirango Constituency further confirms the completeness of the accounting records maintained for the North Mugirango 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 North Mugirango Constituency confirms that the North Mugirango 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

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

were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the North Mugirango 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**

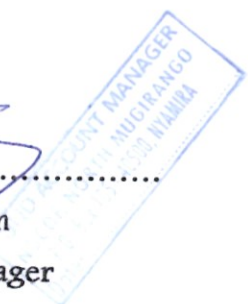
The NGCDF- North Mugirango Constituency financial statements were approved and signed by the Accounting Officer on 30/09/ 2023.



.....  
Name: Yuvinalis Terah  
Chairman – NGCDF Committee



.....  
Name: Robert Serem  
Fund Account Manager



# REPUBLIC OF KENYA

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Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

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

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### PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution 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 the National Government Constituencies Development Fund - North Mugirango Constituency set out on pages

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

1 to 35, which comprise of the statement of assets and liabilities as at 30 June, 2023, statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in the Financial Statements**

##### **1.1 Unexplained Variances Between the Financial Statements and the Supporting Schedules**

The statement of receipts and payments reflects five (5) components which varies with the supporting expenditure schedules as detailed below:

- i. Compensation of employees reflects an amount of Kshs.2,410,483 while the supporting ledger schedules reflects an amount of Kshs.2,395,483 resulting to an unexplained variance of Kshs.15,000.
- ii. Committee expenses reflects an amount of Kshs.5,279,800 while the supporting schedules reflects an amount of Kshs.5,531,800 resulting to an unexplained negative variance of Kshs.252,000.
- iii. Transfers to secondary schools reflects an amount of Kshs.12,765,585 while the supporting schedules reflects an amount of Kshs.12,332,885 resulting to an unexplained variance of Kshs.432,700.
- iv. Bursary to secondary schools reflects an amount of Kshs.23,894,646 while the supporting schedules reflects an amount of Kshs.24,704,646 resulting to an unexplained negative variance of Kshs.810,000.
- v. Bursary to tertiary Institutions reflects an amount of Kshs.25,386,000 while the supporting schedules reflects an unexplained negative variance of Kshs.593,184.

In the circumstances, the accuracy and completeness of the amounts reflected in the statement of receipts and payments could not be confirmed.

### **1.2 Misclassification of Routine Maintenance Payments**

The statement of receipts and payments reflects use of goods and services balance of Kshs.3,932,877 which includes an amount of Kshs.972,660 in respect of routine maintenance - vehicles and other transport equipment and as disclosed in Note 4 to the financial statements. Included in the amount of Kshs.432,000 relating to purchase of institutional buses wrongly charged. However, review of the supporting schedules including payment vouchers revealed the payments were in respect of purchase of buses for learning institutions amounting to Kshs.432,700 and did not qualify as routine maintenance.

In the circumstances, the accuracy and completeness of the expenditure in respect of routine maintenance - vehicles and other transport equipment of Kshs.972,660 could not be confirmed.

### **1.3 Misclassification of Other Grants and Transfers**

The statement of receipts and payments reflects other grants and transfers amount of Kshs.56,156,646 which includes an amount of Kshs.23,894,646 and Kshs.25,386,000 in respect of bursaries to secondary school and bursary to tertiary institutions respectively and as disclosed in Note 6 to the financial statements. However, review of the supporting payment schedules in respect of bursary to secondary schools revealed that some payments were in respect of suppliers, NSSF, VAT and bursaries to tertiary institutions of amounting to Kshs.668,275, Kshs.15,000, Kshs.11,725 and Kshs.463,000 respectively totalling Kshs.1,621,000 which are not relevant to bursary to secondary schools.

Further, the schedule included total bursary payments totalling Kshs.2,398,646 in respect to various schools which were not supported with schedules and payment vouchers.

In the circumstances, the accuracy and completeness of bursaries to secondary school and tertiary institutions amounting to Kshs.23,894,646 and Kshs.25,386,000 could not be confirmed.

### **1.4 Non-Disclosure of Gratuity for Contractual Employees**

The statement of assets and liabilities reflects net financial assets balance of Kshs.7,021,316 which includes Nil balance in respect of gratuity and as disclosed in Note 14B and Annex 2 to the financial statements. However, review of human resource and appointment letters revealed that the staff were on contract terms of engagement. Further, schedule supporting tabulation in respect to gratuity was not provided for audit. This was contrary to Paragraph 14.8 of the significant accounting policies adopted in the preparation of the financial statements on accounts payable which recognises gratuity earned on monthly to be held on behalf of the employee and later paid at the end of the contract period.



In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

## **2. Other Grants and Transfers**

### **2.1 Unacknowledged Bursary Disbursements**

The statement of receipts and payments reflects other grants and transfers of Kshs.56,156,646 which includes an amount of Kshs.23,894,646 and Kshs.25,386,000 in respect of bursaries to secondary school and bursary to tertiary institutions respectively and as disclosed in Note 6 to the financial statements. However, the Management did not provide for audit acknowledgements receipts received from schools and institutions which benefited from the disbursements totalling Kshs.23,339,776 or 47% of the total bursary disbursed.

In the circumstances, the accuracy and completeness of the other grants and transfers balance of Kshs.49,280,646 could not be confirmed.

### **2.2 Unsupported Direct Payments to Suppliers from Emergency Reserves**

The statement of receipts and payments reflects other grants and transfers balance of Kshs.56,156,646 which includes an amount of Kshs.6,865,000 in respect of emergency projects and as disclosed in Note 6 to the financial statements. Included in this amount is Kshs.5,410,486 which was directly paid to local companies for the supply of goods and services. However, the documents relating to the procurement of the same and documents confirming that the activities paid for were of an emergency nature, were not provided for audit.

In the circumstances, the accuracy and completeness of the other grants and transfer balance of Kshs.5,410,486 could not be confirmed.

## **3. Unsupported and Non-Disclosure of Project Management Committee Bank Balance**

Note 10.3 under to the financial statements under other important disclosures reflects Project Management Committee (PMC) account balance of Kshs.2,262,490 and as disclosed in Annex 3 to the financial statements. Further, Annex 3 did not include all the bank balances for all the PMC bank accounts for the ongoing projects that were funded during the year under review. In addition, the PMC balances were not supported with certificate of bank balances.

In the circumstances, the accuracy and completeness of the PMC account balances could not be confirmed.

#### **4. Unsupported Funds Pending Approval**

Review of Note 10.1 under other important disclosures and as disclosed in Annex 1 reflects amount of Kshs.88,213,933 in respect of unutilized funds for the year under review, which includes a balance of Kshs.53,600,000 relating to funds pending approval. However, the funds pending approval was not supported with the Board communication to the Constituency Committee contrary to Section 31(3) of the National Government Constituencies Development Fund Act, 2015 (Amended 2022).

In the circumstances, the accuracy and completeness of the Funds pending approval balance of Kshs.53,600,000 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 - North Mugirango Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

#### **Emphasis of Matter**

##### **Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual receipts on comparable basis of Kshs.187,312,423 and Kshs.106,119,807 respectively, resulting to an underfunding of Kshs.81,192,616 or 43% of the budget. Similarly the Fund spent Kshs.99,098,491 against actual receipts of Kshs.106,119,807 resulting to an under-utilization of Kshs.7,021,316 or 6% of the actual receipts.

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

My opinion is not modified in respect of this matter.

##### **Key Audit Matters**

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

##### **Other Matter**

##### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and

Governance. However, Management has not explained the reasons for the failure to adhere to the provisions of the Public Sector Accounting Standards Board template.

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

### Conclusion

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

### Basis for Conclusion

#### 1. Stalled Classrooms at Nyakenimo Secondary School

The statement of receipts and payments reflects transfers to other Government units of an amount of Kshs.26,465,585 which includes amounts of Kshs.13,700,000 and Kshs.12,765,585 in respect of transfers to primary and secondary schools respectively and as disclosed in Note 5 to the financial statements. The transfers to secondary schools amount of Kshs.12,765,585 includes transfers of Kshs.1,000,000 in respect of construction of one (1) classroom at Nyakenimo Secondary School. The contract was awarded to a local company at a contract sum of Kshs.2,495,197. However, review of the contract agreement revealed that the work was in respect of the construction of two (2) classrooms of a storey building that was not approved by the NGCDF Board and the source of additional funding of Kshs.1,466,533 was not explained. Further review of the supporting documents revealed that the contractor had been paid total amount of Kshs.2,466,533 or 99% of the contract sum. However, physical inspection conducted on 19 March, 2024 revealed that the project was incomplete, had stalled and the contractor was not on site. In addition, supporting documents including bill of quantities, and interim payment certificate were not provided for audit.

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

#### 2. Incomplete Construction at Esanige Technical Secondary School

The statement of receipts and payments reflects transfers to other Government units amount of Kshs.26,465,585 which includes amounts of Kshs.13,700,000 and Kshs.12,765,585 in respect of transfers to primary and secondary schools respectively and as disclosed in Note 5 to the financial statements the amount includes an amount of Kshs.1,000,000 transferred to Esanige Technical Secondary School for the construction of classroom to completion.

The work was awarded to a local firm at a contract sum of Kshs.1,006,230. However, physical inspection conducted on 20 March, 2024 revealed that the classroom was

incomplete but in use. The external walls, internal walls and floor with an estimated cost of Kshs.168,900 as per the bill of quantities were not done contrary to PMC meeting minutes held on 22 March, 2023 which stated that the works were completed. The contractor was paid Kshs.800,000 representing 79.5% of the contract sum but the payments made were not supported with documents, including certificate of partial completion, expenditure returns and bank statement was not provided for audit review. In addition, the Constituencies Development Fund Committee minutes approving the funding of the project from emergency projects allocations were not provided for audit.

In the circumstances, the regularity, and value for money on the transfers of Kshs.1,000,000 to Esanige Technical Secondary School for the construction of classroom to completion could not be confirmed.

### **3. Unapproved Change of Project Activity**

The statement of receipts and payments reflects transfers to other Government units of an amount of Kshs.26,465,585 which includes amounts of Kshs.13,700,000 and Kshs.12,765,585 in respect of transfers to primary and secondary schools respectively and as disclosed in Note 5 to the financial statements. The transfers to primary schools of an amount of Kshs.13,700,000 includes amounts of Kshs.2,000,000 and Kshs.1,000,000 in respect of transfers to Nyasio primary school for construction to completion of forty-five (45) student's capacity junior secondary school laboratory and Getagwa primary school for construction to completion of a classroom respectively as per the approved code list.

The funds were however reallocated and spent on renovation of classrooms which comprised of re-roofing, plastering, flooring, replacement of wooden windows with steel windows, and painting in both schools without prior approval of the Board contrary to Section 6(2) of the National Government Constituencies Development Fund Act, 2015, which states that once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board.

Further, physical inspection conducted on 19 March, 2024 revealed that glass windows at Nyasio Primary School had since fallen off due to loose putty used, revealing poor quality of work.

In the circumstances, Management was in breach of the law and value for money spent on the projects 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

## **Conclusion**

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

## **Basis for Conclusion**

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

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

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

Nairobi

19 June, 2024

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

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

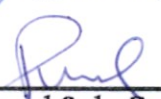
	Note	2022-2023 Kshs	2021-2022 Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	85,988,879	160,688,879
<b>TOTAL RECEIPTS</b>		<b>85,988,879</b>	<b>160,688,879</b>
<b>PAYMENTS</b>			
Compensation of employees	2	2,410,483	3,957,429
Committee expenses	3	5,279,800	4,272,000
Use of goods and services	4	3,932,877	2,677,985
Transfers to Other Government Units	5	26,465,585	83,411,200
Other grants and transfers	6	56,156,646	46,534,350
Oversight Committee Expenses	7	1,403,100	-
Other Payments	8	3,450,000	-
<b>TOTAL PAYMENTS</b>		<b>99,098,491</b>	<b>140,852,964</b>
<b>SURPLUS/DEFICIT</b>		<b>(13,109,612)</b>	<b>19,835,915</b>

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

The Constituency financial statements were approved by the NGCDFC on 30/09 2023 and signed by:

  
Fund Account Manager

Name: Robert Serem

  
National Sub-County  
Accountant

Name: Mary Sibwoga  
ICPAK M/No:

  
Chairman NG-CDF Committee

Name: Yuvinalis Terah






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

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

	Note	2022-2023 Kshs	2021-2022 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	9	7,021,316	20,130,928
<b>Total Cash and Cash Equivalents</b>		<b>7,021,316</b>	<b>20,130,928</b>
<b>TOTAL FINANCIAL ASSETS</b>		<b>7,021,316</b>	<b>20,130,928</b>
<b>NET FINANCIAL SSETS</b>		<b>7,021,316</b>	<b>20,130,928</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	10	20,130,928	295,013
Surplus/Deficit for the year		(13,109,612)	19,835,915
<b>NET FINANCIAL POSITION</b>		<b>7,021,316</b>	<b>20,130,928</b>

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

The Constituency financial statements were approved by NG CDFC on 30/09 2023 and signed by:

 <hr/> <b>Fund Account Manager</b> Name: Robert Serem	 <hr/> <b>National Sub-County Accountant</b> Name: Mary Sibwoga ICPAK M/No:	 <hr/> <b>Chairman NG-CDF Committee</b> Name: Yuvinalis Terah
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FUND ACCOUNT MANAGER  
 NGCDF-NORTH MUGIRANGO  
 P.O. Box 15 - 40500, NAIROBI  
 Date:

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

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

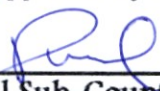
	Note	2022-2023	2021-2022
		Kshs	Kshs
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	85,988,879	160,688,879
		<b>85,988,879</b>	<b>160,688,879</b>
<b>Payments for operating activities</b>			
Compensation of Employees	2	2,410,483	3,957,429
Committee expenses	3	5,279,800	4,272,000
Use of goods and services	4	3,932,877	2,677,985
Transfers to Other Government Units	5	26,465,585	83,411,200
Other grants and transfers	6	56,156,646	46,534,350
Oversight Committee Expenses	7	1,403,100	-
Other Payments	8	3,450,000	-
		<b>99,098,491</b>	<b>140,852,964</b>
<b>Net cash flow from operating activities</b>		<b>(13,109,612)</b>	<b>19,835,915</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(13,109,612)</b>	<b>19,835,915</b>
Cash and cash equivalent at BEGINNING of the year	10	20,130,928	295,013
<b>Cash and cash equivalent at END of the year</b>		<b>7,021,316</b>	<b>20,130,928</b>

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

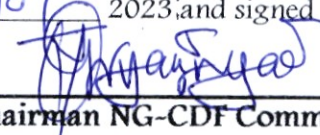
The Constituency financial statements were approved by NG CDFC on 30/06 2023 and signed by:

  
**Fund Account Manager**

Name: Robert Serem

  
**National Sub-County Accountant**

Name: Mary Sibwoga  
 ICPAK M/No:

  
**Chairman NG-CDF Committee**

Name: Yuvinalis Terah

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

**12. Summary Statement of Appropriation for The Year Ended 30<sup>th</sup> June 2023**


Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS	2022/2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022/2023	2022/2023		
Transfers from NG-CDF Board	145,397,603	20,130,928	21,783,892	187,312,423	106,119,807	81,192,616	57%
<b>TOTAL RECEIPTS</b>	<b>145,397,603</b>	<b>20,130,928</b>	<b>21,783,892</b>	<b>187,312,423</b>	<b>106,119,807</b>	<b>81,192,616</b>	<b>57%</b>
PAYMENTS							
Compensation of Employees	3,500,986	280,047		3,781,033	2,410,483	1,370,550	64%
Committee expenses	5,572,000	432,431		6,004,431	5,279,800	724,631	88%
Use of goods and services	4,012,798	-		4,012,798	3,932,877	79,921	98%
Transfers to Other Government Units	24,440,212	8,208,093	19,457,492	52,105,797	26,465,585	25,640,212	51%
Other grants and transfers	49,320,731	11,210,358	2,326,400	62,857,489	56,156,646	6,700,843	89%
Oversight Committee Expenses	1,450,876			1,450,876	1,403,100	47,776	97%
Other Payments	3,500,000			3,500,000	3,450,000	50,000	99%
Unallocated Fund	53,600,000			53,600,000		53,600,000	
<b>TOTAL</b>	<b>145,397,603</b>	<b>20,130,928</b>	<b>21,783,892</b>	<b>187,312,423</b>	<b>99,098,491</b>	<b>88,213,932</b>	<b>53%</b>

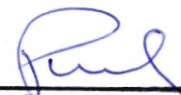
**Explanatory Notes.**

- a) Transfer to other government units disbursement less than 90% since there was delay in release of funds by the Board due to Electioneering period
- b) Employee salaries at 68% with the utilization difference being staff gratuity
- c) Other grants and transfer at 85% utilization since funds received were allocated to bursary to support needy students
- d) Acquisition of assets at 0% since asset is yet to be purchased
- e) Strategic plan under other payments is at 94% since strategic plan has been implemented

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	88,213,932
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2023	81,192,616
	7,021,316
Increase/(decrease) Accounts payable	0
(Decrease)/Increase Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the 30 <sup>th</sup> June 2023	7,021,316

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.  
 The Constituency financial statements were approved by NG CDFC on 30/07/ 2023 and signed by:

  
 Fund Account Manager  
 Name: Robert Serem

  
 National Sub-County Accountant  
 Name: Mary Sibwoga  
 ICPAK M/No:

  
 Chairman NG-CDF Committee  
 Name: Yuvinalis Terah

13. Budget Execution By Sectors And Projects For The Year Ended 30<sup>th</sup> June 2023

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d /c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023						
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	3,500,986	280,047		3,781,033	2,410,483	1,370,550	64%
1.2 Committee allowances	2,352,000	-		2,352,000	2,150,000	202,000	91%
1.3 Use of goods and services	2,870,870	200,000		3,070,870	2,900,000	170,870	94%
<b>Total</b>	<b>8,723,856</b>	<b>480,047</b>	<b>-</b>	<b>9,203,903</b>	<b>7,460,483</b>	<b>1,743,420</b>	<b>81%</b>
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	1,545,000			1,545,000	1,347,300	197,700	87%
2.2 Committee allowances	1,620,000			1,620,000	1,420,000	200,000	88%
2.3 Use of goods and services	1,196,928	232,431		1,429,359	1,395,377	33,982	98%
<b>Total</b>	<b>4,361,928</b>	<b>232,431</b>	<b>-</b>	<b>4,594,359</b>	<b>4,162,677</b>	<b>431,682</b>	<b>91%</b>
<b>3.0 Emergency</b>							
	<b>7,636,190</b>			<b>7,636,190</b>			<b>0%</b>
3.1 Primary Schools							
Dota Of Zion Agencies					478,447	7,157,743	
W/Holding Tax					12,932	7,144,811	
Com Of Vat					8,621	7,136,190	

National Government Constituencies Development Fund (NGCDF)

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Ratiri Agric Farm					495,000	6,641,190	
Dota Of Zion Agencies				-	478,447	6,162,743	
Com Of Income Tax				-	12,932	6,149,811	
Com Of Income Vat				-	8,621	6,141,190	
<b>3.2 Secondary Schools</b>				-		-	
Esanige Secondary School					1,500,000	4,641,190	
Camauro Entreprises Ltd					550,000	4,091,190	
Sigadik Construction Ltd					570,000	3,521,190	
Motugutwa Const Ltd					850,000	2,671,190	
Motugutwa Const Ltd					1,150,000	1,521,190	
Anroan Co. Ltd				-	350,000	1,171,190	
Anroan Co. Ltd				-	400,000	771,190	
<b>3.3 Tertiary Institutions</b>				-		-	
<b>3.4 Security Projects</b>				-		-	
<b>3.5 Unutilised</b>		-		-		-	
<b>Total</b>	<b>7,636,190</b>	-	-	<b>7,636,190</b>	<b>6,865,000</b>	<b>771,190</b>	<b>90%</b>
<b>4.0 Bursary And Social Security</b>				-			
4.1 Secondary Schools	20,000,000	4,726,962		24,726,962	23,894,646	832,316	97%
4.2 Tertiary Institutions	16,000,000	2,803,549	2,326,400	22,762,778	25,386,000	(2,623,222)	112%
4.4 Special Needs	581,900	2,047,018		2,628,918	11,000	2,617,918	0%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d /c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2022-2023						
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Total</b>	<b>36,581,900</b>	<b>9,577,529</b>	<b>2,326,400</b>	<b>50,118,658</b>	<b>49,291,646</b>	<b>827,012</b>	<b>98%</b>
<b>5.0 Sports</b>							
5.1 Constituency Sports	2,901,752			2,901,752		2,901,752	0%
<b>Total</b>	<b>2,901,752</b>			<b>2,901,752</b>		<b>2,901,752</b>	<b>0%</b>
<b>6.0 Environment</b>							
Ekerubo Police Post	550,000			550,000		550,000	0%
Kiabonyoru Secondary School	460,444			460,444		460,444	0%
Esamba Primary School	460,444			460,444		460,444	0%
Nyakenimo Primary School	230,000			230,000		230,000	0%
<b>Total</b>	<b>1,700,889</b>	<b>-</b>	<b>-</b>	<b>1,700,889</b>	<b>-</b>	<b>1,700,889</b>	<b>0%</b>
<b>7.0 Primary Schools Projects</b>							
Nyasio Primary School	2,000,000			2,000,000	2,000,000	-	100%
Omokirondo Primary School	1,000,000			1,000,000	1,000,000	-	100%
Getengererie Primary School	1,000,000			1,000,000		1,000,000	0%
Kiangombe Primary School	1,000,000			1,000,000		1,000,000	0%
Getagwa Primary School	1,000,000			1,000,000	1,000,000	-	100%
Kiamatonga Primary School	1,000,000			1,000,000	1,000,000	-	100%
Kiomanga Primary School	1,000,000			1,000,000		1,000,000	0%
Riomooria Primary School	1,000,000			1,000,000	1,000,000	-	100%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d /c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Enchoro Primary School	1,000,000			1,000,000		1,000,000	0%
Eronge Primary School	1,000,000			1,000,000		1,000,000	0%
Sakwa Primary School	800,000			800,000		800,000	0%
Omobiro Primary School	400,000			400,000		400,000	0%
Nyaimao Primary School	400,000			400,000		400,000	0%
Kenguso Primary School	1,000,000			1,000,000		1,000,000	0%
Manager Equity Bank- Project		800,000	1,000,000	1,800,000	1,800,000	-	100%
Ekerubo Gietai Primary Pmc			2,000,000	2,000,000	2,000,000	-	100%
Riosota Primary Pmc			1,000,000	1,000,000	1,000,000	-	100%
Chisaaria Primary Pmc			2,000,000	2,000,000	2,000,000	-	100%
Tombe Pry Pmc		42,508	857,492	900,000	900,000	-	100%
Ikonge Primary School			4,000,000	4,000,000		4,000,000	0%
Kea Primary School			2,400,000	2,400,000		2,400,000	0%
Kiemuma Primary School			4,000,000	4,000,000		4,000,000	0%
Mwancha Primary School			500,000	500,000		500,000	0%
<b>Total</b>	<b>13,600,000</b>	<b>842,508</b>	<b>22,030,707</b>	<b>32,200,000</b>	<b>13,700,000</b>	<b>18,500,000</b>	<b>43%</b>
<b>8.0 Secondary Schools Projects</b>							
Omarare Secondary School	4,000,000	-		4,000,000	4,000,000	-	100%
Riomego PAG Secondary School	2,800,000	-		2,800,000		2,800,000	0%
Riomego SDA Secondary	1,000,000	-		1,000,000		1,000,000	0%



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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Kiamogake Technical & Vocational Training Institute	10,000,000			10,000,000		10,000,000	0%
Ekerenyo Ict Centre	10,000,000			10,000,000		10,000,000	0%
Itibo Police Post	3,000,000			3,000,000		3,000,000	0%
Aia				-		-	
PMC Savings				-		-	
<b>Total</b>	<b>53,600,000</b>		-	<b>53,600,000</b>	-	<b>53,600,000</b>	
	<b>145,397,603</b>	<b>20,130,928</b>	<b>21,783,892</b>	<b>187,312,423</b>	<b>99,098,491</b>	<b>88,213,932</b>	<b>53%</b>

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. This statement totals should time to totals of statement in schedule 12

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisati on(f=d /c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Total</b>	<b>1,450,876</b>		-	<b>1,450,876</b>	<b>1,403,100</b>	<b>47,776</b>	97%
<b>13.0 Other Payments</b>				-		-	
Strategic Plan	3,500,000			3,500,000	3,450,000	50,000	99%
<b>Total</b>	<b>3,500,000</b>	-	-	<b>3,500,000</b>	<b>3,450,000</b>	<b>50,000</b>	99%
<b>14.0 Unallocated Fund</b>							
<b>Funds Pending Approval</b>						-	
Getare Primary School	200,000			200,000		200,000	0%
Nyamauro Primary School	200,000			200,000		200,000	0%
Nyamusi Primary School	200,000			200,000		200,000	0%
Kiamogake Primary School	200,000			200,000		200,000	0%
Kenyoro Primary School	200,000			200,000		200,000	0%
Gisage Primary School	200,000			200,000		200,000	0%
Maagonga Secondary School	1,500,000			1,500,000		1,500,000	0%
Gekonge Secondary School	8,900,000			8,900,000		8,900,000	0%
Ekerubo Primary School	6,000,000			6,000,000		6,000,000	0%
Maagonga Primary School	6,000,000			6,000,000		6,000,000	0%
Ikonge Primary School	7,000,000			7,000,000		7,000,000	0%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisati on(f=d /c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>Total</b>	-		-	-	-	-	
<b>10.0 Security Projects</b>				-		-	
Kebobora Police Post	500,000			500,000		500,000	0%
<b>Total</b>	<b>500,000</b>	-	-	<b>500,000</b>	-	<b>500,000</b>	<b>0%</b>
<b>11.0 Acquisition Of Assets</b>				-		-	
<b>Total</b>	-	-	-	-		-	
<b>12.0 Oversight Committee Expenses (Itemize)</b>				-		-	
Travel Costs (Airlines, Bus, Railway And Mileage Allowances.)	210,000			210,000	210,000	-	100%
Accommodation - Domestic Travel	360,000			360,000	360,000	-	100%
Daily Subsistence Allowance	100,000			100,000	100,000	-	100%
Constituency Oversight Committee Members Allowance	300,000			300,000	300,000	-	100%
Refined Fuels And Lubricants For Transport	480,876			480,876	433,100	47,776	90%

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d /c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
School							
Esanige Technical Secondary School	1,000,000	-		1,000,000		1,000,000	0%
St Francis Gekendo Secondary School	1,040,212	-		1,040,212	1,000,000	40,212	96%
Nyakenimo Secondary School	1,000,000	-		1,000,000	1,000,000	-	100%
Com Of Income Tax		87,285		87,285	87,285	-	100%
Com Of Income Tax		2,869		2,869	2,869	-	100%
Associated Motors Ltd		1,716,075		1,716,075	1,116,075	600,000	65%
Smartech Auto Centre		3,229,525		3,229,525	3,229,525	-	100%
Kenyoro Sec Pmc		900,000		900,000	900,000	-	100%
Nyakenimo Sec Pmc		1,000,000		1,000,000	1,000,000	-	100%
Associated Motors Ltd		254,868.00		254,868	254,868.00	-	100%
Comisioner Of Vat		4,593.00		4,593	4,593.00	-	100%
Com Of Income Tax		6,889.00		6,889	6,889.00	-	100%
Associated Motors Ltd		159,178.00		159,178	159,178.00	-	100%
Com Of Income Tax		4,303.00		4,303	4,303.00	-	100%
Tombe Secondary School			1,700,000	1,700,000	-	1,700,000	0%
<b>Total</b>	<b>10,840,212</b>	<b>7,365,585</b>	<b>1,700,000</b>	<b>19,905,797</b>	<b>12,765,585</b>	<b>7,140,212</b>	<b>64%</b>
<b>9.0 Tertiary Institutions Projects</b>							

#### **14. 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-North Mugirango Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

##### **3. Reporting Currency**

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

##### **4. Significant Accounting Policies**

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

###### **a) Recognition of Receipts**

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

***Significant Accounting Policies continued***

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

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

**Proceeds from Sale of Assets**

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

**Other receipts**

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

**Unutilized Funds from PMCs.**

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

**External Assistance**

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

**b) Recognition of payments**

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

*Significant Accounting Policies continued*

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

*Significant Accounting Policies (continued)*

**6. Cash and Cash Equivalent.**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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



*Significant Accounting Policies continued*

**9. Pending Bills**

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

**10. Unutilized Fund**

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

**11. Budget**

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

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

**12. Comparative Figures**

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

*Significant Accounting Policies Continued*

**13. Subsequent Events**

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

**14. Prior Period Errors**

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented. During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

**15. Related Party Transactions**

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

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

**15. Notes To the Financial Statements**

**1. Transfers from NGCDF Board**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
<b>Normal Allocation</b>	<b>Kshs</b>	<b>Kshs</b>
B105252		33,688,879
B105541		44,000,000
B105902		22,000,000
B128663		5,000,000
B128975		12,000,000
B164398		18,000,000
B154172		14,000,000
B089074		12,000,000
B185366	13,988,879	
B185217	7,000,000	
B185487	15,000,000	
B185819	6,000,000	
B206069	12,000,000	
B205564	5,000,000	
B205861	12,000,000	
B207623	15,000,000	
<b>TOTAL</b>	<b>85,988,879</b>	<b>160,688,879</b>

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

*Notes to the Financial Statements (Continued)*

**2. Compensation of Employees**

Description	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,218,879	3,755,829
Employer Contributions Compulsory national social security schemes	191,604	201,600
<b>TOTAL</b>	<b>2,410,483</b>	<b>3,957,429</b>

**3. Committee Expenses**

Description	2022-2023	2021-2023
	Kshs	Kshs
Sitting allowance	1,309,000	2,076,000
Other committee expenses	3,970,800	2,196,000
<b>TOTAL</b>	<b>5,279,800</b>	<b>4,272,000</b>

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

*Notes to the Financial Statements (Continued)*

4. Use of Goods and services

Description	2022-2023	2021-2022
	Kshs	Kshs
Utilities, supplies and services	9,450	-
Communication, supplies and services	-	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	-
Rentals of produced assets	-	-
Training expenses	1,093,920	-
Hospitality supplies and services	-	187,833
Insurance costs	180,000	-
Specialised materials and services	-	285,000
Office and general supplies and services	695,247	-
Fuel , oil & lubricants	720,000	700,000
Other operating expenses	252,000	96,327
Bank Charges	9,600	-
Security operations	-	364,825
Routine maintenance - vehicles and other transport equipment	972,660	1,044,000
Routine maintenance- other assets	-	-
<b>TOTAL</b>	<b>3,932,877</b>	<b>2,677,985</b>

5. Transfer to Other Government Units

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers to Primary Schools	13,700,000	36,060,000
Transfers to Secondary Schools	12,765,585	40,176,200
Transfers to Tertiary Institutions	-	7,175,000
<b>TOTAL</b>	<b>26,465,585</b>	<b>83,411,200</b>

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

**Notes to the Financial Statements (Continued)**

**6. Other Grants and Other transfers**

Description	2022-2023	2021-2022
	Kshs	Kshs
Bursary - Secondary ( see attached list)	23,894,646	5,451,550
Bursary -Tertiary ( see attached list)	25,386,000	25,217,800
Bursary- Special Schools	11,000	-
Security Projects ( see attached list)	-	6,000,000
Sports Projects ( see attached list)	-	1,805,000
Environment Projects ( see attached list)	-	1,095,000
Emergency Projects ( see attached list)	6,865,000	6,965,000
Roads Projects	-	-
<b>TOTAL</b>	<b>56,156,646</b>	<b>46,534,350</b>

**7. Oversight Committee Expenses**

Description	2022-2023	2021-2022
	Kshs	Kshs
COC Members allowance	700,000	-
Other COC expenses	703,100	-
<b>TOTAL</b>	<b>1,403,100</b>	<b>-</b>

**8. Other Payments**

Description	2022-2023	2021/2022
	Kshs	Kshs
Strategic plan	3,450,000	-
	3,450,000	-

**9. Cash Book Bank Balance**

Name of Bank, Account No. & currency	2022-2023	2021-2022
	Kshs (30/6/2023)	Kshs (30/6/2022)
<i>Equity Bank ,A/C no. 0520262112242, Nyamira Branch . (main account)</i>	7,021,316	20,130,928
<b>TOTAL</b>	<b>7,021,316</b>	<b>20,130,928</b>

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*Notes to the Financial Statement (Continued)*

**10. Fund Balance B/F**

	(1 <sup>st</sup> July 2023-1)	(1 <sup>st</sup> July 2022-2)
	Kshs	Kshs
Bank accounts	20,130,928	295,013
<b>Fund Balance Brought Forward</b>	<b>20,130,928</b>	<b>295,013</b>

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**Other important disclosures (continued)**

**10.1: Unutilized Fund (See Annex 1)**

	2022/2023	2021/2022
	Kshs	Kshs
Compensation of employees	1,370,550	280,047
Committee expense	724,631	
Use of goods and services	79,921	432,431
Amounts due to other Government entities (see attached list)	25,640,212	31,938,800
Amounts due to other grants and other transfers (see attached list)	6,700,843	9,577,529
Oversight Committee Expenses	47,776	
Other Payments (specify)	50,000	0
Funds pending approval	53,600,000	0
<b>Total</b>	<b>88,213,933</b>	<b>41,914,820</b>

**10.2: Pending Staff Payables (See Annex 2)**

Description	2022-2023	2021-2022
	Kshs	Kshs
NGCDF Staff Gratuity	751,440	-
	<b>751,440</b>	<b>-</b>

**10.3: PMC account balances (See Annex 3)**

	2022/2023	2021/2022
	Kshs	Kshs
PMC account balances (see attached list)	2,262,490	2,245,352
<b>Total</b>	<b>2,262,490</b>	<b>2,245,352</b>



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Annex 1 – Unutilized Fund*

Programme/Sub-programme	Original Budget(a)  2022-2023	Adjustments(b)		Final Budget c = (a+b)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023
	Kshs		Kshs	Kshs
<b>1.0 Administration and Recurrent</b>				
1.1 Compensation of employees	Salaries for NG-CDF Staff	1,112,405	6,902	Ongoing
1.2 Committee allowances	Payment of committee sitting allowances	302,000	-	Ongoing
1.3 Use of goods and services	Use of goods & services	270,870	200,000	Ongoing
<b>Total</b>		<b>1,685,275</b>	<b>206,902</b>	
<b>2.0 Monitoring and evaluation</b>		-		
2.1 Capacity building	Training Expenses	245,000	223,431	Ongoing
2.2 Committee allowances	Committee Allowances	200,000		Ongoing
2.3 Use of goods and services	Use of goods & Services	24,982		Ongoing
<b>Total</b>		<b>469,982</b>	<b>223,431</b>	
<b>3.0 Emergency</b>				
3.1 Primary Schools		-		
3.2 Secondary schools		-		
3.3 Tertiary institutions		-		
3.4 Security projects		-		
3.5 Unutilised		-		
<b>Total</b>	Funds for unforeseen circumstances	1,571,190		Ongoing

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Programme/Sub-programme	Original Budget(a)  2022-2023  Kshs	Adjustments(b)		Final Budget c = (a+b)  2022-2023  Kshs
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	
<b>4.0 Bursary and Social Security</b>				
4.1 Secondary Schools	Bursary for the needy	320,754	9025400	Ongoing
4.2 Tertiary Institutions	Bursary for the needy	708,184	5,979,184	Ongoing
4.4 Special Needs	Bursary for the needy	3,517,918	2247018	Ongoing
<b>Total</b>		<b>4,546,856</b>	<b>17,251,602</b>	
<b>5.0 Sports</b>				
5.1	Facilitation of sports tournament	2,901,752		Ongoing
<b>Total</b>		<b>2,901,752</b>		
<b>6.0 Environment</b>				
Ekerubo police post	Funds for infrastructural Development	550,000		Ongoing
kiabonyoru secondary school	Funds for infrastructural Development	460,444		Ongoing
Esamba primary school	Funds for infrastructural Development	460,444		Ongoing
Nyakenimo primary school	Funds for infrastructural Development	230,000		Ongoing
<b>Total</b>		<b>1,700,889</b>		
<b>7.0 Primary Schools Projects</b>				
Getengererie primary school	Funds for infrastructural Development	1,000,000		Ongoing
Kiangombe primary school	Funds for infrastructural Development	1,000,000		Ongoing

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Programme/Sub-programme	Original Budget(a)  2022-2023	Adjustments(b)		Final Budget c = (a+b)  2022-2023
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	
	Kshs		Kshs	Kshs
Kiomanga primary school	Funds for infrastructural Development	1,000,000		Ongoing
Enchoro primary school	Funds for infrastructural Development	1,000,000		Ongoing
Eronge primary school	Funds for infrastructural Development	1,000,000		Ongoing
Sakwa primary school	Funds for infrastructural Development	800,000		Ongoing
Omobiro primary school	Funds for infrastructural Development	400,000		Ongoing
Nyaimao primary school	Funds for infrastructural Development	400,000		Ongoing
Kenguso Primary school	Funds for infrastructural Development	1,000,000		Ongoing
Ikonge Primary School	Funds for infrastructural Development		4,000,000	Ongoing
Kea Primary School	Funds for infrastructural Development		2,400,000	Ongoing
Tombe Secondary School	Funds for infrastructural Development		1,700,000	Ongoing
<b>Total</b>	Funds for infrastructural Development	<b>7,600,000</b>	<b>8,100,000</b>	
<b>8.0 Secondary Schools Projects</b>	Funds for infrastructural Development	-		
Riomego PAG Secondary school	Funds for infrastructural Development	2,800,000		Ongoing
Riomego SDA Secondary school	Funds for infrastructural Development	1,000,000		Ongoing
Esanige Technical secondary school	Funds for infrastructural Development	1,000,000		Ongoing
St Francis gekendo secondary school	Funds for infrastructural Development	40,212		Ongoing

Programme/Sub-programme	Original Budget(a) 2022-2023	Adjustments(b)		Final Budget c = (a+b)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023
	Kshs		Kshs	Kshs
ASSOCIATED MOTORS LTD	Funds for infrastructural Development	600,000		Ongoing
COM OF INCOME TAX			87,285	Ongoing
ASSOCIATED MOTORS LTD			1,716,075	Ongoing
SMARTTECH AUTO CENTRE			3,229,525	Ongoing
ESANIGE SEC PMC			1,500,000	Ongoing
KENYORO SEC PMC			900,000	Ongoing
NYAKENIMO SEC PMC			1,000,000	Ongoing
<b>Total</b>		<b>5,440,212</b>	<b>8,432,885</b>	
9.0 Tertiary institutions Projects		-		
<b>Total</b>		-		
10.0 Security Projects		-		
Kebobora police post	Funds for infrastructural Development	500,000		Ongoing
<b>Total</b>		<b>500,000</b>	-	
11.0 Acquisition of assets		-		
<b>Total</b>		-		
12.0 Oversight Committee Expenses (itemize)		-		
Travel Costs (Airlines, Bus, Railway and Mileage Allowances.)	Funds for infrastructural Development	0		Ongoing

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Programme/Sub-programme	Original Budget(a)  2022-2023	Adjustments(b)		Final Budget c = (a+b)  2022-2023
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	
	Kshs		Kshs	Kshs
Refined Fuels and Lubricants for Transport	Funds for infrastructural Development	47,776		Ongoing
<b>Total</b>		<b>47,776</b>		
<b>13.0 Other payments</b>		-		
Strategic Plan	Funds for infrastructural Development	50,000		Ongoing
<b>Total</b>		<b>50,000</b>		
<b>14.0 unallocated fund</b>				
<b>Unapproved projects</b>		-		
Getare primary school	Funds for infrastructural Development	200,000		Ongoing
Nyamauro primary school	Funds for infrastructural Development	200,000		Ongoing
Nyamusi primary school	Funds for infrastructural Development	200,000		Ongoing
Kiamogake primary school	Funds for infrastructural Development	200,000		Ongoing
kenyoro primary school	Funds for infrastructural Development	200,000		Ongoing
Gisage primary school	Funds for infrastructural Development	200,000		Ongoing
Maagonga secondary school	Funds for infrastructural Development	1,500,000		Ongoing
Gekonge secondary school	Funds for infrastructural Development	8,900,000		Ongoing

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Programme/Sub-programme	Original Budget(a)  2022-2023	Adjustments(b)		Final Budget c = (a+b)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023
	Kshs		Kshs	Kshs
Ekerubo primary school	Funds for infrastructural Development	6,000,000		Ongoing
Maagonga primary school	Funds for infrastructural Development	6,000,000		Ongoing
Ikonge Primary School	Funds for infrastructural Development	7,000,000		Ongoing
Kiamogake Technical & Vocational Training Institute	Funds for infrastructural Development	10,000,000		Ongoing
Ekerenyo ICT Centre	Funds for infrastructural Development	10,000,000		Ongoing
Itibo police post	Funds for infrastructural Development	3,000,000		Ongoing
Ikonge Primary School	Funds for infrastructural Development	4,000,000		Ongoing
Kea Primary School	Funds for infrastructural Development	2,400,000		Ongoing
Tombe Secondary School	Funds for infrastructural Development	1,700,000		Ongoing
AIA		-		
PMC savings				
<b>Total</b>		<b>61,700,000</b>		
		<b>88,213,932</b>		

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**Annex 2:- Pending Staff Payables (See Annex 2)**

Name of Staff	Designation	Date employed	Outstanding Balance	Comments
			30 <sup>th</sup> June 2023	
<b>NG-CDFC Staff</b>				
1. Hasan Osoro	Clerks of works	01/12/2022	130,200	Outstanding Gratuity
2. Ruth Ondiek	Accounts Clerk	01/12/2022	130,200	Outstanding Gratuity
3. Sarah Kerubo	office secretary	01/12/2022	93,000	Outstanding Gratuity
4. Evans Masaki	Front office assistant	01/12/2022	93,000	Outstanding Gratuity
5. Leonard Kipkirui	Accounts assistant	01/12/2022	111,600	Outstanding Gratuity
6. Maurice Nyabweki	Office Assistant	01/12/2022	63,240	Outstanding Gratuity
7. Caleb Saboke	Driver	01/12/2022	130,200	Outstanding Gratuity
<b>Sub-Total</b>			<b>751,440</b>	
<b>Grand Total</b>			<b>751,440</b>	

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

PMC	Bank	Account number	DATE ACC OPENED	Bank Balance	
				2022-2023	2021/22
Omorare Secondary School	FAMILY	260000331222	7.10.2003	1,272	
Ekerubo Gietai ELCK Primary School	FAMILY	26000032860	11.2.2015	2,331	
Omokirondo ELCK B Primary School	FAMILY	26000032864	10.2.2010	3,331	
Riosoya Primary School	FAMILY	26000033065	02.11.2010	3,331	
Chisaria Primary School	FAMILY	26000032836	21.11.2011	217,729	
Nyakenimo Sec School	FAMILY	26000033402	14.11.2012	1,000,000	
St Francis Gekendo Sec School	KCB	1272291715	17.03.2014	13,871	
Esanige Tech Echool	FAMILY	26000032794	5.6.2014	925	
Tombe Dokprimary School	KCB	1286668786	5.6.2014	61,355	
Kenyoro Elck Secondary	KCB	1289181055	2.3.2015	958,344	
Gitwebe Primary School	KCB Bank-Nyamira Branch	1270898574	22.05.2017		8,855
Nyagokiani Primary School	KCB Bank-Nyamira Branch	1279823429	18.07.2018		200,000
Nyakaranga Primary School	KCB Bank-Nyamira Branch	1271174782	23.10.2020		199,375
Nyamauro Primary School	KCB Bank-Nyamira Branch	1285656903	14.01.2021		1,497,830
Enchoro Primary	KCB Bank-Nyamira Branch	1253603855	41765		17,095
Nyamwanchania Primary School	KCB Bank-Nyamira Branch	1258678330	39107		3,375
Matongo primary school	KCB Bank-Nyamira Branch	1286489164	41765		2,000,000
Mwanacha primary school	KCB Bank-Nyamira Branch	1278315993	44376		10,975
Kiamogake primary school	KCB Bank-Nyamira Branch	1278314806	42395		487
kiabora primary school	KCB Bank-Nyamira Branch	1277866732	41790		14,925
				<b>2,262,490</b>	<b>3,952,917</b>



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**Annex 4 – Summary of Fixed Asset Register**


Asset class	Historical Cost b/f (Kshs) 2021/22	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2022/23
Land	0	0	0	0
Buildings and structures	0	0	0	0
Transport equipment	6,420,000	0	0	6,420,000
Office equipment, furniture and fittings	478,660	0	0	478,660
ICT Equipment, Software and Other ICT Assets	879,748	0	0	879,748
Other Machinery and Equipment	230,760	0	0	230,760
Heritage and cultural assets	0	0	0	0
Intangible assets	0	0	0	0
<b>Total</b>	<b>8,009,168</b>	<b>0</b>	<b>0</b>	<b>8,009,168</b>

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**Annex 5: 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)
NORTH MUGIRANGO/CDF/AUDIT2021-22/2	1.0 Variance in Transfers from NGCDF Board Amount	Cashbook has been updated to reflect true position	Resolved	April 2023
NORTH MUGIRANGO/CDF/AUDIT2021-22/2	2.0 Unconfirmed Accuracy of Cash and Cash Equivalents Balance	Reversals at the cashbook availed for audit verification	Resolved	April 2023
NORTH MUGIRANGO/CDF/AUDIT2021-22/2	3.0 Unconfirmed Accuracy of Fixed Assets Balance	Copy of the asset register availed for audit verification	Resolved	April 2023
NORTH MUGIRANGO/CDF/AUDIT2021-22/2	4.0 Unsupported PwC Bank Balances	Copies of certified PMC account balances availed for audit verification	Resolved	April 2023

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**Name: Robert Serem**  
**Fund Account Manager.**

**FUND ACCOUNT MANAGER**  
**NGCDF, NORTH MUGIRANGO**  
**P.O. Box 105 - 40500 NYAMIRA**  
 Date: .....