

REPUBLIC OF KENYA



*Enhancing Accountability*

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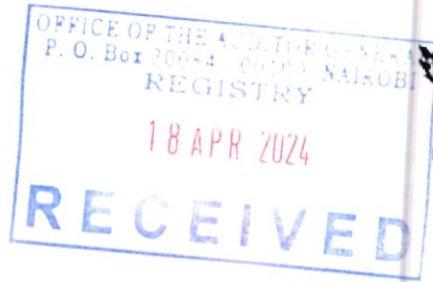
**REPORT**

**OF**

**ON**

**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND – THIKA TOWN  
CONSTITUENCY**

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



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**THIKA TOWN CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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**I. Acronyms and Abbreviations**

NGCDFB	- National Government Constituencies Development Fund Board
NGCDFC	- National Government Constituency Development Fund Committee
CoC	- Constituency Oversight Committee
PFMA	- Public Financial Management Act
FAM	- Fund Account Manager
PMC	- Project Management Committee
MP	- Member of Parliament
SCA	- Sub County Accountant
OAG	- Office of the Auditor General
DCC	- Deputy County Commissioner
PIS	- Project Implementation Status
NHIF	- National Hospital Insurance Fund
NSSF	- National Social Security Fund
PAYE	- Pay As You Earn
AIE	- Authority to Incur Expenditure
BoQ	- Bill of Quantities
M & E	- Monitoring & Evaluation

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

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

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

### **Mandate**

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

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

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

### **Vision**

Equitable Socio-economic development countrywide

### **Mission**

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

### **Core Values**

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

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

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

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

The Thika Town 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	Jane Kariuki
2.	Sub-County Accountant	Susan Kabiro
3.	Chairman NGCDFC	Ephraim Njihi
4.	Member NGCDFC	Lydia Gituru

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

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of Thika Town 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) Thika Town Constituency NGCDF Headquarters**

**Section 9**  
**P.O Box 461-01000**  
**THIKA**

### **(e) Thika Town Constituency NGCDF Contacts**

Telephone: (254) 722270378  
**Email:** [cdfthikatown@ngcdf.go.ke](mailto:cdfthikatown@ngcdf.go.ke)  
Website: [www.thikatownngcdf.go.ke](http://www.thikatownngcdf.go.ke)

**(f) Thika Town Constituency NGCDF Bankers**

Family Bank  
055000081444  
Thika Branch

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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



**III. NG-CDFC Chairman’s Report**



Dear stakeholders, on behalf of Thika Town NG-CDF, I am pleased to present the unaudited financial statements for the Constituency for the financial year ended 30th June 2023.

**Annual allocation**

The constituency was allocated Kshs. 145,087,603 in the financial year 2022/2023. The NG-CDFC, in pursuant to the provisions of the NG- CDF Act 2015, as amended in 2016, allocated the funds to various projects with reference to the priorities of the public participation meetings held across the Constituency. These projects and programmes includes, but not limited to, construction of schools, security projects, sports activities, environmental activities and disbursement of bursaries. As at 30<sup>th</sup> June 2023, Kshs 88,000,000 had been disbursed to the constituency account, and the undisbursed amount was Kshs. 57,087,603.

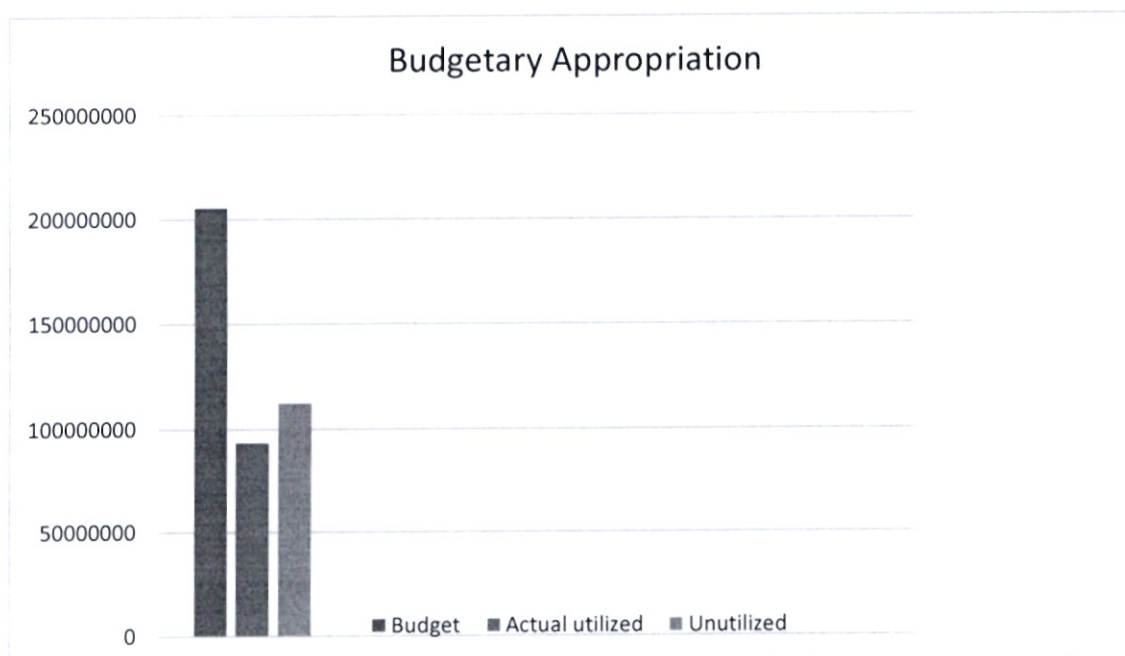
**Budgetary appropriation**

The total budget for the FY 2022/2023 was Ksh. 205,511,357. This amount comprised of the financial year allocation of Kshs. 145,087,603, brought forward from previous year amounting to Kshs. 60,423,754. The total amount utilized as at 30<sup>th</sup> June 2023 was Kshs. 93,319,791, equivalent to 45 % thus the budget utilization difference was Kshs. 112,191,566.

*Figure 1.0*

<b>Total budget for the year</b>	<b>Actual budget utilization</b>	<b>Budget utilization difference</b>
Kshs. 205,511,357	Kshs. 93,319,791	Kshs. 112,191,566

**Figure 1.1**



**Sector Prioritization**

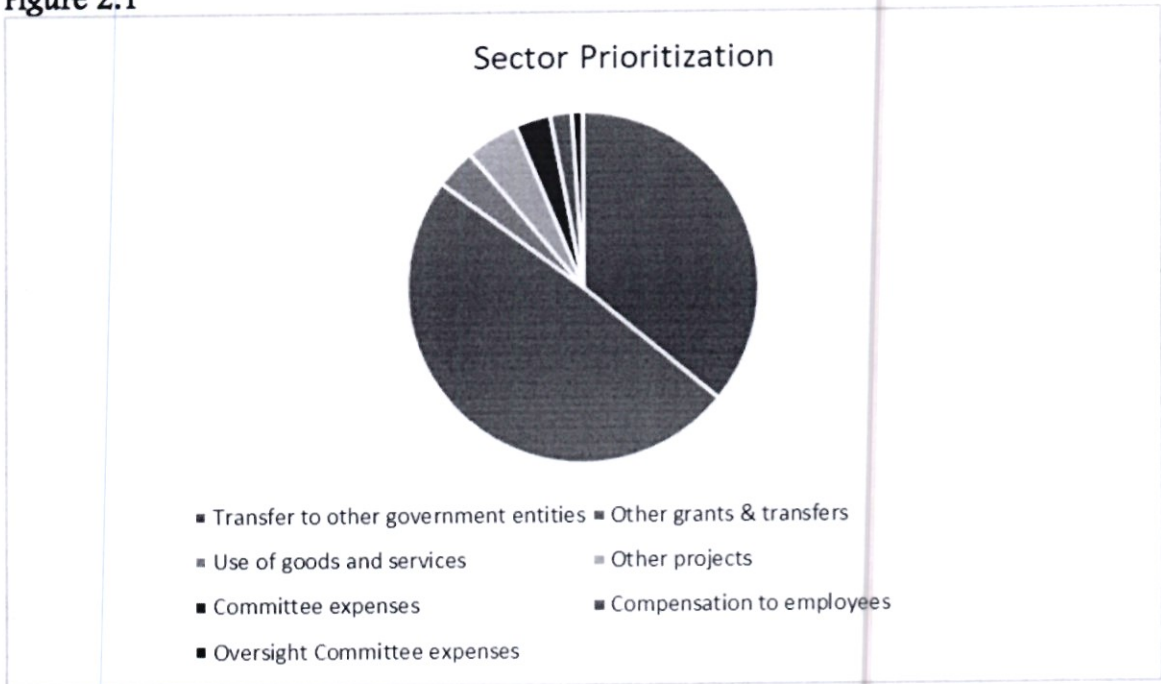
During the year the committee allocated Kshs. 52,191,568 as transfers to other government entities. This comprised of an allocation of Kshs. 20,691,568 being transfer to primary school projects and Kshs. 31,500,000 being transfers to secondary school projects. An amount of Kshs. 71,387,275 was allocated as other grants and transfers. This comprised of security, bursary, sports, and environment and emergency projects. Other projects, was allocated Kshs.7, 000,000 ie, Strategic plan preparation of Kshs. 2,000,000 and NGCDF office construction Kshs.5, 000,000. Use of goods and services was allocated Kshs. 5,366,816, NGCDF Committee expenses Kshs. 4,782,628, compensation to employees was allocated Kshs. 2,908,440 and oversight committee expenses was allocated Kshs 1,450,876.

**Figure 2.0**

Allocation	Amount (Kshs)
Transfer to other government entities	52,191,568
Other grants & transfers	71,387,275
Use of goods and services	5,366,816
Other projects	7,000,000
Committee expense	4,782,628
Compensation to employees	2,908,440
Oversight Committee expenses	1,450,876

<b>Total financial year allocation</b>	<b>145,087,603</b>
--	--------------------

**Figure 2.1**



**Achievements**

During the year, the Committee disbursed a total of Kshs 66,184,000 as bursary to needy students in secondary, special and tertiary institutions. There was also construction of physical facilities in primary schools. The NG-CDF committee was also able to implement the ongoing projects to completion which are considered a priority during allocation of funds to legible projects by the NG-CDF Board. Some key achievements in terms of projects implemented are as shown below;



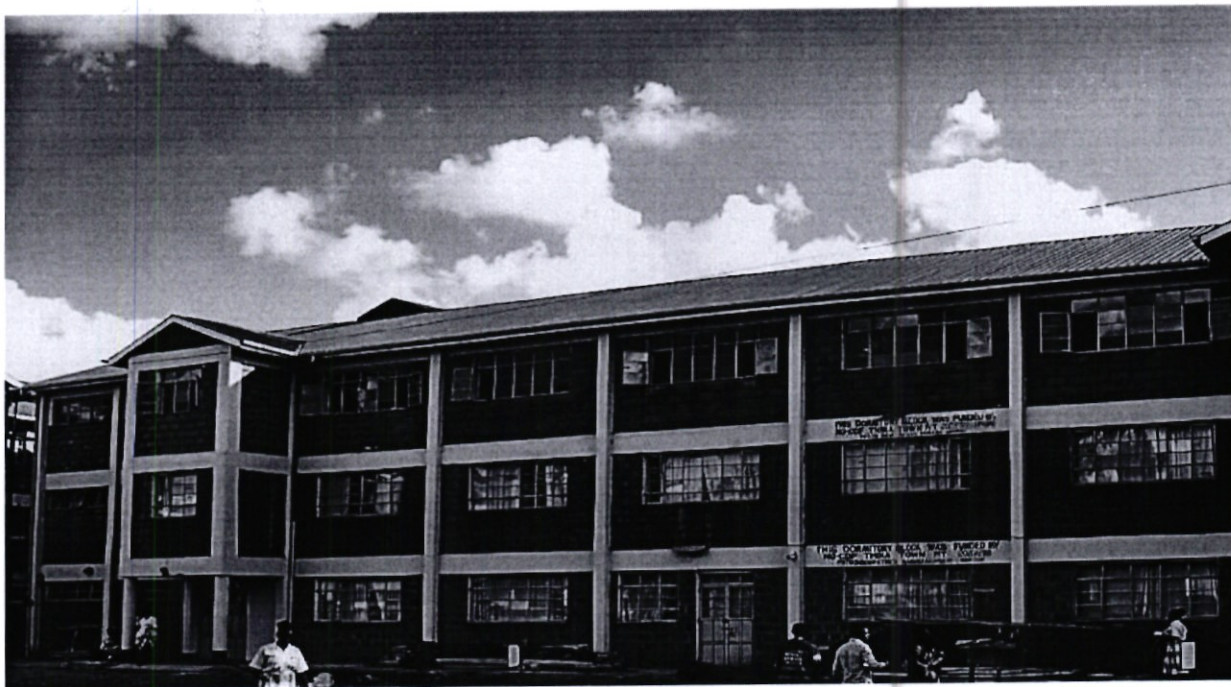
*Supply and installation of 10,000l water tank on a Concrete base platform at Queen of Rosary Secondary School (Environment)*



*Equipping of laboratory at Broadway Secondary School (Interior works)*



*Renovation of Kitchen at Jamhuri Primary School*



*Construction of dormitory block (2nd floor) at Thika Girls Karibaribi Sec School*

**Challenges**

While it hasn't been without challenges, the committee has ensured excellent performance in projects implementation and management through mitigation of the challenges encountered. Some of the challenges include inadequate record keeping by Project Management Committees and inadequate knowledge by some Project Management Committees on Public Procurement and Disposal Act 2015 and its regulation. There is also limited number of technical officers needed to provide the necessary technical advice in project implementation. To mitigate the challenges, the NG-CDFC always undertakes a comprehensive capacity building programme for Project Management Committees before project implementation is initiated. The committee also ensured that a qualified Clerk of Works was hired to assist the technical person in matters relating to project implementation and management.

I wish to sincerely thank the NG-CDF Board, NG-CDF Committee, NG-CDF staffs, Project Management Committees and all other stakeholders for their cooperation and unwavering support which resulted to great achievement by the constituency.



.....  
**Ephraim Njihi**  
**CHAIRMAN NGCDF COMMITTEE**

**IV. Statement of Performance against Predetermined Objectives for FY 2022/23**

**Introduction**

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

The key development objectives of *Thika Town Constituency 2022-2023* plan are to:

- Ensure inclusive and equitable quality Education and promote lifelong learning opportunities for all
- Ensure access to quality Education
- Enhance access to Educational Facilities
- Achieve a secure learning environment in the Constituency
- Enhance the level of security in the constituency

**Progress on attainment of Strategic development objectives**

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary's beneficiaries at all</li> </ul>	<p>An amount of Kshs. 66,184,000 was issued as bursary to students at different levels.</p> <p>In addition to completing the ongoing projects, the committee also disbursed funds to public schools for improvement of school physical structures. There was renovation of 7 classrooms in St Patricks Primary School, construction of modern ablution block in Jamhuri Primary School and</p>

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			levels	construction of perimeter wall in Kiganjo Primary School.
Security	To improve the security in Thika Town Constituency	Improved security in the constituency	To allocate funds to administrative offices within the constituency, either by construction of new offices or improving the facilities in place.	In FY 2022/2023 Thika Town NG-CDF allocated ksh 14,421,300.00 for construction of police posts. This will ensure improved security within the targeted areas.
Environment	To improve environmental conservation in the constituency	Improved health	Purchase and installation of water tanks and gutters in 15 institutions of learning	In FY 2022/2023 Thika Town NG-CDF installed plastic tanks and gutters in 15 Public school within the constituency which improved water harvesting in the schools
Sports	To enhance youth involvement	Inclusivity in the developments of the constituency	Conduct sports tournaments	In FY 2022/2023, The constituency allocated funds for conducting ward tournaments in the constituency where teams shall benefit with balls, sport kits and awards.
Disaster Management	To increase level of preparedness in case of emergency	To reduce level of severity in case of occurrence of disaster	Set aside funding amounting to ksh 7,636,190 from the constituency's allocation for emergency occurrence in the constituency.	In the year 2022/2023, Thika Town NG-CDF set aside emergency funds in case of emergency occurrence which may not wait until the next financial year.



**V. Statement of Governance**

**Process of Appointment of NG-CDF Committee Members**

Section 43(3) of NG-CDF Act 2015 states that there shall be an established National Government Constituency Development Fund Committee for every constituency, this committee shall comprise of;

1. National government official responsible for coordination of National Government functions.
2. Two men, one of whom shall be a youth at the date of appointment
3. Two women, one of whom shall be a youth at the date of appointment
4. One person with disability nominated by a registered group representing persons with disability in the constituency
5. Two persons nominated by the constituency office established by Regulations made pursuant to the Parliamentary Service Act
6. The officer of the Board seconded to the constituency committee by the Board who shall be an ex officio member without a vote
7. One member co-opted by the Board in accordance to the regulation made by the Board

NG-CDF Regulations 2016, Sections 5, 6 and 7 provides the eligibility criteria and procedure for nomination of 5 members of the NG-CDF committee (member 2, 3 and 4 above) through a selection panel. The selection panel shall consist of;

1. One person nominated by national government official in charge of sub county or designated representative, who shall be the chairperson of the selection panel
2. The officer of the Board seconded to the constituency who shall be the secretary to the selection panel
3. Two persons, one of either gender, nominated by the constituency office

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Applications are invited from interested and qualified members of the public for appointment to the constituency Committee. Thereafter the selection panel considers the applications and selects the suitable persons taking into account age gender, special interest group and regional balance.

A member of the NG-CDF committee must meet the following requirements

- A Citizen of Kenya
- Ordinary resident and a voter in the constituency
- Able to read and write and communicate in English and Kiswahili
- Meet the requirements of Chapter six of the Constitution of Kenya
- Is available to participate in activities of the constituency committee
- In case of a youth representative, the person must be above 18 years but below 35 years at the time of appointment

The 2 members, one of either gender in the category of constituency Office nominees are nominated by the Constituency Office manager.

***Process of Removal of NG-CDF Committee member as stipulated in the NG-CDF Act 2015.***

A member of the constituency committee may be removed from office on any or more of the following grounds

- Lack of integrity
- Gross misconduct
- Embezzlement of public funds
- Bringing the committee into disrepute through unbecoming personal public conduct
- Promoting unethical practices
- Causing disharmony within the committee
- Physical or mental infirmity

A decision to remove a member shall be made through a resolution of at least 5 members of a committee and the members sought to be removed shall be given a fair hearing before the resolution is made and a vacancy arising shall be filled in a manner set out in the NG-CDF Act Sub section (10) and minutes of the meeting shall indicate the fact of the removal or appointment of a member.

***Roles and Functions of the NG-CDF Committee as stipulated in the Act 2015***

- Collection of project proposals through ward meeting forums and submission to the NG-CDF Board for approval

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- To prioritize and approve all project proposals from all wards in the constituency and any other projects which they consider beneficial to the constituency.
- Rank project proposals in order of priority provided that ongoing projects shall take precedence.
- Responsible for preparation of the constituency's strategic plan
- Ensure recruitment of competent staff in compliance with the Act.

**Number of meetings held by Thika Town NG-CDF**

Thika Town NG-CDF held 19 NG-CDFC meetings in the FY 2022/2023. The sitting allowance for the chairperson is Kshs. 7,000 while other members are entitled to a sitting allowance of Kshs. 5,000. The summary of the meetings held is as shown below;

**FORMER NG-CDFC MEMBERS**

S/N	NG-CDFC COMMITTEE MEMBERS	14 <sup>th</sup> July 2022	21 <sup>st</sup> July 2022	28 <sup>th</sup> July 2022	25 <sup>th</sup> Aug 2022	8 <sup>th</sup> Sep 2022	22 <sup>nd</sup> Sep 2022
1	WILSON NJAU HURUKO <b>CHAIRMAN</b>	✓	✓	✓	✓	✓	✓
2	JOAN KOECH <b>FAM</b>	✓	✓	✓	✓	✓	✓
3	JOSPHINE NGUGI <b>MEMBER</b>	✓	✓	✓	✓	✓	✓
4	ESTHER NYOKABI <b>MEMBER</b>	✓	✓	✓	✓	✓	✓
5	SIMON NGUGI MUMBI <b>MEMBER</b>	✓	✓	✓	✓	✓	✓
6	LAWI KARIUKI <b>MEMBER</b>	✓	✓	✓	✓	✓	✓
7	HELLEN NGUGI <b>DCC -THIKA EAST</b>	✓	✓	-	✓	✓	✓
8	MBOGO MATHIOYAH <b>DCC THIKA WEST</b>	✓	✓	✓	✓	✓	✓
9	PETER KAMAU <b>SC ACCOUNTANT</b>	✓	✓	✓	✓	✓	✓

**CURRENT NG-CDFC MEMBERS**

S/N	NG-CDFC COMMITTEE MEMBERS	22 <sup>nd</sup> Dec 2022	23 <sup>rd</sup> Dec 2022	3 <sup>rd</sup> Jan 2023	9 <sup>th</sup> Jan 2023	20 <sup>th</sup> Jan 2023	3 <sup>rd</sup> Feb 2023	21 <sup>st</sup> Feb 2023	28 <sup>th</sup> Feb 2023	9 <sup>th</sup> March 2023	20 <sup>th</sup> April 2023	4 <sup>th</sup> May 2023	24 <sup>th</sup> May 2023	26 <sup>th</sup> June 2023
1	MBOGO MATHIOYA <b>DCC THIKA WEST</b>	✓	✓	-	✓	✓	✓	✓	-	✓	-	-	-	-
2	EPHRAIM MACHARIA <b>CHAIRMAN</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	NANCY MAKENA <b>SECRETARY</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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4	JOAN KOECH FAM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓
5	PAMELA JAHENDA MEMBER	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	SIMON WANJOHI MEMBER	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓
7	NAOMI MUTHONI MEMBER	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	LYDIA GITURU MEMBER	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	STEPHEN NGIGE MEMBER	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	✓
10	GODFREY MUGERA MEMBER	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
11	JANE KARIUKI FAM	-	-	-	-	-	-	-	✓	-	✓	✓	✓	✓	✓
12	MAURICE SIFUNA SCDE	-	-	-	-	-	-	✓	-	-	-	-	-	-	-
13	SUSAN KABIRO SCA	-	-	-	-	-	-	✓	✓	✓	-	-	-	-	-
14	WILSO HURUKO OUTGOING CHAIRMAN	-	✓	✓	-	-	-	-	-	-	-	-	-	-	-
15	LAWI KARIUKI OUTGOING MEMBER	-	✓	✓	-	-	-	-	-	-	-	-	-	-	-
16	ESTHER NYOKABI OUTGOING MEMBER	-	✓	✓	-	-	-	-	-	-	-	-	-	-	-
17	SIMON NGUGI OUTGOING MEMBER	-	✓	✓	-	-	-	-	-	-	-	-	-	-	-
18	JOSPHINE MUTHONI OUTGOING MEMBER	-	-	✓	-	-	-	-	-	-	-	-	-	-	-
19	HELLEN CHEGE OUTGOING MEMBER	-	-	-	✓	-	-	-	-	-	-	-	-	-	-

***Conflict of interest Policy***

A member who has an interest in any contract or matter present at the meeting shall in the meeting and as soon as reasonably practicable after the commencement, disclose the fact thereof and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter.

A disclosure of interest shall be recorded in the minutes of the meeting at which it is made.

**Risk Management policy**

The NG-CDF board established an Enterprise Risk Management (ERM) which is an integrated and joined up approach to managing risk across an organization and its extended networks. This approach guides Thika Town NG-CDF in the day to day processes and activities in the constituency.

The system seeks to identify, monitor and mitigate the risks in the constituency and report to the board through response of daily, monthly and annual key risk indicators.

The risks identified are rated using colors with tagged meaning i.e.

- Red- High risk indicator
- Amber- Medium risk indicator
- Green-Low risk indicator

Thika Town NG-CDF manages the risk issues as follows

- 6. Risk assessment is the process of identifying, analyzing and evaluating risks that may adversely affect the achievement of an objective and risks that may positively affect the objective in an organization
- 7. i. Risk Identification -process of documenting any risks that could keep an organization or program from reaching its objective
- ii. Risk Analysis -Understanding the causes and factors of an event and how likely it is ; Understanding how severe the damage could be if it happened help the NG-CDF Committee decide needs to be done to build resilience if the event occurred.
- iii. Risk Evaluation-Process of comparing the results of risk analysis with risk criteria to determine whether the risk and/or its magnitude is acceptable or tolerable.

Thika Town NG-CDF has mitigated risks and all risks identified were monitored and reduced and others avoided.

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

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

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency.

## **2. Environmental performance**

Thika Town NG-CDF values the natural environment and the need to protect it. Keeping our environment unpolluted and clean is paramount to the success of our communities. Though the ecosystem stability is in danger as the relationship between human beings and the environment has deteriorated, the committee believes the relationship can be harmonised if people start encouraging activities like conservation, regeneration, and protection of nature.

- The committee has ensured that there is green plantation within the NG-CDF compound that does not only beautify the place, but also uplift the overall atmosphere of the workplace. The green environment also boosts oxygen levels and removes harmful pollutants such as carbon dioxide.
- The committee is also committed in ensuring that we promote a paperless office. This is being achieved by encouraging digital platform communication with the relevant stakeholders' therefore reducing paper and ink consumption thus an eco-conservative alternative.

The committee also ensured that issues on environmental conservation were tackled during capacity building exercise of NG-CDFCs, PMCs and staffs. Environmental education was also given preference during public gatherings like sporting activities and public participation exercises.

In the Financial Year 2022/2023, Thika Town NG-CDF set aside Kshs. 2,901,752 for purchase and installation of plastic tanks gutters in 15 public schools which ensured improved water harvesting within the schools.

## **3. Employee welfare**

We invest in providing the best working environment for our employees. Thika Town 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 are also aiming at recognizing and appreciating our employees for exemplary performance. The reward and sanctions system is to be 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. Thika Town 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-**

Thika Town 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-**

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

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

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

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

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

**Public Awareness**

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

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



**Jane Kariuki**  
**Fund Account Manager.**

## **VII. Statement of Management Responsibilities**

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

The Accounting Officer in charge of the NGCDF-Thika Town 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.

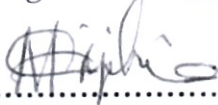
The Accounting Officer in charge of the NGCDF-Thika Town Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF- Thika Town Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

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

**Approval of the financial statements**

The NGCDF- Thika Town Constituency financial statements were approved and signed by the Accounting Officer on 17<sup>th</sup> April 2024.



.....  
**Ephraim Njihi**  
**Chairman – NGCDF Committee**



.....  
**Jane Kariuki**  
**Fund Account Manager**

# REPUBLIC OF KENYA

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

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

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Thika Town Constituency set out on pages 1 to 49,

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

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

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

### **Basis for Qualified Opinion**

#### **1. Inaccuracies in Cash and Cash Equivalents**

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.56,913,963 as disclosed in Note 12A to the financial statements. Review of the bank reconciliation statement revealed payments in cashbook not recorded in bank statement amounting to Kshs.5,949,411. However, the clearance status of unrepresented cheques amounting to Kshs.3,209 was not disclosed. Further, receipts in bank statements amounting to Kshs.130,000 had not been recorded in the cashbook since June, 2022.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.56,913,963 could not be confirmed.

#### **2. Irregular Issuance of Bursaries**

The statement of receipts and payments reflects other grants and other transfers amount of Kshs.73,985,752 as disclosed in Note 8 to the financial statements. The amount includes bursaries to secondary schools, tertiary institutions and to special schools totalling Kshs.66,184,000. However, there was no evidence to indicate that vetting, identification and categorizing of needy students was performed by the Bursary Sub-Committee.

In the circumstances, it was not possible to confirm the accuracy of bursary payments amounting to Kshs.66,184,000. Further, it was not possible to confirm whether the bursary payments were made to the intended beneficiaries.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Thika Town Constituency Management in accordance with

ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audit of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter**

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

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.205,511,537, Kshs.148,423,754 respectively resulting to budget under funding of Kshs.57,087,603 or 28% of the budget. Similarly, the Fund spent Kshs.93,319,791 against actual receipts of Kshs.148,423,754 resulting to under-utilization of Kshs.55,103,963.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

## **Conclusion**

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

## **Basis for Conclusion**

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

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

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

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

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

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

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

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

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the 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 reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**17 June, 2024**

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

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


	Note	2022-2023	2021-2022
			Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	88,000,000	194,177,758
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	137,000
<b>TOTAL RECEIPTS</b>		<b>88,000,000</b>	<b>194,314,758</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,773,630	3,285,650
Committee expenses	5	5,142,958	2,713,600
Use of goods and services	6	4,531,514	5,353,001
Transfers to Other Government Units	7	7,591,568	94,583,187
Other grants and transfers	8	73,985,752	50,321,837
Acquisition of Assets	9	294,370	-
Other Payments	10	-	1,169,257
<b>TOTAL PAYMENTS</b>		<b>93,319,791</b>	<b>157,426,531</b>
<b>SURPLUS/DEFICIT</b>		<b>(5,319,791)</b>	<b>36,888,227</b>

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

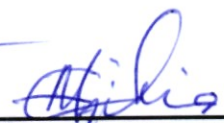
The Constituency financial statements were approved by the NGCDFC on 17<sup>th</sup> April 2024 and signed by:

  
\_\_\_\_\_  
**Fund Account Manager**

**Name: Jane Kariuki**

  
\_\_\_\_\_  
**National Sub-County Accountant**

**Name: Susan Kabiro  
ICPAK M/NO: 20403**

  
\_\_\_\_\_  
**Chairman NG-CDF Committee**

**Name: Ephraim Njihi**

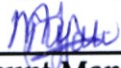
*Thika Town Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2023*

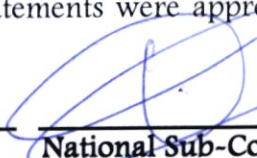
**X. Statement of Assets and Liabilities as at 30th June, 2023**

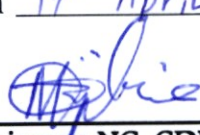
	Note	2022-2023 Kshs	2021-2022 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	11A	56,913,963	60,423,754
Cash Balances (cash at hand)	11B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>56,913,963</b>	<b>60,423,754</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	12	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>56,913,963</b>	<b>60,423,754</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	13A	-	-
Gratuity	13B	-	-
<b>NET FINANCIAL SSETS</b>		<b>56,913,963</b>	<b>60,423,754</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	14	60,423,754	23,535,528
Prior year adjustments	15	1,810,000	
Surplus/Defict for the year		(5,319,791)	36,888,227
<b>NET FINANCIAL POSITION</b>		<b>56,913,963</b>	<b>60,423,754</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 17<sup>th</sup> April 2024 and signed by:

  
Fund Account Manager

  
National Sub-County  
Accountant

  
Chairman NG-CDF  
Committee

Name: Jane Kariuki

Name: Susan Kabiro  
ICPAK M/NO: 20403

Name: Ephraim Njihi

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

**XI. Statement of Cash Flows for the Year Ended 30th June 2023**

<b>STATEMENT OF CASH FLOW</b>		<b>2022-2023</b>	<b>2021-2022</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	88,000,000	194,177,758
Other Receipts	3	-	137,000
		<b>88,000,000</b>	<b>194,314,758</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	1,773,630	3,285,650
Committee expenses	5	5,142,958	2,713,600
Use of goods and services	6	4,531,514	5,353,001
Transfers to Other Government Units	7	7,591,568	94,583,187
Other grants and transfers	8	73,985,752	50,321,837
Other Payments	10	-	1,169,257
		<b>93,025,421</b>	<b>157,426,531</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	16	-	-
Increase/(Decrease) in Accounts Payable	17	-	-
Prior year Adjustments	15	1,810,000	-
<b>Net Adjustments</b>		1,810,000	-
<b>Net cash flow from operating activities</b>		<b>(3,215,421)</b>	<b>36,888,227</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(294,370)	-
<b>Net cash flows from Investing Activities</b>		<b>(294,370)</b>	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(3,509,791)</b>	<b>36,888,227</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	11	<b>60,423,754</b>	<b>23,535,528</b>
<b>Cash and cash equivalent at END of the year</b>		<b>56,913,963</b>	<b>60,423,754</b>

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

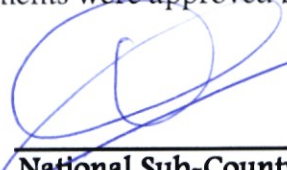
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The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

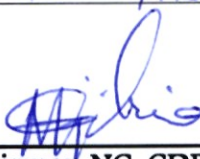
The Constituency financial statements were approved by NG CDFC on 17<sup>th</sup> April 2024 and signed by:

  
\_\_\_\_\_  
**Fund Account Manager**

**Name: Jane Kariuki**

  
\_\_\_\_\_  
**National Sub-County Accountant**

**Name: Susan Kabiro  
ICPAK M/NO: 20403**

  
\_\_\_\_\_  
**Chairman NG-CDF Committee**

**Name: Ephraim Njihi**

**XII. Summary Statement of Appropriation for the year Ended 30<sup>th</sup> June 2023**

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a		b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>		<b>Opening Balance (C/Bk) and AIA</b>	<b>Previous years Outstanding Disbursements</b>				
Transfers from NG-CDF Board	145,087,603	60,286,754	-	205,374,357	148,286,754	57,087,603	72%
Other Receipts-AIA		137,000		137,000	137,000	-	100%
<b>TOTAL RECEIPTS</b>	<b>145,087,603</b>	<b>60,423,754</b>	<b>-</b>	<b>205,511,357</b>	<b>148,423,754</b>	<b>57,087,603</b>	<b>72%</b>
<b>PAYMENTS</b>							
Compensation of Employees	2,908,440	791,710	-	3,700,150	1,773,630	1,926,520	48%
Committee expenses	4,782,628	8,164,759	-	12,947,387	5,142,958	7,804,429	40%
Use of goods and services	5,366,816	5,537,281	-	10,904,097	4,825,884	6,078,213	44%
Transfers to Other Government Units	52,191,568	3,500,000	-	55,691,568	7,591,568	48,100,000	14%
Other grants and transfers	71,387,275	42,293,005	-	113,680,280	73,985,752	39,694,528	65%
Oversight Committee expenses	1,450,876	-	-	1,450,876		1,450,876	0%
Other Payments	2,000,000	-	-	2,000,000		2,000,000	0%
Unapproved project	5,000,000	137,000	-	5,137,000		5,137,000	0%
<b>TOTAL</b>	<b>145,087,603</b>	<b>60,423,754</b>	<b>-</b>	<b>205,511,357</b>	<b>93,319,791</b>	<b>112,191,566</b>	<b>45%</b>

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

*(a) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]*

*The underutilization of all the above votes was contributed by the following factors*

1. There was a new parliamentary term which lead to appointment of new committee members and the entire process delayed the submission of projects to the NGCDFB thus delay in funds disbursement.
2. An amount of Kshs. 57,087,603 was still undisbursed by 30<sup>th</sup> June 2023 which lead to underutilization of the above votes
3. AIE No B207674 amounting to Kshs.15, 000,000 was received towards the end of June 2023, thus the said amount was utilized in the subsequent financial year

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilization difference totals	112,191,566
Less undisbursed funds receivable from the Board as at 30th June 2023	57,087,603
	55,103,963
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	1,810,000
<b>Cash and Cash Equivalents at the end of the FY 2022/2023</b>	<b>56,913,963</b>


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

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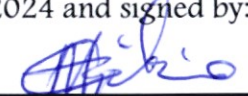
The Constituency financial statements were approved by NG CDFC on 17<sup>th</sup> April 2024 and signed by:

  
\_\_\_\_\_  
**Fund Account Manager**

**Name: Jane Kariuki**

  
\_\_\_\_\_  
**National Sub-County Accountant**

**Name: Susan Kabiro**  
**ICPAK M/NO: 20403**

  
\_\_\_\_\_  
**Chairman NG-CDF Committee**

**Name: Ephraim Njihi**



**XIII. Budget Execution by Sectors and Projects for the year ended 30<sup>th</sup> June 2023**

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference (e = c-d)	% of Utilisation (f=d/c %)
	2022-2023	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2022-2023			
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	2,908,440	791,710		3,700,150	1,773,630	1,926,520	48
1.2 Committee allowances	1,270,000	3,860,400		5,130,400	3,623,548	1,506,852	71
1.3 Use of goods and services	4,526,816	3,043,363		7,570,179	3,789,893	3,780,286	50
<b>Total</b>	<b>8,705,256</b>	<b>7,695,473</b>		<b>16,400,729</b>	<b>9,187,071</b>	<b>7,213,658</b>	56
<b>2.0 Monitoring and evaluation</b>						-	
2.1 Capacity building	1,737,628	1,761,359		3,498,987	935,991	2,562,996	27
2.2 Committee allowances	1,710,000	2,543,000		4,253,000	1,519,410	2,733,590	36
2.3 Use of goods and services	905,000	2,493,918		3,398,918	100,000	3,298,918	3
<b>Total</b>	<b>4,352,628</b>	<b>6,798,277</b>		<b>11,150,905</b>	<b>2,555,401</b>	<b>8,595,504</b>	23
<b>3.0 Emergency</b>							
3.1 Primary Schools						-	
St Patrick Primary School		2,500,000		2,500,000	2,500,000		100
Jamhuri Primary school		2,400,000		2,400,000	2,400,000		100

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

3.5 Unutilised	7,636,190	784,413		8,420,603			-
<b>Total</b>	<b>7,636,190</b>	<b>5,684,413</b>	-	<b>13,320,603</b>	<b>4,900,000</b>	<b>8,420,603</b>	37
<b>4.0 Bursary and Social Security</b>				-			
4.1 Secondary Schools	25,000,000	19,440,547		44,440,547	47,756,500	(3,315,953)	107
4.2 Tertiary Institutions	13,800,000	12,305,706		26,105,706	16,967,500	9,138,206	65
4.3 Social Security	1,200,000			1,200,000		1,200,000	-
4.4 Special Needs	3,526,281	1,799,931		5,326,212	1,460,000	3,866,212	27
<b>Total</b>	<b>43,526,281</b>	<b>33,546,184</b>	-	<b>77,072,465</b>	<b>66,184,000</b>	<b>10,888,465</b>	86
<b>5.0 Sports</b>				-		-	
5.1	2,901,752			2,901,752		2,901,752	-
<b>Total</b>	<b>2,901,752</b>	-		<b>2,901,752</b>		<b>2,901,752</b>	-
<b>6.0 Environment</b>							
Environment projects	2,901,752	2		2,901,754	2,901,752	2	100
<b>Total</b>	<b>2,901,752</b>	<b>2</b>	-	<b>2,901,754</b>	<b>2,901,752</b>	<b>2</b>	100
<b>7.0 Primary Schools Projects</b>							
Kiganjo Primary School		3,500,000		3,500,000	3,500,000	-	100
Jamhuri Primary school	4,091,568			4,091,568	4,091,568	-	100
Mountain View Primary School	800,000			800,000		800,000	-
Kiganjo Primary School	4,100,000			4,100,000		4,100,000	-
St Patrick Primary School	800,000			800,000		800,000	-
Kimuchu Primary School	1,800,000			1,800,000		1,800,000	-
Joytown Special primary school	2,000,000			2,000,000		2,000,000	-

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

powerline Primary School	1,300,000			1,300,000		1,300,000	-
Gatuanyaga Primary School	1,800,000			1,800,000		1,800,000	-
Kisiwa Primary School	4,000,000			4,000,000		4,000,000	-
<b>Total</b>	<b>20,691,568</b>	<b>3,500,000</b>	<b>-</b>	<b>24,191,568</b>	<b>7,591,568</b>	<b>16,600,000</b>	<b>31</b>
<b>8.0 Secondary Schools Projects</b>						-	
Ndula Secondary school	4,000,000	-	-	4,000,000	-	4,000,000	-
Munyu Mixed Secondary School	4,800,000	-	-	4,800,000	-	4,800,000	-
Mbagathi Secondary School	1,000,000	-	-	1,000,000	-	1,000,000	-
Kenyatta Secondary School	3,000,000	-	-	3,000,000	-	3,000,000	-
Kimuchu Secondary School	3,000,000	-	-	3,000,000	-	3,000,000	-
Queen of Rosary Sec Sch	4,800,000	-	-	4,800,000	-	4,800,000	-
Chania Boys High School	4,600,000	-	-	4,600,000	-	4,600,000	-
Broadway Sec School	2,300,000	-	-	2,300,000	-	2,300,000	-
Thika Girls Karibaribi Secondary schools	4,000,000	-	-	4,000,000	-	4,000,000	-
<b>Total</b>	<b>31,500,000</b>	<b>-</b>	<b>-</b>	<b>31,500,000</b>	<b>-</b>	<b>31,500,000</b>	<b>-</b>
<b>9.0 Security Projects</b>						-	
Gatuanyaga Police Post		3,000,000		3,000,000	-	3,000,000	-
DCC Thika East		48,658		48,658	-	48,658	-
Gatuanyaga Assistant Chief office		1,874		1,874	-	1,874	-
Magogoni Assistant Chief Office		11,873		11,873	-	11,873	-

**Thika Town Constituency**  
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Munyu Police station	800,000			800,000	-	800,000	-
Ngurai Police post	4,500,000			4,500,000	-	4,500,000	-
Kisii police post	3,421,300			3,421,300	-	3,421,300	-
Riverside police post	4,500,000			4,500,000	-	4,500,000	-
Karibaribi Police post	1,200,000			1,200,000	-	1,200,000	-
<b>Total</b>	<b>14,421,300</b>	<b>3,062,405</b>	<b>-</b>	<b>17,483,705</b>	<b>-</b>	<b>17,483,705</b>	<b>-</b>
<b>10.0 Oversight Committee Expenses</b>				-		-	
Conferences, Domestic Travel and Subsistence & Other Transport Costs	780,000	-	-	780,000	-	780,000	-
Other committee expenses	220,000	-	-	220,000	-	220,000	-
Committee Allowances Expenses	360,000	-	-	360,000	-	360,000	-
Fuel , Oil & Lubricants	90,876	-	-	90,876	-	90,876	-
<b>Total</b>	<b>1,450,876</b>		<b>-</b>	<b>1,450,876</b>		<b>1,450,876</b>	<b>-</b>
<b>11.0 Other payments</b>				-		-	
Thika Town Strategic Plan	2,000,000			2,000,000	-	2,000,000	-
<b>Total</b>	<b>2,000,000</b>		<b>-</b>	<b>2,000,000</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>
<b>12.0 unallocated fund</b>							
Unapproved projects	5,000,000			5,000,000	-	5,000,000	-
AIA		137,000		137,000	-	137,000	-
<b>Total</b>	<b>5,000,000</b>	<b>137,000</b>	<b>-</b>	<b>5,137,000</b>	<b>-</b>	<b>5,137,000</b>	<b>-</b>

*Thika Town Constituency  
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GRAND TOTAL	145,087,603	60,423,754	-	205,511,357	93,319,791	112,191,566	45
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**NOTE:**

*The over utilization of secondary school bursary by Kshs.3,315,953 was compensated by underutilization of tertiary school and special needs bursary of Kshs. 3,038,206 and Kshs. 277,747 respectively.*

#### **XIV. Significant Accounting Policies**

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

##### **1. Statement of Compliance and Basis of Preparation**

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

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

##### **2. Reporting Entity**

The financial statements are for the NGCDF-Thika Town 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 2022 for the period 1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2023 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**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. Errors**

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

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

**15. Related Party Transactions**

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

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**XV. Notes to the Financial Statements**

**1. Transfers from NGCDF Board**

<b>GFS CODES</b>			
	<b>1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES</b>		
	<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
<b>1330407</b>	Normal Allocation	<b>Kshs</b>	<b>Kshs</b>
	B140747		12,000,000
	B105302		33,000,000
	B105673		44,000,000
	B105942		22,000,000
	B128714		5,000,000
	B163877		12,000,000
	B154222		12,000,000
	B154443		18,000,000
	B154497		24,088,879
	A888503		12,088,879
	B185271	7,000,000	
	B185427	6,000,000	
	B185795	15,000,000	
	B206196	5,000,000	
	B205615	12,000,000	
	B205910	12,000,000	
	B207674	15,000,000	
	B207929	16,000,000	
	<b>TOTAL</b>	<b>88,000,000</b>	<b>194,177,758</b>

*Thika Town Constituency  
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**2. Proceeds From Sale of Assets**

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

**3. Other Receipts**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received		-
Rents		-
Receipts Sale of Tender Documents	-	137,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere (specify)	-	-
<b>TOTAL</b>	-	<b>137,000</b>

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*Notes to the Financial Statements (Continued)*

**4. Compensation of Employees**

Description	2022-2023	2021-2022
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,653,265	2,069,016
<b>Personal allowances paid as part of salary</b>		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity-contractual employees	78,941	1,112,954
Employer Contributions Compulsory national social security schemes	41,424	103,680
<b>TOTAL</b>	<b>1,773,630</b>	<b>3,285,650</b>

**5. Committee Expenses**

Description	2022-2023	2021-2022
	Kshs	Kshs
Sitting allowance	843,760.00	1,206,600
Other committee expenses	4,299,198.00	1,507,000
<b>TOTAL</b>	<b>5,142,958.00</b>	<b>2,713,600</b>

*Thika Town Constituency  
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**6. Use of Goods and services**

<b>Description</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	109,562	281,660
Electricity		10,000
Water & sewerage charges		74,125
Communication, supplies and services		110,752
Domestic travel and subsistence		-
Printing, advertising and information supplies & services		60,001
Rentals of produced assets- Office rent	1,168,700	840,000
Training expenses	935,991	2,363,100
Hospitality supplies and services		34,092
Insurance costs		-
Specialised materials and services		-
Office and general supplies and services	1,012,527	500,000
Fuel , oil & lubricants	360,000	240,000
Bank service commission and charges	94,590	198,951
Other operating expenses		-
Security operations	640,320	640,320
Routine maintenance - vehicles and other transport equipment		-
Routine maintenance- other assets	209,824	-
<b>TOTAL</b>	<b>4,531,514</b>	<b>5,353,001</b>

**Thika Town Constituency**  
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*Notes to The Financial Statements (Continued)*

**7. Transfer To Other Government Units**

Description	2022-2023	2021-2022
	Kshs	Kshs
Transfers to Primary Schools	7,591,568	45,533,187
Transfers to Secondary Schools	-	48,750,000
Transfers to Tertiary Institutions	-	300,000
<b>TOTAL</b>	<b>7,591,568</b>	<b>94,583,187</b>

**8. Other Grants and Other transfers**

Description	2022-2023	2021-2022
	Kshs	Kshs
Bursary - Secondary ( see attached list)	47,756,500	13,093,750
Bursary -Tertiary ( see attached list)	16,967,500	4,607,825
Bursary- Special Schools	1,460,000	42,000
Security Projects ( see attached list)	-	17,550,000
Sports Projects ( see attached list)	-	4,489,132
Environment Projects ( see attached list)	2,901,752	4,739,130
Emergency Projects ( see attached list)	4,900,000	5,800,000
<b>TOTAL</b>	<b>73,985,752</b>	<b>50,321,837</b>



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*Notes To the Financial Statements (Continued)*

**9. Acquisition of Assets**

<b>Non Financial Assets</b>	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of office furniture and and General Equipment	294,370	-
<b>TOTAL</b>	<b>294,370</b>	<b>-</b>

**10. Oversight Committee Expenses**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
COC Members allowance	-	-
Other COC expenses	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**11. Other Payments**

		<b>2022-2023</b>	<b>2021-2022</b>
		<b>Kshs</b>	<b>Kshs</b>
2211310	Strategic Plan		-
2211311	ICT Hubs	-	1,169,257
			-
	<b>TOTAL</b>	<b>-</b>	<b>1,169,257</b>

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**12. Cash Book Bank Balance**

Name of Bank, Account No. & currency	2022-2023	2021-2022
	Kshs (30/6/2023)	Kshs (30/6/2022)
Equity Bank Thika Supreme Bank, A/C no. 90261620323 for 30/06/2022 & Family Bank Thika Branch, A/C No. 005000081444 for 30/06/2023	56,913,963	60,423,754
	-	-
<b>TOTAL</b>	<b>56,913,963</b>	<b>60,423,754</b>
<b>12B: CASH IN HAND)</b>		
	2022-2023	2021-2022
	Kshs (30/6/2023)	Kshs (30/6/2022)
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other receipts (specify)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**13. Outstanding Imprests**

Name of Officer		Amount Taken	Amount Surrendered
	Date imprest taken	Kshs	Kshs
			-
		-	-
		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

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*Notes to the Financial Statement Continued*

**14. Retention and Gratuity**

<b>14A Retention</b>		
	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
Retention as at 1st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30th June D= A+B-C	-	-

<b>14 B Gratuity</b>		
	<b>2022-2023</b>	<b>2021-2022</b>
	<b>KShs</b>	<b>KShs</b>
Gratuity as at 1st July (A)	-	-
Gratuity held during the year (B)	78,941	341,620
Gratuity paid during the Year (C)	78,941	341,620
Closing Gratuity as at 30th June D= A+B-C	-	-

**15. Fund Balance B/F**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs (1/7/2022)</b>	<b>Kshs (1/7/2021)</b>
Bank accounts	60,423,754	23,535,528
Cash in hand		
Imprest		
<b>TOTAL</b>	<b>60,423,754</b>	<b>23,535,528</b>

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**16. Prior Year Adjustments**

	Balance b/f FY 2021/2022 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank accounts balances	60,423,754	1,810,000	62,233,754
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-
<b>Total</b>	<b>60,423,754</b>	<b>1,810,000</b>	<b>62,233,754</b>

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

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

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

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

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**19. Other Important Disclosures**

**19.1: Pending Accounts Payable (See Annex 1)**

<b>19.1: PENDING ACCOUNTS PAYABLE (See Annex 1)</b>		
	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

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

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

**19.3: Unutilized Fund (See Annex 3)**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	1,926,520	791,710
Use of goods and services	6,088,213	5,537,281
Committee expenses	7,804,429	8,164,759
Amounts due to other Government entities (see attached list)	48,100,000	3,500,000
Amounts due to other grants and other transfers (see attached list)	41,494,528	42,293,005
Oversight Committee	1,450,876	
Others ( <i>Strategic Plan</i> )	2,000,000	-
Funds pending approval	5,137,000	137,000
<b>Total</b>	<b>114,001,566</b>	<b>60,423,755</b>

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**18.4: PMC account balances (See Annex 5)**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)	17,729,094	47,803,187

**XVI. Annexes**

**Annexes: 1 Analysis of Pending Accounts Payable**

Supplier of goods or services	Original amount	Date contracted	Amount paid to date	Outstanding balance	Comments
	a	b	c	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

**Annex 2 - Analysis of Pending Staff Payables**

<b>Name of staff</b>	Designation	Date employed	Outstanding balance 30 <sup>th</sup> June 2023	Comments
<b>NG-CDFC Staff</b>				
1.				
2.				
3.				
<b>Sub-Total</b>				
<b>Grand Total</b>				



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**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2022/2023	2021/2022	
<b>Compensation of employees</b>	Payment of staff salaries	1,926,520	791,710	
<b>Use of goods &amp; services</b>	goods and services	6,088,213	13,702,040	
<b>Committee expenses</b>	Committee expenses	7,804,429		
<b>Amounts due to other Government entities</b>				
<b>Primary schools</b>				
Kiganjo Primary School	Construction of 400 metre stone perimeter wall to completion		3,500,000	
Mountain View Primary School	Construction to completion of 50 metre stone perimeter wall.	800,000		
Kiganjo Primary School	Renovations to completion of 15 classrooms	4,100,000		
Kimuchu Primary School	Construction to completion of a 12 door flush boys ablution blocks with 2 doors being PWD friendly	1,800,000		
powerline Primary School	Construction to completion of 1 classroom with tiled floors and ceiling boards.	1,300,000		

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Gatunyaga Primary School	Construction to completion of a 12 door flush ablution blocks for girls with 2 doors being PWD friendly	1,800,000		
Kisiswa Primary School	Field levelling measuring 4,000 square metres to completion	4,000,000		
Joytown Special primary school	Cabro installation to completion along the entrance walkway measuring 800 square metre.	2,000,000		
St Patrick Primary School	Purchase, transport and labelling of 100 pieces of desks	800,000		
Ndula Secondary school	construction to completion of administration block	4,000,000		
Mbagathi Secondary School	Construction to completion of a 60 square metre kitchen and 2 stores	1,000,000		
Kenyatta Secondary School	Construction to completion of a new dining hall wing to accommodate 400 more students	3,000,000		
Kimuchu Secondary School	Construction to completion of 150 meter stone perimeter wall.	3,000,000		
Chania Boys High School	Completion of Administration block ground floor with a roof slab	4,600,000		
Broadway Sec School	Equipping to completion of a 45 student capacity laboratory	2,300,000		

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Thika Girls Karibaribi Secondary schools	Construction to completion of a 3 storey 2nd dormitory block- Construction of (phase iv)	4,000,000		
Munyu Mixed Secondary School	Construction to completion of 45 student capacity science laboratory structure and Equipping	4,800,000		
Queen of Rosary Sec Sch	Construction to completion of 45 student capacity science laboratory structure and Equipping	4,800,000		
<b>Sub-Total</b>		<b>48,100,000</b>	<b>3,500,000</b>	
<b>Amounts due to other grants and other transfers</b>				
<b>Bursary</b>				
Secondary Schools	Bursary payable to secondary schools students	114,000	22,870,500	
Tertiary Institutions	Bursary payable to tertiary institutions students	5,986,000	9,153,500	
Social Security	Payment of NHIF to 200 vulnerable families	1,200,000		
Special Needs	Bursary payable to students in special institutions	3,588,465	1,522,184	
<b>Security</b>				
Munyu Police station	Reinforcement to completion of 2 number cells	800,000		
Ngurai Police post	Construction to completion of office of the officer in charge, reception area, boardroom	4,500,000		

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Kisii police post	Construction to completion of office of the officer in charge, reception area, boardroom	3,421,300		
Riverside police post	Construction to completion of office of the officer in charge, reception area, boardroom	4,500,000		
Karibaribi Police post	Construction to completion of 2 cells with a roof slab	1,200,000		
Emergency Reserve	Unutilized amount	8,420,603		
Constituency sports tournament	Sports tournament and purchase of sports attires	2,601,752		
Regional sports tournament	Participate in one regional tournament	300,000		
Environment	Unutilized amount	2		
Kiandutu Police	Construction of a three roomed office	1,800,000		
DCC THIKA EAST	Unutilized amount	48,658	48,658	-
GATUANYAGA ASSISTANT CHIEFS OFFICE	Unutilized amount	1,874	1,874	-
MAGOGONI ASSISTANT CHIEFS OFFICE	Unutilized amount	11,873	11,873	-
Gatuanyaga Police Post	Construction of two offices, two cells and armory	3,000,000	3,000,000	
<b>Sub-Total</b>		<b>41,494,528</b>	<b>36,608,589</b>	
<b>Oversight committee expenses</b>				
Conferences, Domestic Travel and Subsistence & Other Transport Costs	Payment of CoC Daily Subsistence allowances & domestic travels	780,000		

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Other committee expenses	Advertising, Awareness and Publicity Campaigns	220,000		
Committee Allowances Expenses	Payment of CoC sitting allowances	360,000		
Fuel , Oil & Lubricants	Purchase of fuel, lubricants for the transport of CoC during forums	90,876		
<b>Sub-Total</b>		<b>1,450,876</b>	-	
<b>Others (specify)</b>				
Thika Town Strategic Plan	Preparation of a 5 year strategic plan	2,000,000		
<b>Sub-Total</b>		<b>2,000,000</b>	-	
Funds pending approval	AIA	137,000	137,000	
NG-CDF Office construction	Construction of NG-CDF office	5,000,000		
<b>Sub-Total</b>		<b>5,137,000</b>	<b>137,000</b>	
<b>Grand Total</b>		<b>114,001,566</b>		

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

Asset class	Historical Cost b/f (Kshs)		Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost b/f (Kshs)	
	2021-2022				2021-2022	
Land						-
Buildings and structures						-
Transport equipment	5,750,000				5,750,000	
Office equipment, furniture and fittings	519,680	294,370		0	814,050	
ICT Equipment, Software and Other ICT Assets						-
Heritage and cultural assets						-
Intangible assets						-
<b>Total</b>	<b>6,269,680</b>	<b>294,370</b>		<b>0</b>	<b>6,564,050</b>	

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**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2023**

<b>PMC NAME</b>	<b>BANK</b>	<b>ACCOUNT NUMBER</b>	<b>BANK BALANCE 2022/23</b>	<b>BANK BALANCE 2021/22</b>
MAGOGONI PRIMARY SCHOOL-NG-CDF ACCOUNT	EQUITY MAKONGENI	1710279720085	76,353	
A.C.C THIKA WEST/ENVIRONMENT AND LAND COURT NG-CDF	EQUITY KENYATTA HIGHWAY	340279875750	255	
ATHENA AP POST	EQUITY THIKA	90262187718	176,723	1,079,088
ATHENA PRIMARY SCHOOL	EQUITY THIKA	90276546823	123,600	30,632
BIASHARA LOCATION CHIEFS OFICE	EQUITY KENYATTA HIGHWAY	340279699876	86,652	139,883
BROADWAY HIGH SCHOOL	EQUITY THIKA	90266417700	372,936	3,088,267
CHANIA GIRLS SECONDARY SCHOOL	EQUITY THIKA	90266417370	49,964	925,058
CHANIA HIGH SCHOOL	EQUITY THIKA	90266418520	128,887	4,003,634
DEO THIKA EAST NG-CDF ACCOUNT	EQUITY KENYATTA HIGHWAY	340279004397	44,418	
DEPUTY ADM POLICE COMMANDER KIANG'OMBE	EQUITY THIKA	90279830794	25,929	98,322
DEPUTY COUNTY COMMISSIONER -THIKA EAST OFFICE NG-CDF(TOILET CONSTRUCTION)	EQUITY THIKA	90281027135	10,960	
GARISSA ROAD PRIMARY SCHOOL	EQUITY THIKA	90276386354	708	
GATHIGURU SUB LOCATION NG-CDF ACCOUNT	EQUITY KENYATTA HIGHWAY	340279301233	1,046	
GATUANYAGA MIXED DAY SECONDARY SCHOOL	EQUITY KENYATTA HIGHWAY	340279082587	151,994	2,270,929

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GATUANYAGA PRIMARY SCHOOL	EQUITY THIKA	90265975444	108,837	
GENERAL KAGO PRIMARY SCHOOL NG-CDF ACCOUNT	EQUITY THIKA	90277368743	87	
GITHIMA POLICE STATION	EQUITY MAKONGENI	1710279660525	1,501,278	1,501,277
GITHIMA PRIMARY SCHOOL	EQUITY MAKONGENI	1710279073897	87,821	
JAMHURI PRIMARY SCHOOL	EQUITY THIKA	90276504985	5,049	
JOYTOWN PRIMARY SCHOOL	EQUITY THIKA	90265469850	102,335	210,529
KAMENU PRIMARY SCHOOL	EQUITY THIKA	90270692228	1,501	
KAMENU SUB LOCATION NG-CDF	EQUITY MAKONGENI	1710278612452	7,176	
KARIBARIBI PRIMARY SCHOOL	EQUITY THIKA	90262081494	2,093	
KARIBARIBI SECONDARY SCHOOL	EQUITY THIKA	90262351616	6,225	2,502,989
KENYA NATIONAL LIBRARY NG-CDF ACCOUNT	EQUITY KENYATTA HIGHWAY	340179266378	1,490	
KENYATTA GIRLS SECONDARY SCHOOL	EQUITY THIKA	90266455299	540,234	4,102,335
KIANJAHU PRIMARY SCHOOL	EQUITY MAKONGENI	1710280042705	3,789	
KIANJAU PRIMARY SCHOOL	EQUITY THIKA	90262205207	17,802	348,533
KIANJAU SUB LOCATION (KIANDUTU) ASST. CHIEFS OFFICE	EQUITY KENYATTA HIGHWAY	340280257594	787	112,436
KIBOKO PRIMARY SCHOOL CDF ACCOUNT	EQUITY THIKA	90262644050	837	
KIGANJO PRIMARY SCHOOL	EQUITY THIKA	90270583760	159,108	3,120,098
KIMUCHU POLICE POST	EQUITY KENYATTA HIGHWAY	340279063013	6,277	1,501,100



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KIMUCHU PRIMARY SCHOOL	EQUITY THIKA	90265966907	117,083	5,001,099
KIMUCHU PRIMARY SCHOOL NG-CDF ACCOUNT	EQUITY THIKA	90279770488	38,392	
KIMUCHU SECONDARY SCHOOL	EQUITY THIKA	90262232761	446,353	528,853
KISIWA PRIMARY SCHOOL	EQUITY KENYATTA HIGHWAY	340276638540	6,062	
KOMO POLICE POST	EQUITY MAKONGENI	1710279796853	1,611	1,610
KOMO SECONDARY SCHOOL	EQUITY KENYATTA HIGHWAY	340279308918	1,341	1,342
MAGOGONI COMMUNITY SECONDARY SCHOOL	EQUITY KENYATTA HIGHWAY	340279342300	157,857	271,847
MAGOGONI HEALTH CENTRE CDF ACCOUNT	EQUITY THIKA	90262285004	2,274	
MAKONGENI CHIEFS OFFICE	EQUITY THIKA	90281019185	450	450
MAKONGENI POLICE STATION NG-CDF ACCOUNT	EQUITY MAKONGENI	1710278949611	3,934	
MATATHIA PRIMARY SCHOOL	EQUITY THIKA	90265960723	117,083	1,958,682
MOUNTAIN VIEW PRIMARY SCHOOL	EQUITY THIKA	90265412963	110,621	265,776
MUGUMOINI PRIMARY SCHOOL-CDF ACCOUNT	EQUITY THIKA	90270629252	1,186	
MUNYU MIXED SECONDARY SCHOOL	EQUITY KENYATTA HIGHWAY	340279043470	3,816	765,472
MUNYU PRIMARY SCHOOL	EQUITY THIKA	90277272511	224,474	494,674
NDULA PRIMARY SCHOOL NG-CDF ACCOUNT	EQUITY KENYATTA HIGHWAY	340277820063	501	
NDULA SECONDARY SCHOOL CDF ACCOUNT	EQUITY THIKA	90266416142	62,120	
NDULA SECONDARY SCHOOL NG- CDF	EQUITY THIKA	90277490487		

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ACCOUNT			108,738	
NGOLIBA CHIEF	EQUITY THIKA	340279290775	6,997	63,639
NGOLIBA PRIMARY SCHOOL	EQUITY THIKA	90276488035	10,021	54,020
NGOLIBA SECONDARY SCHOOL	EQUITY THIKA	90266406621	16,746	1,075,392
POWERLINE PRIMARY SCHOOL	EQUITY MAKONGENI	1710279051781	4,624	1,584,544
QUEEN OF ROSARY PRIMARY SCHOOL NG-CDF ACCOUNT	EQUITY THIKA	90276492237	363	
QUEEN OF ROSARY SECONDARY SCHOOL	EQUITY THIKA	90266379483	65,728	1,236,678
S.A THIKA PRIMARY SCHOOL FOR THE BLIND	EQUITY THIKA	90277821086	675	
ST PATRICKS PRIMARY SCHOOL(CDF A/C)	EQUITY THIKA	90277813316	1,761	4,087,899
ST PAULS GATUANYAGA SECONDARY SCHOOL NG-CDF ACCOUNT	EQUITY MAKONGENI	1710279825921	74,676	
THIKA BARRACKS PRIMARY SCHOOL	EQUITY THIKA	90271562587	1,940	1,940
THIKA GIRLS KARIBARIBI SECONDARY SCHOOL	EQUITY THIKA	90263317823	123,600	
THIKA MAIN PRISON NG-CDF ACCOUNT	EQUITY KENYATTA HIGHWAY	340282604754	2,225	
THIKA MUSLIM PRIMARY SCHOOL	EQUITY KENYATTA HIGHWAY	340280032908	5,231	3,502,021
THIKA POLICE HQ	EQUITY THIKA	90279294995	111,501	1,151,300
THIKA PRIMARY SCHOOL FOR THE BLIND	EQUITY KENYATTA HIGHWAY	340170649841	371	
THIKA TOWN CONSTITUENCY SPORTS COMMITTEE CDF ACCOUNT	EQUITY THIKA	90262485165	108,738	
UMOJA PRIMARY SCHOOL	EQUITY THIKA	90277824620	184,723	

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THIKA HIGH SCHOOL	EQUITY SUPREME	1550279257226	68,249	720,839
THIKA PRIMARY SCHOOL CDF PROJECT	EQUITY THIKA	3400170649841	371	
NGOINGWA POLICE POST CDF ACCOUNT	EQUITY THIKA	90264736074	3,000,055	
THIKA TOWN CONSTITUENCY ENVIRONMENT COMMITEE CDF ACCOUNT	EQUITY THIKA	90262485126	2,984,082	
NGOLIBA POLICE DIVISION CDF ACCOUNT	EQUITY THIKA	340262209010	1,140,255	
MUNYU POLICE PATROL BASE NG-CDF ACCOUNT	EQUITY THIKA	1710279122943	1,500	
KILIMAMBOGO CHIEF'S OFFICE NG-CDF ACCOUNT	EQUITY THIKA	90282341583	800,000	
THIKA GARRISON MIXED SEC SCHOOL	KCB THIKA	1266469028	116,656	
GATUMAINI PRIMARY SCHOOL-NG CDF	KCB THIKA	1242863214	5,313	
MARIA MAGDALENE SPECIAL SCHOOL	KCB THIKA	1241326991	6,179	
MUNYU GIRLS HIGH SCHOOL PMC	SIDIAN THIKA	1012030000291	1,873	
KILIMAMBOGO PRIMARY SCHOOL	COOPERATIVE THIKA	1141073958300	1,180	
JAMHURI PRIMARY SCHOOL	FAMILY THIKA	5000080895	3,676,426	
		<b>TOTAL</b>	<b>17,729,094</b>	<b>47,803,187</b>

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**Annex 6: Progress On Follow Up of Auditor Recommendations**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/NRO/NG-CDF/THIKA TOWN/2021/2022/(24)	<p><b>1.Unreconciled and Unsupported Cash and Cash Equivalents Balance</b></p> <p>The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.60,423,754 as disclosed in Note 10A to the financial statements. Review of the bank reconciliation statement reflects payments in cash book not recorded in bank statement in form of un-presented cheques amounting to Kshs.5,949,41. Included in the balance are stale cheques amounting to Kshs.1,114,430 which had not been reversed in the cash book as at 30 June, 2022. Further, unrepresented cheque amounting to Kshs.228, 875 relating to Value Added Tax (VAT) owing to Kenya Revenue Authority had remained outstanding since 2016. No explanation was provided for failure to remit the tax which could attract penalties. In addition, an examination of the cheques dispatch register revealed that some bursary beneficiaries had not collected their cheques and no reasons were given for the uncollected cheques.</p> <p>In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs. 60,423,754 could not be confirmed.</p>	All the stale cheques - Bursary and VAT have been replaced accordingly, as per the recommendation	Unresolved	October 2023

	<p><b>2. Irregular Payment of Committee Allowances</b></p> <p>The statement of receipts and payments and Note 5 to the financial statements reflects use of goods and services expenditure of Kshs.8,066,601 which includes an amount of Kshs.1,507,000 and Kshs.1,206,600 in respect of other committee expenses and committee expenses respectively. Review of documents provided in support of the expenditure revealed that there was no evidence that the committee approved the annual work plan detailing the activities to be undertaken during the year through resolutions in a committee meeting.</p> <p>In the circumstances, the regularity and completeness of the committee allowances amounting to Kshs.2,713,600 could not be confirmed</p>	<p>The NG-CDF board gave a guideline that NG-CDF Committee should have a minimum of 6 and maximum of 24 NG-CDF Committee meetings per financial Year. It also gives a guideline that the Monitoring and Evaluation of Projects (Hereby referred to as Other Committee Expenses) be conducted minimum once a month. The committee approved this budget in the minute that approved the FY 2022/-23 project proposals. The budget was also followed in conducting its meetings and M/E exercises resulting to the aforementioned expenses.</p>	<p>Unresolved</p>	<p>October 2023</p>
	<p><b>3. Irregular Payment of Sports Expenditure</b></p> <p>The statement of receipts and payments reflects other grants and transfers amounting to Kshs.50,321,837 which includes sports expenditure amounting to Kshs. 4,489,131 which was spent for various sports items and equipment. However, documentary evidence such as delivery notes to confirm delivery, a distribution schedule and criteria used for distribution of the items were not provided for audit.</p> <p>In the circumstances, the completeness of the sports expenditure of Kshs.4,489,131 could not be confirmed.</p>	<p>The relevant documents were availed for perusal</p>	<p>Unresolved</p>	<p>October 2023</p>

	<p style="text-align: center;"><b>4. Irregular Payment for ICT Hub</b></p> <p>The statement of receipts and payments reflects other payments amounting to Kshs.1,169,257 for implementation of ICT Hubs. Review of documents provided for audit revealed that Thika Town NGCDF initiated the ICT Hub at Christian Industrial Training College which is a private commercial institution which uses the ICT equipment for teaching and training their students. Further, no documentary evidence was provided to confirm delivery of equipment to the institution.</p> <p>In the circumstances, the accuracy and completeness of the other payments amounting to Kshs.1,169,257 could not be confirmed.</p>	<p>Thika Town NG-CDFC through the board guidance allocated ksh 1,169,257 to Christian Industrial Training College for implementation of IHUB by Telkom Kenya. Thika Town NG-CDFC allocated the funds to the institution at the heart of Thika that was initiated in the 1970s which has been admitting students majorly within the constituency. The NG-CDFC deemed the institution best suited to host the IHUB.</p> <p>The NGCDFC shall however in future carry out due diligence to avoid channeling funds to private institutions.</p> <p>Please see the confirmation students' enrolment from the institution. Please also find the delivery notes from Telkom Kenya.(Annex v)</p>	<p>Unresolved</p>	<p>December 2023</p>
	<p style="text-align: center;"><b>5. Failure to Return Unutilized Project Management Committee Balances</b></p> <p>Annex 5 to the financial statements reflects Project Management Committee unutilized fund balances of Kshs. 47,803,187 as at 30 June, 2022 in respect to forty five bank accounts, which were not transferred to the Constituency Fund account. This is contrary to Section 12 (8) of the National Government Constituency Development Fund Act, 2015 which requires that all unutilized funds of the</p>	<p>The recommendation is highly appreciated and the unspent PMC balances at the close of the year shall be channeled back to the Constituency account for onward request of a new project from the board</p>	<p>Unresolved</p>	<p>December 2023</p>

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	<p>Project Management Committees shall be returned to the Constituency Fund account. Further, bank statements, cash book and certificates of bank balances relating to thirty two PMCs accounts were not provided for audit.</p>			
	<p><b>6. Failure to Report on Use of Emergency Funds</b></p> <p>The statement of receipts and payments and Note 7 to the financial statements reflects other grants and transfers amounting to Kshs. 50,321,837 which includes emergency expenditure of Kshs. 5,800,000. However, no evidence indicating that the emergency expenditure was reported to the Board using the prescribed format was provided for audit. This is contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which provides that the utilization of emergency reserve shall be reported to the Board within 30 days of the occurrence of emergency in the format prescribed by the Board.</p>	<p>Thika Town NG-CDF appreciates the recommendation and shall strive to follow the Board's guideline and report on the use of Emergency Funds within 30 days after the occurrence of the emergency.</p>	<p>Unresolved</p>	<p>October 2023</p>
	<p><b>7. Construction of Dining Hall at Kenyatta Girls Secondary School</b></p> <p>During the year, Thika Town Constituency disbursed a total of Kshs.4,000,000 to the project management committee (PMC) for Kenyatta Girls Secondary School on 6 August, 2021 for construction of the dining hall. Review of documents provided for audit revealed that the contract was awarded to a local contractor at a contract sum of Kshs.3,998,670. Audit inspection carried out in the month of March 2023 revealed that the project had just started and was at foundation level. No explanation was provided for the delays in the project implementation. In the circumstances, stakeholder may not obtain value for money from the delayed implementation</p>	<p>The committee shall fast-track the construction of the said project to ensure value for money is achieved</p>	<p>Unresolved</p>	<p>December 2023</p>

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	of the project.			
	<p><b>8. Construction of 400 metres Stone Perimeter Wall to Completion at Kiganjo Primary School</b></p> <p>Included in the transfers to other Government units amounting to Kshs. 94,583,187 is Kshs. 3,000,000 disbursed to Kiganjo Primary School for construction and completion of 400 metres stone perimeter wall.</p> <p>The contract was awarded into two phases at a contract sum of Kshs.2, 998,930 and Kshs.3, 500,000 totalling Kshs.6, 498,930. Review of the procurement documents revealed that the works were procured through restricted tendering and the tenders for both phase one and two awarded to the same contractor. This indicates that the works were split and restricted tendering method used instead of using national open tender. This was contrary to Section 37 of the NGCDF Act, 2015 which states that all works and services relating to projects under this Act shall be procured in accordance with the provisions of the Public Procurement and Asset Disposal Act, 2015.</p>	<p>The funds for the phase 1 of the project were received in June 2022 thus couldn't be implemented earlier amounting to ksh 3,500,000. The phase 11 of the project funds were received in July 2022 amounting to ksh 3,000,000. The funds were channeled to the PMC on varied times. The Bill of Quantities were also prepared on different times by the works officer based on the period of receipts of funds. The Tendering process was conducted according to the procurement laws whereby the bidders were invited to bid and the outcome through the professional opinion communicated to the accounting officer for award.</p>	Unresolved	December 2023
	<p><b>9. Construction of Classrooms at Barracks Primary School</b></p> <p>During the year an amount of Kshs.4,600,000 was disbursed to Barracks Primary School for construction of four (4) classrooms. Review of procurement documents revealed that the contract was awarded to a local contractor at a contract sum of Kshs.4,599,540. Physical verification carried out in the month of March, 2023 revealed poor workmanship since the floors of the classrooms had developed potholes and cracks. Further, the project</p>	<p>The classrooms developed cracks after the defect liability period thus the contractor was not liable for the defects. The floors were cemented with red oxide applied. This Town NG-CDF Committee will consider implementing projects with other alternative floors i.e terrazzo or tiles for durability and to avoid</p>	Unresolved	October 2023



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	<p>was not labelled to show it was funded by the NG-CDF Thika Town Constituency in the financial year 2021/2022</p>	<p>cracks on the floor caused by erosion by the water during cleaning by the pupils. Branding shall be effected soonest possible</p>		
	<p><b>10. Delayed Implementation of Security Project</b></p> <p>The statement of receipts and payments reflects other grants and other transfers amounting to Kshs.50,321,837 as disclosed in Note 7 to the financial statements which includes an amount of Kshs.17,550,000 incurred on security projects. Review of documents provided for audit revealed that Githima police post was allocated an amount of Kshs.1,500,000 for construction of four (4) offices. However, the implementation of the project had not commenced and no reasons were provided for failure to implement the project. In the circumstances, value for money was not realized from the unimplemented security project.</p>	<p>The project is yet to start because of land feuds. The NG-CDF Committee shall consider reallocation of funds in order to benefit other deserving projects rather than being in the account.</p>	<p>Unresolved</p>	<p>November 2023</p>
	<p><b>11. Non-Compliance with Bursary Application and Awarding Guidelines</b></p> <p>The statement of receipts and payments and Note 7 to the financial statements reflects other grants and transfers amounting to Kshs. Kshs.50,321,837 which includes bursaries to secondary schools, tertiary and special institutions totalling Kshs. 17,743,575. However, review of bursary records provided for audit revealed that the application forms had not been vetted. In addition, the awarded amounts to the successful applicants were not indicated on the forms. This is contrary to circular CDFB/CEO/BOARD CIRCULARS VOL II (021) dated 16 June, 2020. Further, Management did not provide Bursary policy which sets the criteria of awarding the bursaries.</p>	<p>Thika Town NG-CDFC deliberated on the bursary issuance collectively after acquiring the data of bursary applicants thus the forms were not individually signed but the outcome decided through the subcommittee minute resolutions. The minute approving bursary and the bursary policy have been provided for review.</p>	<p>Unresolved</p>	<p>October 2023</p>

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	In the circumstances, Management was in breach of the guidelines.			
	<p align="center"><b>12. Failure to Maintain Project Management Committee Records and Reports</b></p> <p>Review of five (5) sampled project returns for projects undertaken during the year under review revealed that there were no appointment letters for the Project Management Committees. Further, records of project closure and handover reports to the constituency committee were not provided for audit. This is contrary to Regulation 15. (1) of the National Government Constituencies Development Fund Regulations, 2016 which states that there shall be appointed a project management committee for each project in a Constituency which shall undertake project closure, labelling and handover upon completion.</p>	This recommendation is highly appreciated and Thika Town NG-CDF Committee has employed a clerk of works whose main role will be project supervision from inception to completion while keeping all the necessary records and reports throughout the project cycle in order to avoid missing out on the reports recommended by the audit. The necessary documents shall also be retrieved from PMC and filed accordingly in the PMC file in the NG-CDFC office	Unresolved	October 2023

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**Jane Kariuki**  
**Fund Account Manager.**