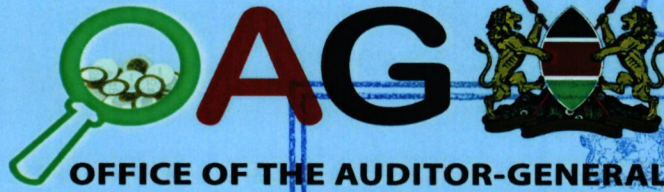


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

THE NATIONAL ASSEMBLY

PAPERS LAID

DATE: 24 MAR 2022

DAY:

THUR-PM

REPORT

TABLED

BY:

L.O.M

CLERK AT  
THE TABLE:

INZORU

PARLIAMENT  
OF KENYA  
LIBRARY

**THE AUDITOR-GENERAL**

**ON**

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

**FOR THE YEAR ENDED  
30 JUNE, 2020**



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

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2020**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**BAHATI CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, 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

# NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

## BAHATI CONSTITUENCY

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#### **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.

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

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

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

#### **(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	A.I.E holder	<b>Hawah N.Abdul</b>
2.	Sub-County Accountant	<b>Dickson Moreka</b>
3.	Chairman NGCDFC	<b>Daniel Kinyua Ngatia</b>
4.	Member NGCDFC	<b>Tom Kironji</b>

#### **(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -BAHATI Constituency. 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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**BAHATI CONSTITUENCY**

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**For the year ended June 30, 2020**

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**(e) NGCDF BAHATI Constituency Contacts**

CDF House  
Maili Kumi Centre  
Nakuru-Nyahururu Road  
Telephone: (254) 711566300  
E-mail: [cdfbahati@ngcdf.go.ke](mailto:cdfbahati@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(f) NGCDF BAHATI Constituency Bankers**

Equity Bank  
Gate House Branch  
P.O Box 12568-20100  
Nakuru, Kenya

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
 BAHATI CONSTITUENCY  
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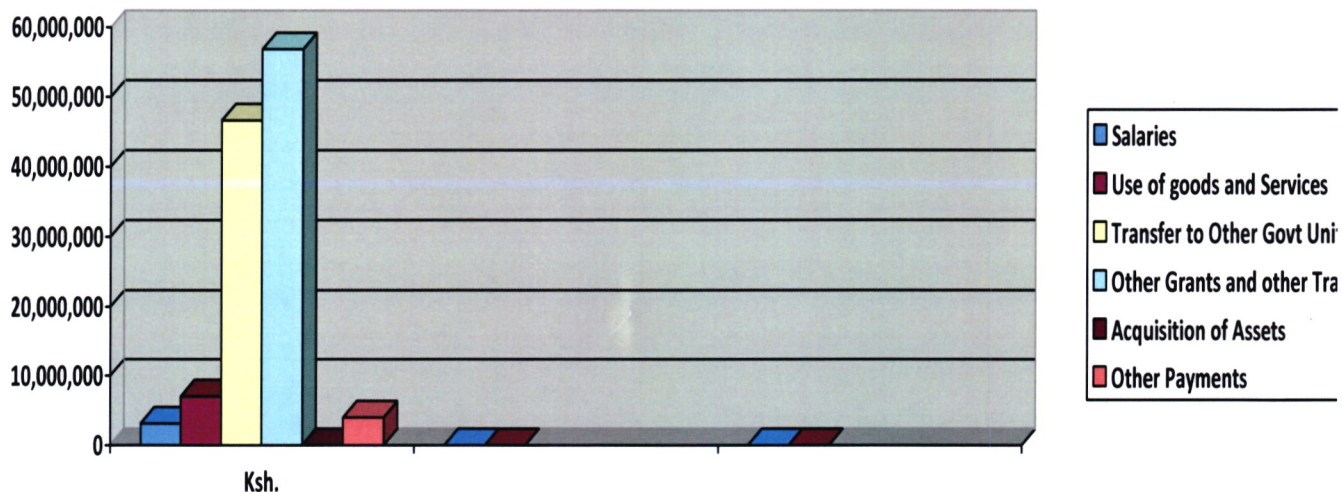
**II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

The Bahati Constituency is one of the 11 constituencies in Nakuru County. The constituency has 5 wards namely Bahati ward, Kiamaina ward, Kabatini ward, Dundori ward and Lanet ward.

The Bahati NG-CDF was allocated Kshs. 137,367,724 during the financial year 2019/2020 and out of the budget allocated, the Board disbursed Kshs. **131,667,724** which translates to 96% funding. A balance of Ksh.5,700,000 was because of some of the projects that required clarification and they were resubmitted to the board awaiting approval by the Board.

The NG-CDF Bahati has continued to use the Project Management Committee in implementation of all the constituency Development Fund projects. During the year under review most of the projects were allocated funds for completion. Most projects would be completed with the funds allocated during the year. However, few projects are in various phases and will be allocated more funds in the subsequent years.

The main focus was on the National Government functions such as Education and Security.



**Key achievements.**

The National Government Constituency Development Fund Bahati has continued to expand institutions of learning and enhancing security by increasing funding to security projects and modernising schools as seen below:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**For the year ended June 30, 2020**

**Security**

Under security the NGCDF Bahati has so far established 3 Police stations, One AP Camp and OCPD Headquarters, The Committee has also constructed 19 modern Chiefs and assistant chiefs' offices across the constituency.

Through this initiative the security officers have continued to enjoy the good working environment and as such have been working efficiently thus the constituents have been receiving good service.



Mutukanio Assistant Chiefs office, Purchase of land and construction fully funded by the NG-CDF-Bahati



Githiuro Chiefs Office. Funded by NG-CDF Bahati

# NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

## BAHATI CONSTITUENCY

### Reports and Financial Statements

For the year ended June 30, 2020

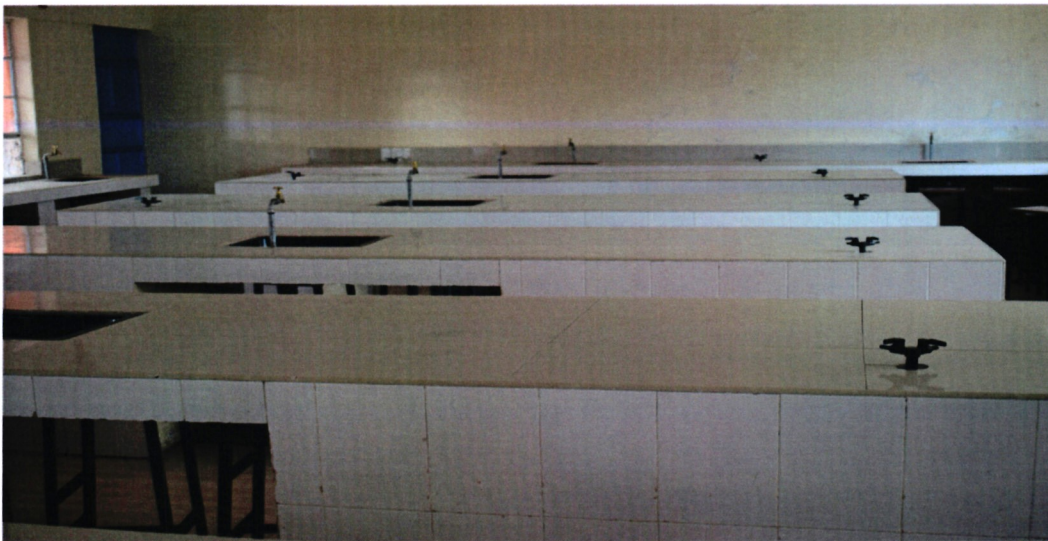
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#### Education

Bahati Constituency has 45 Primary schools and 38 Secondary schools. Due to the increasing population and the Governments directive of 100% transition for Secondary schools, there has been a great need to have more classrooms, Dormitories, Laboratories in all the secondary schools. Most if not all the Primary schools were constructed in the 1960s and are currently dilapidated, some with earthen grounds, leaking roofs and without windows and even some muddy classrooms. The Committee have strived to ensure that every school is renovated and classes modernised to ensure the pupils are studying in a conducive environment something that the pupils, the teachers and the parents are happy about.



Giachong'e Primary school- An ongoing project Funded by NGCDF Bahati



*St. Gerald High School- Construction of Storey building made up of 4 Classrooms and a Laboratory on the ground floor*

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***Kiamaina Primary school Ablution Block- 13 Doors and 1 door Toilet for PLWD***

**List the implementation challenges and recommended way forward.**

- Inadequate funding based on the myriad community needs

**Achievements**

The NGCDF Bahati has continued to give grants for construction of Classrooms, Laboratories, Libraries, police posts/stations and chiefs offices. This has led to the following achievements.

1. Improved learning Environment
2. Increased enrolment rate of students
3. Improved performance of students

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4. Enhanced security

**Way Forward**

- Enhance capacity building to the Project Management Committees and NG-CDFCs
- Civic education on the mandate of National Government Constituency Development Fund



**DANIEL K. NGATIA  
CHAIRMAN NGCDF COMMITTEE**

### **III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PRE-DETERMINED OBJECTIVES**

#### **Introduction**

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

The key development objectives of NGCDF-BAHATI Constituency's 2018-2022 Strategic plan are to:

- a) To nurture a highly trained human capital by improving; access, relevance, quality and equity in education.
- b) To improve security of persons and property.
- c) To empower the youth, women and persons living with disability; through capacity enhancement in technology, innovation, entrepreneurship, industry and sports.
- d) To improve environment through tree planting, advocacy and mainstreaming environmental issues.
- e) To address the cross-cutting issues; Gender mainstreaming, improve infrastructure, adequate clean water and quality health service through Advocacy, Partnerships, Collaborations, intervention during emergencies and referral structures.

#### **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:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

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<b>Constituency Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- Number of primary schools, -</li> <li>- Number of secondary schools</li> <li>- Number tertiary institution</li> <li>- Number of Students who benefitted from at special, secondary and tertiary levels.</li> </ul>	<ul style="list-style-type: none"> <li>- 17 primary schools, 14 secondary schools and 1 tertiary institution</li> <li>- 1,282 bursary beneficiaries at special, secondary and tertiary levels.</li> </ul>
Security	To ensure all the security officers have a conducive and better working environment	Enhancement of security services in the constituency	<ul style="list-style-type: none"> <li>- Number of Chief's and Assistant chief's offices constructed.</li> <li>- Number of Police posts Constructed.</li> <li>- Number of houses constructed for security personell.</li> </ul>	<ul style="list-style-type: none"> <li>-1Chief's and 12 Assistant chief's offices usable and in good condition</li> <li>-1 Police post usable and in good condition</li> <li>-1 DCC residential house usable and in good condition</li> </ul>
Environment	To enable public institutions, harvest clean water for consumption	To enhance environmental-related hygiene to public institutions	<ul style="list-style-type: none"> <li>- Number of water tanks with gutters and accessories purchased for schools</li> </ul>	In F/Y 19/20 we ensured 10 primary schools, 1 Secondary School, I Chiefs Office were supplied with water tanks , Gutters and Tank Base and water harvesting is done.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**BAHATI CONSTITUENCY**

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**For the year ended June 30, 2020**

<b>Constituency Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Sports	<p>To ensure the youth in the constituency are involved in various sports activities</p> <p>To ensure conducive environment through levelling of sports ground</p>	<p>To promote youth talents and sports in the constituency</p> <p>To enhance safety hazards to the youths during sport activities</p>	<ul style="list-style-type: none"> <li>- Number of Trophies, Games kits, uniforms and balls</li> <li>- No. of Teams playing at the county level funded.</li> <li>- No. of levelled playground and fixed goal posts</li> </ul>	<p>-In F/Y 19/20 we ensured the winning teams were motivated by being awarded with 1 trophy, 50balls and 20games kits.</p> <p>-2Teams were funded to continue with inter-constituency tournaments.</p> <p>-In F/Y 19/20 we 1 Field at Menengai Hill was levelled measures.</p>
Disaster Management	To ensure the constituency meets the healthy guidelines in prevention of virus during the pandemic	To minimize the spread of Corona virus by issuing jerricans and soaps to various points in the Constituency	<ul style="list-style-type: none"> <li>- No. of Water Jerricans and soaps</li> </ul>	In F/Y 19/20 100 water jerricans and soaps donated around the constituency to help the curb of Corona virus.

#### **IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

NGCDF – BAHATI Constituency 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 –**

The sustainability of the development agendas for the constituency is normally influenced by various stakeholders such as the political front and equally the economy. Bahati NGCDF being a semi-urban constituency; the major economic activity is farming and therefore farmers are encouraged to increase food production in order to deal with the issue of food security and thus alleviate poverty. The political good will has also been our strength in the past years and as such strategic plan has been developed to ensure that all the plans around the constituency are put into record and the management is thriving to attain the strategic goals.

##### **2. Environmental performance**

The Bahati NGCDF has an environmental plan to ensure that all schools within the constituency access clean water. Planting of trees, waste management.

So far over 25 institutions have been supplied with water tanks, gutters to encourage water harvesting and ensuring access to basic need that is water. However, efforts to plant trees in institution of learning have been futile due to lack of proper management by the stakeholders.

##### **3. Employee welfare**

The employees are well trained and appraisal is done annually. The employees are usually provided with a good working environment and those willing to advance their careers are advised to do so therefore ensuring their career growth.

##### **4. Market place practices-**

- The NGCDF Bahati has been using the Project management Committees in execution of all the projects. The Committee works hand in hand with the relevant ministries to ensure that the implementation of projects are perfectly done.
- The constituency has been ensuring that there is value for money for all the projects and quality has been key in implementation. It has ensured that all classrooms are well done with tiles/ Ceiling and paint work done to satisfaction.
- The Contractors are first prequalified by the District Tender committee after which the PMC places an open advertisement inviting interested bidders to bid for specified works after which the appropriate contractor is identified through evaluation process. The process is done fairly and ensuring that all the contractors at least have a fair share and fair award observing ethical practices.
- The Project are implemented in phases and once the stipulated work is done, the PMC then

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

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**For the year ended June 30, 2020**

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processes payment to the contract within just a few days.

- The PMC are usually drawn from the community and such they involve the stakeholders to ensure ownership of the projects.

**5. Community Engagements-**

The Organisation has been partnering with the community and providing engagements such as cleaning exercises, tree planting exercises, and lately the NGCDF provided wash hand Jericans in various centres to help the community prevent Corona Virus.

The Organisation has continued improving the learning environment by rehabilitating the dilapidated classrooms, construction of modern classrooms and has also been promoting sports activities within the constituency.

During the year under review the NGCDF planned for staff training and Committee capacity building with the objective of ensuring proper management of public funds and execution of duties.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

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**V. STATEMENT OF ENTITY 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-BAHATI 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, 2020 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-BAHATI 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 NGCDF -Bahati financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-BAHATI Constituency further confirms the completeness of the accounting records maintained for the Bahati NGCDF, 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-BAHATI Constituency confirms that the entity 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 entity'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-BAHATI Constituency financial statements were approved and signed by the Accounting Officer on 20th August 2020.



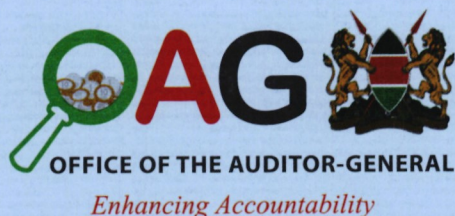
**Fund Account Manager**  
**Name: Hawah N. Abdul**



**Sub-County Accountant**  
**Name: Dickson Moreka**  
**ICPAK Member Number: 12484**

# REPUBLIC OF KENYA

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

## REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – BAHATI CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

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### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Bahati Constituency set out on pages 1 to 33, which comprise the statement of financial assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the summary statement of appropriation:- recurrent and development combined 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, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Bahati Constituency as at 30 June, 2020, 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 National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

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

#### Key Audit Matters

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

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*Report of the Auditor-General on National Government Constituencies Development Fund – Bahati Constituency for the year ended 30 June, 2020*

## Other Matter

### Budgetary Control and Performance

The summary statement of appropriation:- recurrent and development combined for the year ended 30 June, 2020 reflects that the Fund had a total receipt budget of Kshs.147,753,076 against actual receipts of Kshs.142,053,076 resulting to underfunding of Kshs.5,700,000 or 4% of the budget. Similarly, the statement reflects a total expenditure budget of Kshs.147,753,077 against actual expenditure of Kshs.117,484,796 resulting to an under expenditure of Kshs.30,268,280 or 20% of the budget.

The underfunding and under expenditure may have affected delivery of services to the residents of the constituency.

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

#### Conclusion

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

#### Basis for Conclusion

##### 1. Project Implementation Status

The project status report indicated that a total of Kshs.136,267,724 was allocated for 85 projects during the financial year ended 30 June, 2020. Scrutiny of the project implementation report revealed the following status:

Status	Number of Projects	Allocation Kshs
Ongoing Projects	28	87,087,724
Completed Projects	57	49,180,000
<b>Total</b>	<b>85</b>	<b>136,267,724</b>

The Management explained that the 28 ongoing projects at the closure of the year were because the funds were received towards the end of the financial year 2019/2020. The possible delay in completion of projects may impact negatively on delivery of goods and services to the residents of Bahati Constituency.

##### 2. Project Verification

Ten (10) projects with a total allocation of Kshs.14,100,000 were physically inspected in the month of February, 2021. The inspection revealed that four(4) of

the projects had been completed and put into use while the other six had not been completed and a number of shortcomings including non-adherence to the bill of quantities specifications and poor workmanship were noted as detailed in Appendix 1.

Consequently, it has not been possible to confirm if and when value for money will be realized from the incomplete and unsatisfactorily implemented projects.

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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Overall Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

### **Basis for Conclusion**

#### **Lack of Land Ownership Documents**

The statement of receipts and payments for the year ended 30 June, 2020 reflects other grants and transfers of Kshs.56,808,976 as detailed in Note 7 to the financial statements. Included in this figure is Kshs.26,288,493 in respect of security projects out of which, Kshs.800,000 was disbursed for construction of the office of the Assistant Chief and a 2 -door toilet at Land Mawe and Kshs.2,200,000 for purchase of land measuring 50ft x100ft at Kshs.1,000,000 and construction of the Assistant Chief's office at Wanyororo at a cost of Ksh.1,200,000. However, ownership documents for the parcels of lands on which the construction works was carried out were not provided for audit verification.

Consequently, the National Government Constituencies Development Fund – Bahati Constituency may face legal suits from ownership claims for the parcel of land where the offices have been built.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and

governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

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

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 cash basis of accounting unless Management is aware of the intention to abolish 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 money is applied in an effective manner.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the entity 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

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


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

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

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**04 February, 2022**

## Appendix 1: Project Verification Status

	Name of Project	Activity of project	Allocated Amount (Kshs)	Observations
1.	Bahati P.C.E.A Girls Secondary	Completion of final face of dining hall	1,000,000	Project complete and in use.
2.	Bishop Edward Donovan Secondary School	Construction of 1No. classroom and a staircase	1,500,000	Classroom incomplete but in use. Works not done: - Staircase finishes including thick terrazzo pavings, buffing and polishing, plastering 100mm girth and painting - BQ provided for 2 steel doors but only 1 was fixed. - Timber used was not treated as per BQ specifications - Roofing sheet gauge 28 could not be confirmed as no gauge was indicated on the roofing sheets
3.	J.M Kariuki Memorial Secondary	Construction of multi-purpose hall	1,600,000	Project funded for 3 years at cumulative cost of Kshs.4.2m but not yet complete. Project not labelled. The works not done include: plastering, finishes, paintings, fixing of 2 steel doors, fixing of 2 windows, flooring, electrical works, keying and fascia board. One door fixed not gauge 14 as per BQ specifications Roofing sheet gauge 28 could not be confirmed as no gauge was indicated on the roofing sheets

	<b>Name of Project</b>	<b>Activity of project</b>	<b>Allocated Amount (Kshs)</b>	<b>Observations</b>
4.	St. Anthony Engoshura Secondary School	Completion of administration block (1 <sup>st</sup> floor slab, walling and roofing)	2,000,000	Incomplete project, Not labelled Works not done include: finishes, plastering, electrical, doors, windows, painting, flooring. Timber used on roofing not treated as per BQ specifications Roofing sheet gauge 28 could not be confirmed as no gauge was indicated on the roofing sheets
5.	Limuko Secondary School	Completion of storey building made up of 3 classrooms (walling, roofing and finishing up of one classroom)	1,600,000	Project complete and in use
6.	Jomo-Kenyatta Boys Secondary School	Construction of 1No. classroom and 6 door pit latrine	1,500,000	2No classrooms constructed instead of 1.No. Project incomplete and not in use. Not labeled. Works not done include: ceiling board, flooring, painting Timber used on roofing not treated as per BQ specifications Roofing sheet gauge 28 could not be confirmed.
7.	Heshima Secondary School	Construction of 2 classrooms in 2 <sup>nd</sup> floor to completion (walling, staircase, balustrades, roofing)	1,800,000	Project complete and in use
8.	Heroes Secondary School	Construction of a dormitory (Foundation works)	1,500,000	Foundation works complete.
9.	ST. Gerald's Secondary School	Completion of one storey building (completion of 2 classrooms, finishes and painting, flooring, ceiling, staircase)	1,000,000	Project complete and in use

	<b>Name of Project</b>	<b>Activity of project</b>	<b>Allocated Amount (Kshs)</b>	<b>Observations</b>
10	Lanet police station	Construction of pit latrine	600,000	6 door toilet constructed. Poorly done batten door some already hanging out yet not used.
	<b>Total</b>		<b>14,100,000</b>	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**BAHATI CONSTITUENCY**  
**Reports and Financial Statements**  
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**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
			Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	131,667,724	121,240,186
Proceeds from Sale of Assets	2	-	-
Other Receipts	3		-
<b>TOTAL RECEIPTS</b>		<b>131,667,724</b>	<b>121,240,186</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,998,920	1,924,729
Use of goods and services	5	7,026,900	9,015,464
Transfers to Other Government Units	6	50,650,000	41,300,000
Other grants and transfers	7	56,808,976	59,111,690
Acquisition of Assets	8	-	800,000
Other Payments	9	-	8,080,493
<b>TOTAL PAYMENTS</b>		<b>117,484,796</b>	<b>120,232,376</b>
<b>SURPLUS/DEFICIT</b>		<b>14,182,928</b>	<b>1,007,810</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BAHATI Constituency financial statements were approved on 20<sup>th</sup> August 2020 and signed by:



**Fund Account Manager**  
**Name: Hawah Abdul**



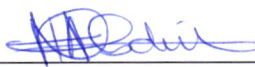
**National Sub-County Accountant**  
**Name: Dickson Moreka**  
**ICPAK Member Number: 12484**


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**  
**BAHATI CONSTITUENCY**  
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**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	24,432,275	10,385,353
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>24,432,275</b>	<b>10,385,353</b>
Current Receivables-Salary Advance	11	136,006	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>24,568,281</b>	<b>10,385,353</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
<b>NET FINANCIAL SSETS</b>		<b>24,568,281</b>	<b>10,385,353</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July 2019	13	10,385,353	9,377,543
Surplus/Deficit for the year		14,182,928	1,007,810
Prior year adjustments	14		-
<b>NET FINANCIAL POSITION</b>		<b>24,568,281</b>	<b>10,385,353</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BAHATI Constituency financial statements were approved on 20th August 2020 and signed by:

  
**Fund Account Manager**  
**Name: Hawah Abdul**

  
**National Sub-County Accountant**  
**Name: Dikson Moreka**  
**ICPAK Member Number: 12484**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)****BAHATI CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****IX. STATEMENT OF CASHFLOW**

		<b>2019 - 2020</b>	<b>2018 - 2019</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	131,667,724	121,240,186
Other Receipts	3		-
		<b>131,667,724</b>	<b>121,240,186</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,998,920	1,924,729
Use of goods and services	5	7,026,900	9,015,464
Transfers to Other Government Units	6	50,650,000	41,300,000
Other grants and transfers	7	56,808,976	59,111,690
Other Payments	9	-	8,080,493
		<b>117,484,796</b>	<b>119,432,376</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	(136,006)	
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		<b>(136,006)</b>	<b>-</b>
<b>Net cash flow from operating activities</b>		<b>14,046,922</b>	<b>1,807,810</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	800,000
<b>Net cash flows from Investing Activities</b>		<b>-</b>	<b>(800,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>14,046,922</b>	<b>1,007,810</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>10,385,353</b>	<b>9,377,542</b>
<b>Cash and cash equivalent at END of the year</b>		<b>24,432,275</b>	<b>10,385,352</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-BAHATI Constituency financial statements were approved on 20th August 2020 and signed by:



**Fund Account Manager**  
**Name: Hawah Abdul**



**National Sub-County Accountant**  
**Name: Dickson Moreka**  
**ICPAK Member Number: 12484**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BAHATI CONSTITUENCY**

**Reports and Financial Statements  
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**X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
Transfers from NG-CDF Board	137,367,723	10,385,353	147,753,076	142,053,076	5,700,000	96.1%
Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-
<b>TOTAL RECEIPTS</b>	<b>137,367,723</b>	<b>10,385,353</b>	<b>147,753,076</b>	<b>142,053,076</b>	<b>5,700,000</b>	<b>96.1%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,539,483	1,631,035	5,170,518	2,998,920	2,171,597	61.8%
Use of goods and services	8,050,000	117,105	8,167,104	7,026,900	1,140,204	86.0%
Transfers to Other Government Units	50,650,000	-	50,650,000	50,650,000	-	100.0%
Other grants and transfers	70,828,241	8,437,214	79,465,455	56,808,976	22,656,479	71.4%
Acquisition of Assets	500,000	-	500,000	-	500,000	0.0%
Unapproved fund	3,800,000.00	-	3,800,000	-	3,800,000	0.0%
<b>TOTAL</b>	<b>137,367,724</b>	<b>10,385,353</b>	<b>147,753,077</b>	<b>117,484,796</b>	<b>30,268,281</b>	<b>79.6%</b>

(a) The Bahati NGCDF utilised 79.6% during the year 2019/20

- i. The underutilisation was caused by the fact that there were several projects amounting to Ksh.5,700,000 that were not approved by the Board and as such the same were resubmitted awaiting approval by the Board. i.e. Kimani Ngunjiri High School, Bishop Edward Donovan secondary school, St. Francis Secondary School and Umoja Chiefs Office.
- ii. Due to COVID 19 the schools were closed indefinitely and therefore bursary would not have been paid to schools. The committee however requested for reallocation of Ksh.13,600,000 to expand classrooms to ensure social distancing in schools.
- iii. The changes between the Original and final budget are as a result of the balance carried down from the previous year.

The NGCDF-BAHATI Constituency financial statements were approved on 20<sup>th</sup> August 2020 and signed by:



**Fund Account Manager  
Name: Hawah Abdul**



**Sub-County Accountant  
Name: Dickson Moreka  
ICPAK Member Number: 12484**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BAHATI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

<b>Programme/Sub-programme</b>	<b>Original Budget 2019/2020 Kshs</b>	<b>Adjustments Kshs</b>	<b>Final Budget 2019/2020 Kshs</b>	<b>Actual on comparable basis 30/06/2020 Kshs</b>	<b>Budget utilization difference Kshs</b>
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	3,439,483	1,631,034	5,070,517	2,998,920	1,799,585
1.2 Committee allowances	1,500,000	49,536	1,549,536	1,062,400	487,136
1.3 Use of goods and services	2,500,000	6,000	2,506,000	2,606,540	(100,540)
<b>Sub-Total</b>	<b>7,439,483</b>	<b>1,686,570</b>	<b>9,126,053</b>	<b>6,803,866</b>	<b>2,322,187</b>
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	1,050,000	9,605	1,059,605	820,500	239,105
2.2 Committee allowances	2,500,000	-	2,500,000	2,196,000	304,000
2.3 Use of goods and services	500,000	51,963	551,963	341,460	210,503
<b>Sub-Total</b>	<b>4,050,000</b>	<b>61,568</b>	<b>4,111,568</b>	<b>3,357,960</b>	<b>753,608</b>
<b>3.0 EMERGENCY</b>					
3.1 Primary Schools	7,198,241	57,959	7,256,200	-	458,700
3.2 Secondary schools	-	-	-	3,700,000	-
3.3 Tertiary institutions	-	-	-	1,000,000	-
3.4 Security projects	-	-	-	2,000,000	-
3.5 Others	-	-	-	97,500	-
<b>Sub-Total</b>	<b>7,198,241</b>	<b>57,959</b>	<b>7,256,200</b>	<b>6,797,500</b>	<b>458,700</b>
<b>4.0 Bursary and Social Security</b>					
4.1 Primary Schools					
4.2 Secondary Schools	10,000,000	6,499,139	16,499,139	6,956,063	9,543,076
4.3 Tertiary/universities Institutions	21,500,000	(3,255,259)	18,244,741	12,758,120	5,486,621

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BAHATI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

4.4 Special schools	5,000,000		5,000,000	259,000	4,741,000
<b>Sub-Total</b>	<b>36,500,000</b>	<b>3,243,880</b>	<b>39,743,880</b>	<b>19,973,183</b>	<b>19,770,697</b>
<b>5.0 SPORTS</b>					
5.1 Menengai Hill Secondary School	1,700,000		1,700,000	1,700,000	-
5.2 Constituency Sports Tournament	1,000,000	388,840	1,388,840	649,800	739,040
<b>Sub-Total</b>	<b>2,700,000</b>	<b>388,840</b>	<b>3,088,840</b>	<b>2,349,800</b>	<b>739,040</b>
<b>6.0 Environment</b>		1,400,000	1,400,000	-	1,680,000
Nakuru East Primary School	140,000	-	140,000	140,000	-
Nakuru Workers Primary School	140,000	-	140,000	140,000	-
Nyathuna Primary School	140,000	-	140,000	140,000	-
Muriundu Primary School	140,000	-	140,000	140,000	-
Mutukanio Chiefs Office Hall	140,000	-	140,000	140,000	-
Wanyororo Primary School	140,000	-	140,000	140,000	-
Kianda Primary School	140,000	-	140,000	140,000	-
St.Peters Primary School	140,000	-	140,000	140,000	-
Our Lady Of Fatima Primary School	140,000	-	140,000	-	-
Jomo Kenyatta Boys Secondary School	140,000	-	140,000	-	-
Our Lady Of Mercy Primary School	140,000	-	140,000	140,000	-
Lanet Primary School	140,000	-	140,000	140,000	-
<b>Sub-Total</b>	<b>1,680,000</b>	<b>1,400,000</b>	<b>3,080,000</b>	<b>1,400,000</b>	<b>1,680,000</b>
<b>7.0 PRIMARY SCHOOLS PROJECTS</b>					
Giachong'e Primary School	3,000,000	-	3,000,000	3,000,000	-
Mwiruti Primary School	2,000,000	-	2,000,000	2,000,000	-
Dundori Primary School	1,200,000	-	1,200,000	1,200,000	-
Kamuronyu Primary School	2,000,000	-	2,000,000	2,000,000	-
Our Lady Of Fatima Primary School	850,000	-	850,000	850,000	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BAHATI CONSTITUENCY**  
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Kiamaina Primary School	1,200,000	-	1,200,000	1,200,000	-
Kagoto Primary School	1,200,000	-	1,200,000	1,200,000	-
Limuko Primary School	600,000	-	600,000	600,000	-
Osembo Primary School	1,200,000	-	1,200,000	1,200,000	-
Muringa Primary School	1,200,000	-	1,200,000	1,200,000	-
Kinari Primary School	1,000,000	-	1,000,000	1,000,000	-
St.Johns Primary School	1,500,000	-	1,500,000	1,500,000	-
Menengai Hill Primary School	1,000,000	-	1,000,000	1,000,000	-
Kimani Ngunjiri Pri Schl	2,000,000	-	2,000,000	2,000,000	-
Mereroni Primary School	1,000,000	-	1,000,000	1,000,000	-
Umoja Primary School	400,000	-	400,000	400,000	-
Baraka Primary School	1,000,000	-	1,000,000	1,000,000	-
<b>Sub-Total</b>	<b>22,350,000</b>	<b>-</b>	<b>22,350,000</b>	<b>22,350,000</b>	<b>-</b>
<b>SECONDARY</b>					
Bahati Pcea Girls Secondary School	1,000,000	-	1,000,000	1,000,000	-
Bishop Edward Donovan Secondary School	1,500,000	-	1,500,000	1,500,000	-
J.M Kariuki Memorial Secondary School	1,600,000	-	1,600,000	1,600,000	-
St.Anthony Engoshura Secondary School	2,000,000	-	2,000,000	2,000,000	-
Our Lady Of Fatima Secondary School	4,000,000	-	4,000,000	4,000,000	-
Bavuni Secondary School	1,600,000	-	1,600,000	1,600,000	-
Limuko Secondary School	1,500,000	-	1,500,000	1,500,000	-
Jomo Kenyatta Boys Secondary School	1,500,000	-	1,500,000	1,500,000	-
Heshima Secondary School	1,800,000	-	1,800,000	1,800,000	-
St.Joseph Kari Secondary School	700,000	-	700,000	700,000	-
Murunyu Secondary School	2,000,000	-	2,000,000	2,000,000	-
Wanyororo Secondary School	2,000,000	-	2,000,000	2,000,000	-
Heroes Secondary School	1,500,000	-	1,500,000	1,500,000	-
St.Gerald High School	1,000,000	-	1,000,000	1,000,000	-
Murungaru Secondary School	600,000	-	600,000	600,000	-
<b>Sub-Total</b>	<b>24,300,000</b>	<b>-</b>	<b>24,300,000</b>	<b>24,300,000</b>	<b>-</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – BAHATI CONSTITUENCY**  
**Reports and Financial Statements**  
**For the year ended June 30, 2020**

<b>9.0 Tertiary institutions Projects</b>						
9.1 Bahati Technical Training Institute						
<b>Sub-Total</b>	<b>4,000,000</b>				<b>4,000,000</b>	<b>4,000,000</b>
<b>10.0 Security Projects</b>						
Land Mawe Chiefs Office	800,000				800,000	
Kabatini Chiefs Office	1,400,000				1,400,000	
Wendo Assistant Chiefs Office	1,200,000				1,200,000	
Wanyororo Assistant Chief	2,200,000				2,200,000	
Nakuru North Sub-County Dcc Residence	1,300,000				1,300,000	
Rurii Assistant Chiefs Office	400,000				400,000	
Menengai Assistant Chiefs Office	200,000				200,000	
Karunga Assistant Chiefs Office	200,000				200,000	
Mutukanio Assistant Chiefs Office	200,000				200,000	
Thayu Assistant Chiefs Office	200,000				200,000	
Mwaki Mugi Assistant Chiefs Office	200,000				200,000	
Giachong'e Assistant	200,000				200,000	
Mugumo Chiefs Office	200,000				200,000	
Ndimu Ndege Assistant Chiefs Office	200,000				200,000	
Kiamunyeki Assistant Chiefs Office	200,000				200,000	
Murunyu Assistant Chiefs Office	200,000				200,000	
Umoja Chiefs Office	400,000				400,000	
Bahati Police Station	6,000,000				6,000,000	
Kiamaina Ict Centre/Multipurpose Hall	2,000,000				2,000,000	
Workers Assistant Chiefs Office	500,000				500,000	

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Mutukano Assistant Chief Hall	2,500,000	-	2,500,000	2,500,000	-
Lanet Police Post	1,900,000	-	1,900,000	1,900,000	-
Kiamaina Acc Office	150,000	-	150,000	149,980	20
Githioro Sub-Location Chiefs Office	-	1,200,000	1,200,000	1,200,000	-
Kiamaina ICT Centre/Multi-Purpose Hall	-	2,338,514	2,338,514	2,338,514	-
<b>Sub-Total</b>	<b>22,750,000</b>	<b>3,538,514</b>	<b>26,288,514</b>	<b>26,288,494</b>	<b>20</b>
<b>11.0 Acquisition of assets</b>					
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-
11.3 Purchase of furniture and equipment	500,000	-	500,000		500,000
11.4 Purchase of computers	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-
<b>Sub-Total</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>
<b>12.0 Others</b>					
<b>13.0 Roads</b>	-	8,021	8,021		8,021
<b>Sub-Total</b>	<b>-</b>	<b>8,021</b>	<b>8,021</b>	<b>-</b>	<b>8,021</b>
<b>14.0 Unapproved Projects</b>					
Unapproved projects	3,800,000	-	3,800,000	-	3,800,000
<b>Sub-Total</b>					
<b>TOTAL</b>	<b>137,367,724</b>	<b>10,385,353</b>	<b>147,753,077</b>	<b>117,484,796</b>	<b>30,268,281</b>

## **XII. 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 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-BAHATI 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.

#### **Tax Receipts**

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

#### **Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

## **SIGNIFICANT ACCOUNTING POLICIES**

### **External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

### **Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

## **b) Recognition of payments**

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

### **Compensation of Employees**

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

### **Use of Goods and Services**

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

### **Acquisition of Fixed Assets**

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**SIGNIFICANT ACCOUNTING POLICIES**

**5. In-kind contributions**

In-kind contributions are donations that are made to the Entity 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 Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**6. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and 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 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. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

**9. Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they 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 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.

**SIGNIFICANT ACCOUNTING POLICIES**

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are 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 June 2019 for the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2020.

**14. Errors**

Material prior period errors shall be 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**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

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**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Description</b>		<b>2019-2020</b>	<b>2018-2019</b>
		<b>Kshs</b>	<b>Kshs</b>
NGCDF Board			
AIE NO	B005215		12,199,310
AIE NO	B030043		10,000,000
AIE NO	B030347		13,000,000
AIE NO	B006287		7,000,000
AIE NO	A699021		11,000,000
AIE NO	B042708		13,000,000
AIE NO	B047539		55,040,876
AIE NO	B047361	4,000,000	
AIE NO	B041436	20,000,000	
AIE NO	B047854	7,000,000	
AIE NO	B049224	14,000,000	
AIE NO	B104236	23,000,000	
AIE NO	B096746	63,667,724	
<b>TOTAL</b>		<b>131,667,724</b>	<b>121,240,186</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –**

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**2. PROCEEDS FROM SALE OF ASSETS**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
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	-	-
	-	-
<b>Total</b>	-	-

**3. OTHER RECEIPTS**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
	-	-
<b>Total</b>	-	-

**4. COMPENSATION OF EMPLOYEES**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of temporary employees	1,430,500	1,713,789
Personal allowances paid as part of salary	467,500	75,000
Pension and other social security contributions (Gratuity)	1,082,520	74,400
Employer Contributions Compulsory national social security schemes	18,400	61,540
<b>Total</b>	<b>2,998,920</b>	<b>1,924,729</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –****BAHATI CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020***NOTES TO THE FINANCIAL STATEMENTS (Continued)***5. USE OF GOODS AND SERVICES**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	550,000	-
Electricity	30,000	54,258
Water & sewerage charges		-
Office rent		
Communication, supplies and services	36,400	9,450
Domestic travel and subsistence	86,600	100,000
Printing, advertising and information supplies & services	80,000	309,630
Rentals of produced assets		-
Training expenses	443,000	1,348,000
Hospitality supplies and services	114,300	50,000
Other committee expenses	2,771,400	3,454,500
Committee allowance	832,000	1,008,500
Insurance costs		-
Specialised materials and services		-
Office and general supplies and services	510,900	458,297
Fuel , oil & lubricants	750,000	620,843
Other operating expenses	130,000	1,010,580
Bank service commission and charges	21,540	35,340
Security operations		-
Routine maintenance - vehicles and other transport equipment	670,760	556,066
Routine maintenance- other assets		-
<b>Total</b>	<b>7,026,900</b>	<b>9,015,464</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –**

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to National Government entities	-	-
Transfers to Primary Schools	22,350,000	13,700,000
Transfers to Secondary Schools	24,300,000	27,600,000
Transfers to Tertiary Institutions	4,000,000	-
Transfers to Health Institutions	-	-
<b>TOTAL</b>	<b>50,650,000</b>	<b>41,300,000</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary - Secondary	6,956,053	8,375,271
Bursary - Tertiary	12,758,120	24,255,259
Bursary- Special Schools	259,000	-
Mocks & CAT	-	-
Security	26,288,493	18,300,000
Sports	2,349,800	1,111,160
Environment	1,400,000	820,000
Emergency Projects	6,797,500	6,250,000
	-	-
<b>Total</b>	<b>56,808,976</b>	<b>59,111,690</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	-
Purchase of computers, printers and other IT equipment	-	-
Purchase of photocopier	-	-
Purchase of other office equipment	-	800,000
Purchase of soft ware	-	-
Acquisition of Land	-	-
<b>Total</b>	<b>-</b>	<b>800,000</b>

**9. OTHER PAYMENTS**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
ICT HUB	0	2,338,514
Strategic Plan	0	750,000
Roads and Bridges	0	4,991,979
	<b>0</b>	<b>8,080,493</b>

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10A: Bank Accounts (cash book bank balance)**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
<i>Equity Bank, Gate House Branch Nakuru- Bahati NG-CDF A/C no.0130275794440</i>	24,432,275	<b>10,385,353</b>
<b>Total</b>	<b>24,432,275</b>	<b>10,385,353</b>
<b>10B: CASH IN HAND</b>		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations ( <i>specify</i> )	-	-
<b>Total</b>	-	-

**11: Salary Advance Not Recovered**

<b>Name of Staff or Institution</b>	<b>Date Advance Taken</b>	<b>Amount Taken</b>	<b>Amount Surrendered</b>	<b>Balance</b>
		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<i>Zablon Kioi-Driver</i>	27/02/2020	60,000	16,000	44,000
<i>Shem Ngati-Watchman</i>	27/03/2020	20,000	10,000	10,000
<i>Kezia Wairimu-Clerical Officer</i>	27/03/2020	60,000	15,000	45,000
<i>Janet Wangari-Records Officer</i>	9/04/2020	45,000	15,000	30,000
<i>Evelyn Likafwa-Office Assistant</i>	27/03/2020	20,000	12,994	7,006
<b>Total</b>				<b><u>136,006</u></b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –**

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**12A. RETENTION**

	<b>2019 - 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
<b>Total</b>	-	-

**12B. GRATUITY DEPOSITS**

	<b>2019 - 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
<b>Total</b>	-	-

**13. BALANCES BROUGHT FORWARD**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	24,432,275	10,385,353
Cash in hand		
Imprest		
<b>Total</b>	<b>24,432,275</b>	<b>10,385,353</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**14. PRIOR YEAR ADJUSTMENTS**

Description of the error	Balance b/f FY2019 - 2020 per Financial statements	Adjusments	Adjusted balance b/f 2018 - 2019
	Kshs	Kshs	Kshs
Bank accounts balances	-	-	-
Cash in hand	-	-	-
Accounts Payable	-	-	-
Receivables	-	-	-
Others (specify)	-	-	-
	-	-	-

**15. CHANGES IN ACCOUNTS RECEIVABLE – SALARY ADVANCE**

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Salary Advance as at 1 <sup>st</sup> July 2019 (A)		-
Salary Advance during the year (B)	136,006	-
Salary Advance surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	<b>136,006</b>	-

**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	-	-
Others ( <i>specify</i> )	-	-
	-	-

**17.3: UNUTILIZED FUND (See Annex 3)**

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	2,171,596	1,631,034
Use of goods and services	1,140,204	867,105
Amounts due to other Government entities (see attached list)	3,800,000	0
Amounts due to other grants and other transfers (see attached list)	22,656,479	6,290,679
Acquisition of assets	500,000	0
Others		1,596,535
	<b>30,268,281</b>	<b>10,385,353</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

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

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account Balances (see attached list)	45,682,307	27,434,189
	<b>45,682,307</b>	<b>27,434,189</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-NG-CDF BAHATI**  
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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	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.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUN-NG-CDF BAHATI**  
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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
<b>Senior Management</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Middle Management</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Unionisable Employees</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Others (specify)</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -NG-CDF BAHATI**  
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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs)</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs)</b>
	<b>2019/2020</b>			<b>2018/2019</b>
Land , Building and structures	1,999,999	-	-	1,999,999
Transport equipment	6,350,000	-	-	6,350,000
Office equipment, furniture and fittings	2,057,838	-	-	2,057,838
ICT Equipment, Software and Other ICT Assets	1,600,610	-	-	1,600,610
Other Machinery and Equipment				
Heritage and cultural assets				
<b>Total</b>	<b>12,008,447</b>	<b>-</b>	<b>-</b>	<b>12,008,447</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

<b>PROJECTS NAME</b>	<b>Bank Name</b>	<b>ACCOUNT NUMBER</b>	<b>Balance as at 30/06/2020</b>
BARAKA PRIMARY SCHOOL	Equity Gate Hse Branch-Nkr	0310278883526	<b>999,798.5</b>
KAGOTO PRIMARY SCHOOL	Equity Gate Hse Branch-Nkr	0130278997183	<b>1,201,820</b>
KAMORONYO PRIMARY SCHOOL	Equity Gate Hse Branch-Nkr	0130279030122	<b>2,000,820</b>
KIAMAINA PRIMARY CHOOOL	Equity Gate Hse Branch-Nkr	0130279689097	<b>68,167</b>
KIMANI NGUNJIRI PRIMARY SCHOOL	Equity Gate Hse Branch-Nkr	0130279333439	<b>174,342</b>
KINARI PRIMARY SCHOL	Equity Gate Hse Branch-Nkr	0130277364024	<b>1,000,010</b>
MERERONI PRIMARY SCHOOL	Equity Gate Hse Branch-Nkr	0130279032999	<b>1,600,020</b>
LIMUKO PRIMARY SCHOOL	Equity Gate Hse Branch-Nkr	0130279898877	<b>0</b>
MURINGA PRIMARY SCHOOL	Equity Gate Hse Branch-Nkr	0130279006318	<b>592,615.1</b>
MWIRUTI PRIMARY SCOHOL	Equity Gate Hse Branch-Nkr	0130279893310	<b>2,000,000</b>
OSEMBO PRIMARY SCHOOL	Equity Gate Hse Branch-Nkr	0130278865946	<b>1,200,710</b>
ST JOHNS PRIMARY SCHOOL	Equity Gate Hse Branch-Nkr	0130278977936	<b>17,898</b>
OUR LADY OF FATIMA PRIMARY	Equity Gate Hse Branch-Nkr	0130279784850	<b>1,044,680</b>
UMOJA PRIMARY SCHOOL	Equity Gate Hse Branch-Nkr	0130278994430	<b>20</b>
DUNDORI PRIMARY SCHOOL	Equity Gate Hse Branch-Nkr	0130279054650	<b>1,200,880</b>
BAHATI PCEA GIRLS SECONDARY SCHOOL	Equity Gate Hse Branch-Nkr	0130278990423	<b>116,860</b>
ST ANTHONY ENGOSHURA SECONDARY	Equity Gate Hse Branch-Nkr	0310278988433	<b>97418</b>
OURLADY OF FATIMA SECONDARY SCHOOL	Equity Gate Hse Branch-Nkr	0130277433312	<b>1,709,595</b>
BAVUNI SECONDARY SCHOOL	Equity Gate Hse Branch-Nkr	0130278997613	<b>1,649,820</b>
JOMO KENYATTA BOYS SECONDARY	Equity Gate Hse Branch-Nkr	0130279893719	<b>1,500,000</b>
ST JOSEPH KARI SECONDARY SCHOOL	Equity Gate Hse Branch-Nkr	0130279933945	<b>0</b>
MURUNYU SECONDARY SCHOOL	Equity Gate Hse Branch-Nkr	0130279893229	<b>2,000,000</b>
WANYORORO SECONDARY SCHOOL	Equity Gate Hse Branch-Nkr	0130279894786	<b>2,000,000</b>
HEROES SECONDARY SCHOOL	Equity Gate Hse Branch-Nkr	0130279897210	<b>1,500,000</b>
LIMUKO SECONDARY SCHOOL	Equity Gate Hse Branch-Nkr	01302789733138	<b>878,372</b>
MURUNGARU SECONDARY SCHOOL	Equity Gate Hse Branch-Nkr	01300279892731	<b>600,000</b>

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BAHATI TECHNICAL TRAINING INSTITUTE	Equity Gate Hse Branch-Nkr	0130279524609	<b>106,580</b>
BAHATI POLICE STATION	Equity Gate Hse Branch-Nkr	0130278990903	<b>5,900,500</b>
GIACHONG'E ASSISTANT CHIEF OFFICE	Equity Gate Hse Branch-Nkr	0130278994040	<b>93,200</b>
KABATINI CHIEFS OFFICE	Equity Gate Hse Branch-Nkr	0130279903915	<b>1,400,000</b>
KIAMAINA ICT CENTRE MULTIPURPOSE HALL	Equity Gate Hse Branch-Nkr	0130278990270	<b>5,538,513.6</b>
LAND MAWE ASSISTANT CHIEFS OFFICE	Equity Gate Hse Branch-Nkr	0130278990800	<b>1068.00</b>
LAND MAWE ASSISTANT CHIEFS OFFICE	Equity Gate Hse Branch-Nkr	0130277306844	<b>890.00</b>
LANET POLICE POST	Equity Gate Hse Branch-Nkr	0130279758483	<b>11,279.5</b>
MUGUMO ASSISTANT CHIEF OFFICE	Equity Gate Hse Branch-Nkr	0130278845991	<b>37,355.75</b>
MUTUKANIO ASSISTANT CHIEFS OFFICE	Equity Gate Hse Branch-Nkr	0130278676537	<b>2,709,945</b>
MWAKI MUGI ASST CHIEFS OFFICE	Equity Gate Hse Branch-Nkr	0130279892656	<b>200,000</b>
NAKURU NORTH DISTRICT DCC RESIDENCE	Equity Gate Hse Branch-Nkr	0130278984384	<b>126,745</b>
RURII ASSISTANT CHIEFS OFFICE	Equity Gate Hse Branch-Nkr	0130278993596	<b>1,785</b>
WANYORORO ASST CHIEFS OFFICE	Equity Gate Hse Branch-Nkr	0130279803251	<b>1,200,600</b>
WENDO ASST CHIEFS OFFICE	Equity Gate Hse Branch-Nkr	0130279903891	<b>1,200,000</b>
WORKERS ASST CHIEFS OFFICE	Equity Gate Hse Branch-Nkr	0130279892390	<b>500,000</b>
BISHOP EDWARD DONOVAN SEC.SCHOOL	Equity Gate Hse Branch-Nkr	0130279889141	<b>1,500,000</b>
<b>TOTAL</b>			<b>45,682,307</b>

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**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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	<p><b>Basis for Qualified Opinion</b></p> <p><b>1.0 Presentation and Disclosure in Financial Statements</b></p> <p>The financial statements for the year ended 30 June 2019 submitted for audit review had the following presentation anomalies: -</p> <p><b>1.1</b> The table of contents does not have a provision for a blank page for the report of the Auditor General.</p> <p><b>1.2</b> Significant accounting policies at page 21, erroneously refers to the</p>	<p><i>It is true that the financial statements had anomalies as noted by the auditing team. However, the management has since amended the financial statements and fresh copies printed for audit verification.</i></p>	<p>Hawah-FAM</p>	<p>Not Resolved</p>	

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<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue (Name and designation)</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	<p>year ended 30 June 2018.</p> <p><b>1.3</b> The statement of management responsibilities refers to entity instead of NGCDF Bahati Constituency.</p> <p><b>1.4</b> The cover page has an inscription “Revised template”.</p>				
	<p>The statement of financial assets as at 30 June 2019 reflects bank balance of Kshs.10,385,353 as analyzed in note 10 to the financial statements. The amount is in respect of the balance held in account number 0130275794440 at Equity Bank, Nakuru.</p> <p>However, Bahati NG-CDF operated a bank account number 008215001001302 at the African Banking Corporation (ABC) Ltd between July, 2017 and January, 2018. Although a</p>	<p><i>Whilst it is true that Bahati NG CDF operated a bank account number 008215001001302 at the African Banking Corporation (ABC) Ltd between July, 2017 and January, 2018. An authority to close the account and open an account was sought and a letter from the National treasury issued to Bahati NGCDF. A letter by the Sub-County Accountant requesting closure of the Bank and transfer of</i></p>	Hawa-FAM	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>letter to the manager of ABC bank to close the account was provided, no letter from the Bank and bank statement were provided to show that the account was closed and where the funds were transferred.</p> <p>Consequently, the validity, accuracy and completeness of bank balance of Kshs.10,385,352 as at 30 June 2019 could not be ascertained.</p> <p><b>Other Matter</b> <b>1.0 Budgetary Control and Performance</b></p> <p>During the year under review, National Government Constituencies Development Fund – Bahati Constituency had an expenditure budget of Kshs.130,617,728 and actual expenditure of Kshs.120,232,375 (or 92.0%), resulting to net under absorption by Kshs.10,385,353 or (8%)</p>	<p><i>funds to Equity was issued and transfer done and a letter confirming closure has been attached herewith for Audit verification (Annex 2)File ,A Bank statement from Equity Bank has been attached confirming transfer of funds from ABC Bank.</i></p> <p><i>The Under expenditure was as a result of reallocations and change of use requests presented to the NGCDF Board that were awaiting approval. i.e Two ICT Hubs (Reallocated to construction of Kiamaina Hall at the ACC offices ground), Githioro ICT Hub- Reallocated to construction of chiefs' office. Environmental activities (Purchase of tanks to various schools) were implemented after the close of financial year</i></p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><i>due to delayed funds. Also, a figure of Ksh 1,631,033.78 was meant for employees' salaries and gratuity which is usually paid after the expiry of the contract. The projects have since been approved and gratuity paid in the financial year 2019/20 as per the attached letters and vouchers presented for audit verification. (Appendix 5) of Ksh. 5,500,000 dated 9<sup>th</sup> February 2018 and Ksh 38,405,172 dated 16<sup>th</sup> March 2018 being the funds credited to Bahati NGCDF Main account for financial year 2018/19. (Statement Bahati C.D.F Scan doc. Appendix 1)</i></p>			



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