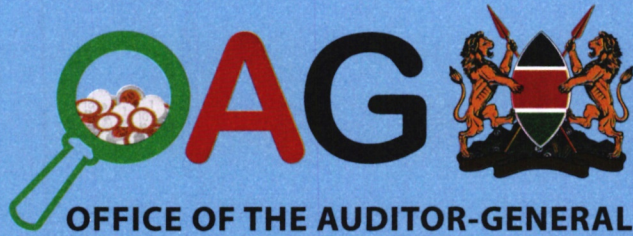


REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

PARLIAMENT  
OF KENYA  
LIBRARY

**OF**

**THE AUDITOR-GENERAL**

THE NATIONAL ASSEMBLY

DATE: 27 JUL 2023

DAY

**ON**

Thursday

TABLED  
BY:

Hon. Naomi Wago, MP

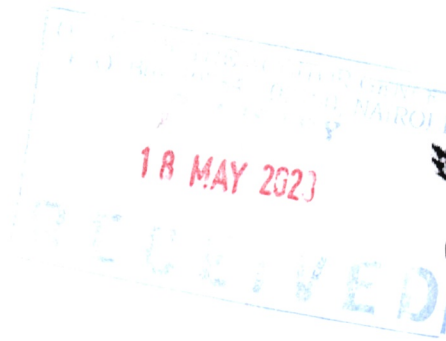
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THE TABLE:

Deputy Majority Whip  
Finlays MURUKI

**NATIONAL GOVERNMENT CONSTITUENCIES  
DEVELOPMENT FUND - GATUNDU SOUTH  
CONSTITUENCY**

**FOR THE YEAR ENDED  
30 JUNE, 2022**





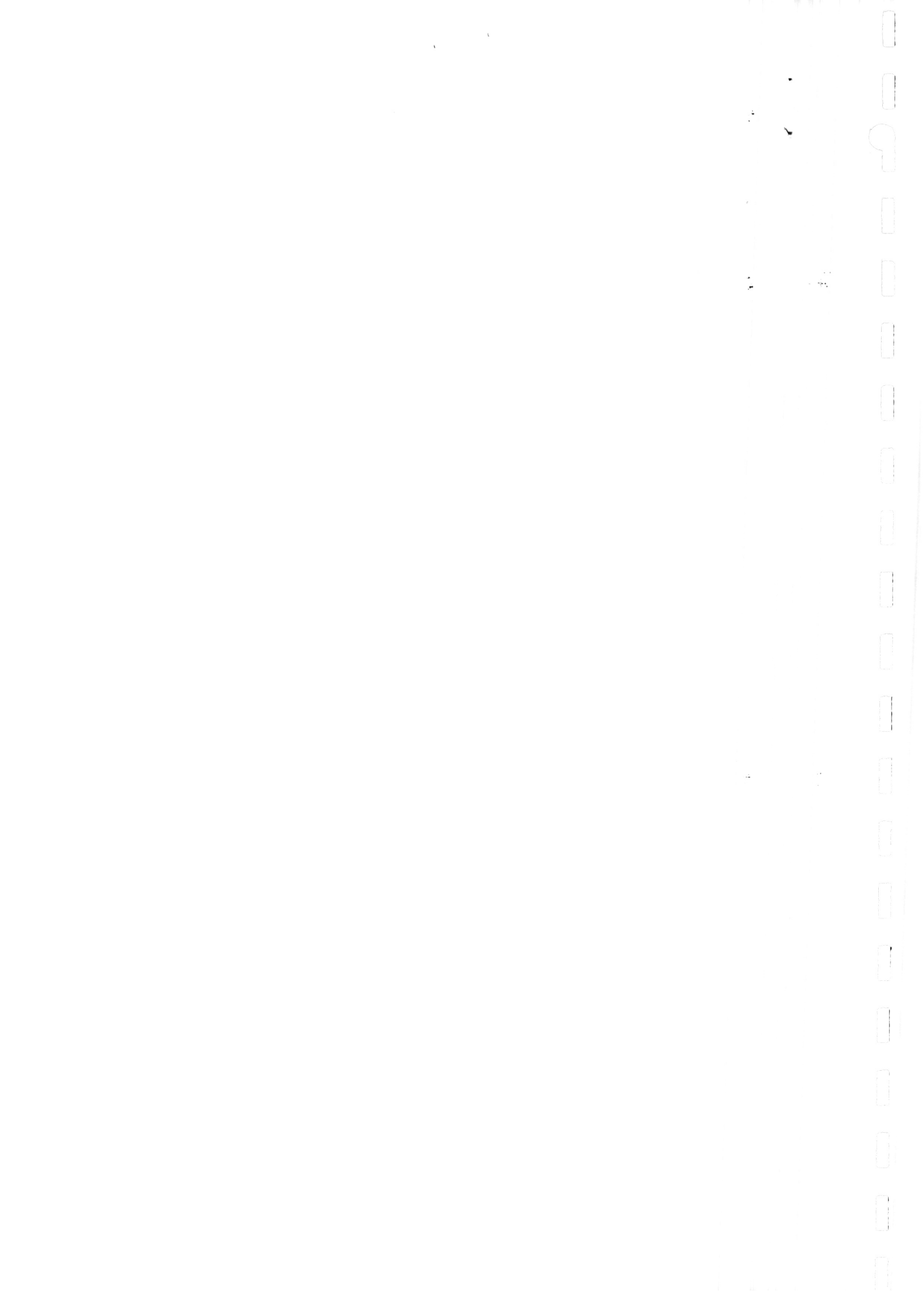
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**GATUNDU SOUTH CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITTUENCIES DEVELOPMENT FUND**

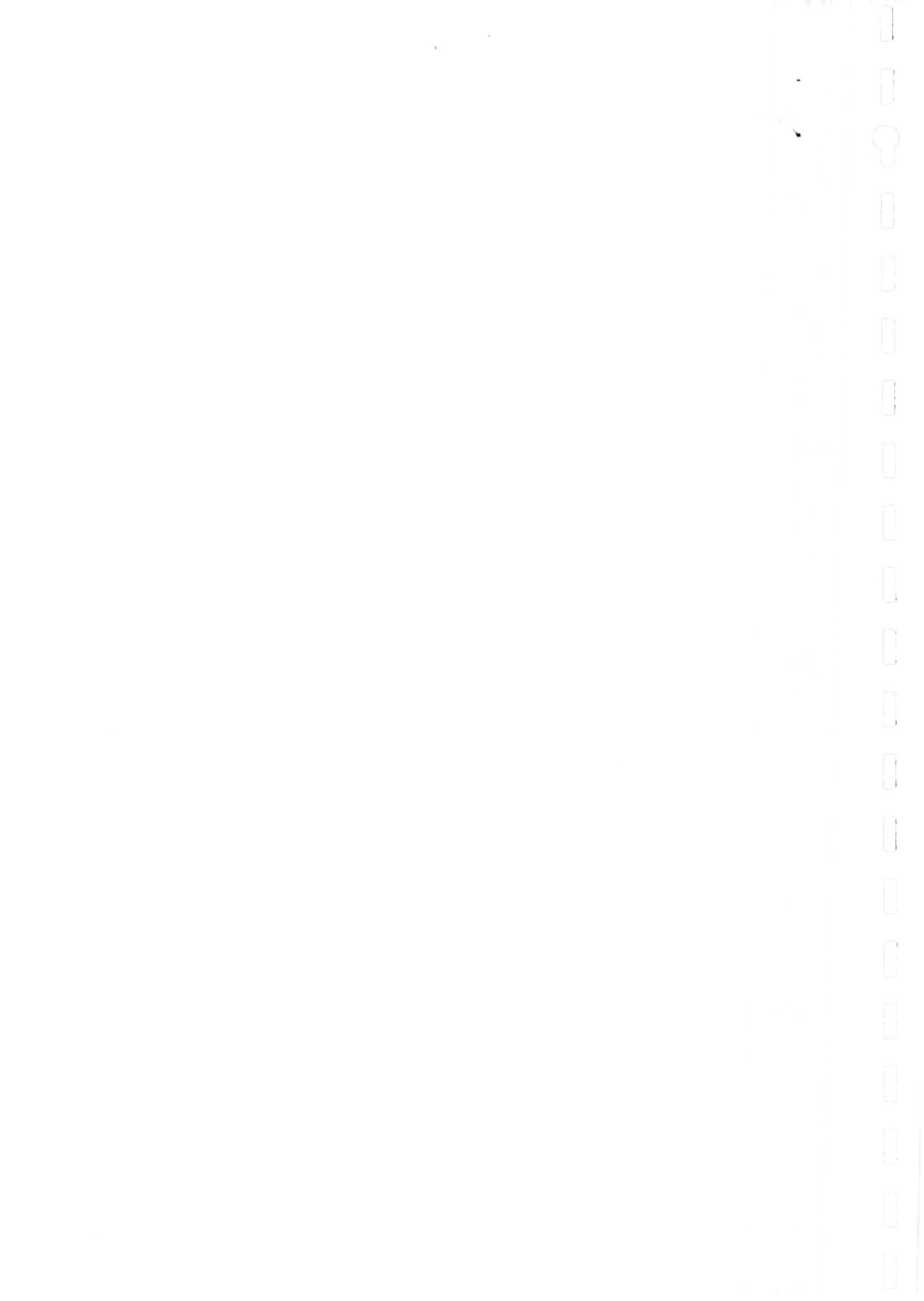
**REVISED REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30<sup>th</sup> JUNE 2022**

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



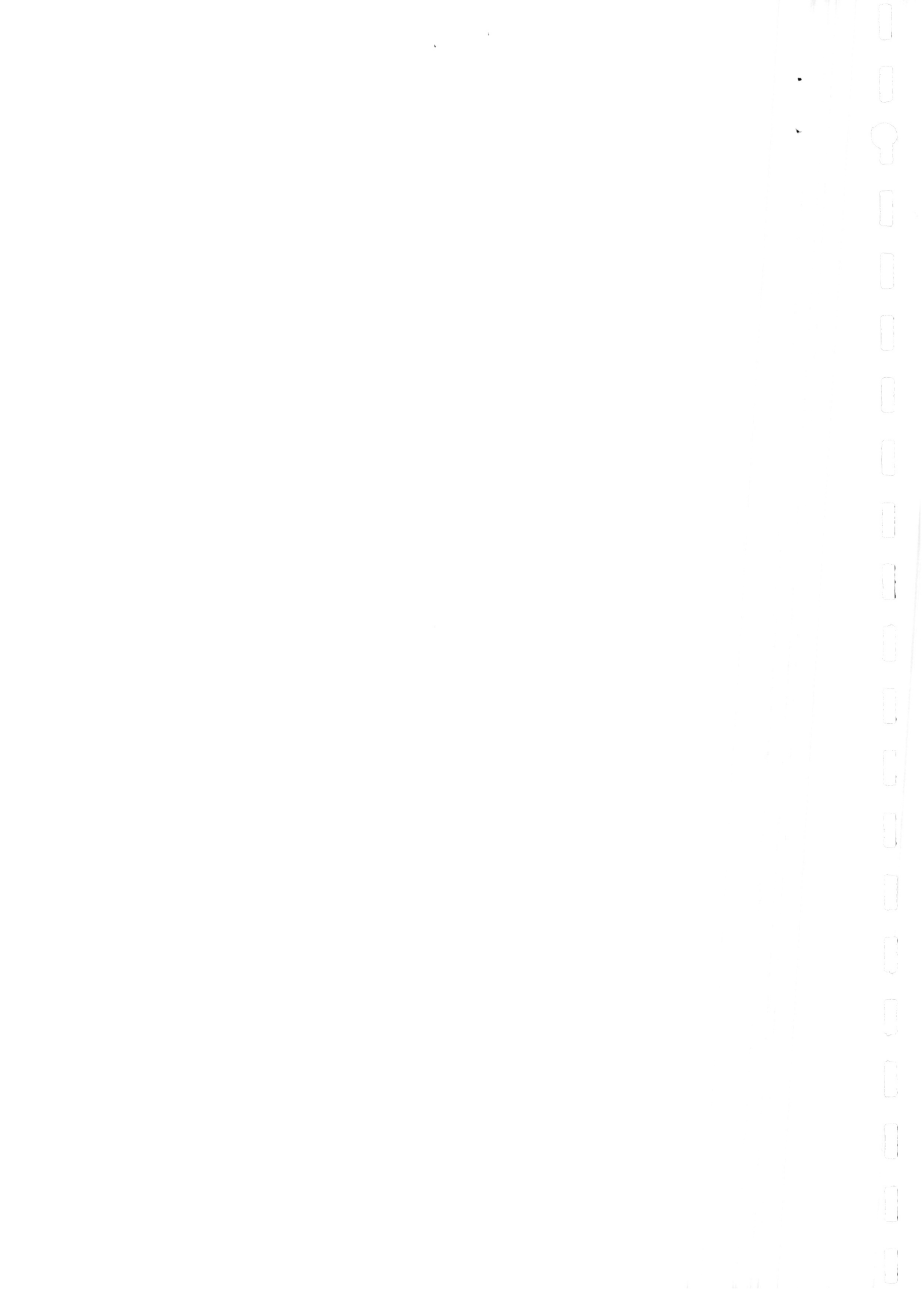




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## **I. Key Constituency Information and Management**

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

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

### **Mandate**

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

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



*Gatundu South Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Annual Report and Financial Statements for The Year Ended June 30, 2022*

- 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 Gatundu South Constituency NGCDF day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)



ii. National Government Constituency Development Fund Committee (NGCDFC)

**(c) Fiduciary Management**

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

No	Designation	Name
1.	A.I.E holder	<b>Samuel Mawiyoo</b>
2.	Sub-County Accountant	<b>Onesmas Kimani</b>
3.	Chairman NGCDFC	<b>James Kimani Nage</b>
4.	Member NGCDFC	<b>John Mwangi Kiare</b>

**(d) Fiduciary Oversight Arrangements**

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

**(e) Gatundu South Constituency NGCDF Headquarters**

P.O. Box 213- 01030  
NGCDF Building  
Gatundu

**(f) Gatundu South Constituency NGCDF Contacts**

Telephone: (254)727 389 947  
E-mail: [ngcdfgatundu.go.ke](mailto:ngcdfgatundu.go.ke)  
Website: [www.go.ke](http://www.go.ke)



**(g) Gatundu South Constituency NGCDF Bankers**

Equity Bank  
Gatundu Branch  
P.o Box 528 -01030  
Gatundu

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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



*Gatundu South Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

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



**James Kimani Nage**

As the chairman of GATUNDU SOUTH NGCDFC on behalf of the committee members, I am pleased to present to you the annual report and financial statements for the financial year 2021-2022 for GATUNDU SOUTH Constituency. In the year under review, the constituency received Kshs. **172,177,758** and an opening cash book balance of Kshs. **32,117,773**. The Constituency spent Kshs **197,928,017.80** and closed with a cashbook balance of Ksh. **6,372,514.65** which was **96.9%** of the amount received from the board

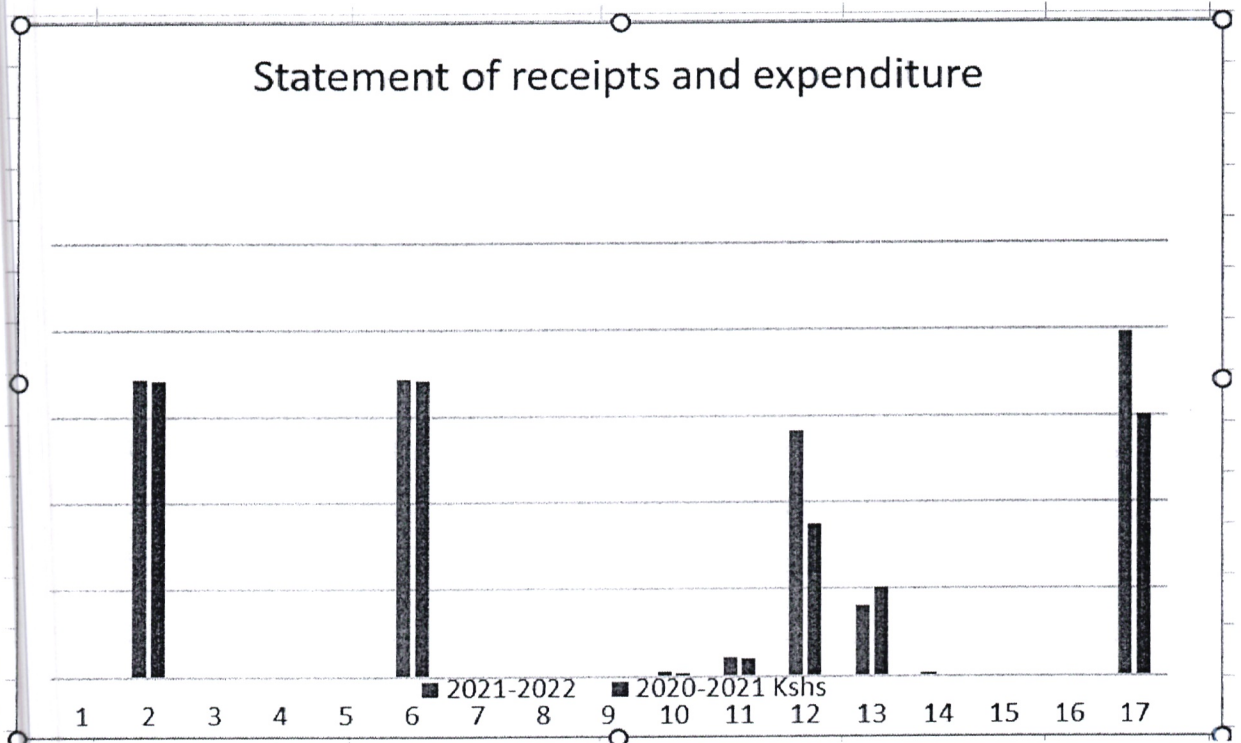
The financial performance is summarized in the table below:

Receipt/Expense Item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
<b>PAYMENTS</b>							
Compensation of Employees	2,120,400	3,295,594	-	5,415,994	3,045,137	2,370,857	56
Use of goods and services	9,286,330	3,610,480	788,879	13,685,690	10,714,460	2,971,230	78
Transfers to Other Government Units	85,300,000	22,000,000	34,300,000	141,600,000	141,600,000	-	100
Other grants and transfers	40,382,148	202,485	-	40,584,633	40,569,121	15,512	100
Acquisition of Assets	-	-	-	-	-	-	-
Other payments	-	2,000,014	-	2,000,014	1,999,300	714	100
UNALLOCATED FUND	-	1,009,200	-	1,009,200	-	1,009,200	
<b>TOTAL</b>	<b>137,088,878</b>	<b>32,117,773</b>	<b>35,088,879</b>	<b>204,295,531</b>	<b>197,928,018</b>	<b>6,367,513</b>	

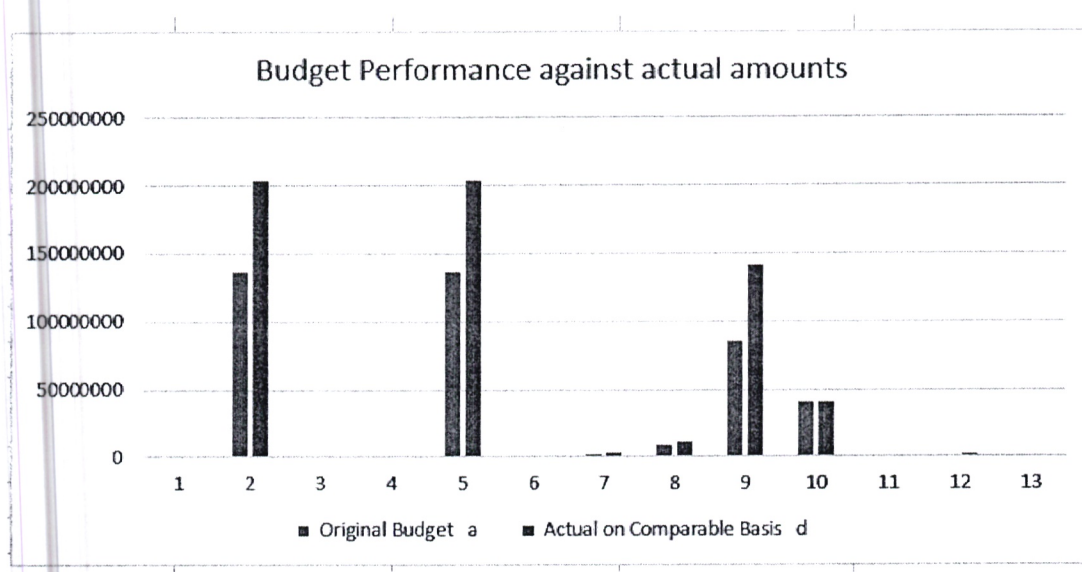


**Gatundu South Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

The Gatundu South Constituency was allocated Ksh 137,088,878 during the year and the below statement of receipts and payments represent the performance for the year of FY 2020/2021 in comparative to FY 2021/2022



This is an indicator of a better performed Year 2021/2022 Compared to 2021/2022





*Gatundu South Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

During the financial year 2020-2021, the constituency implemented several projects in various sectors, which show great improvement on financial year allocation.



Fig 1.1 Gathage Primary School – Renovation of classrooms and administration block





Fig 1.2 - Wamwangi primary school- Renovation of classrooms and administration block

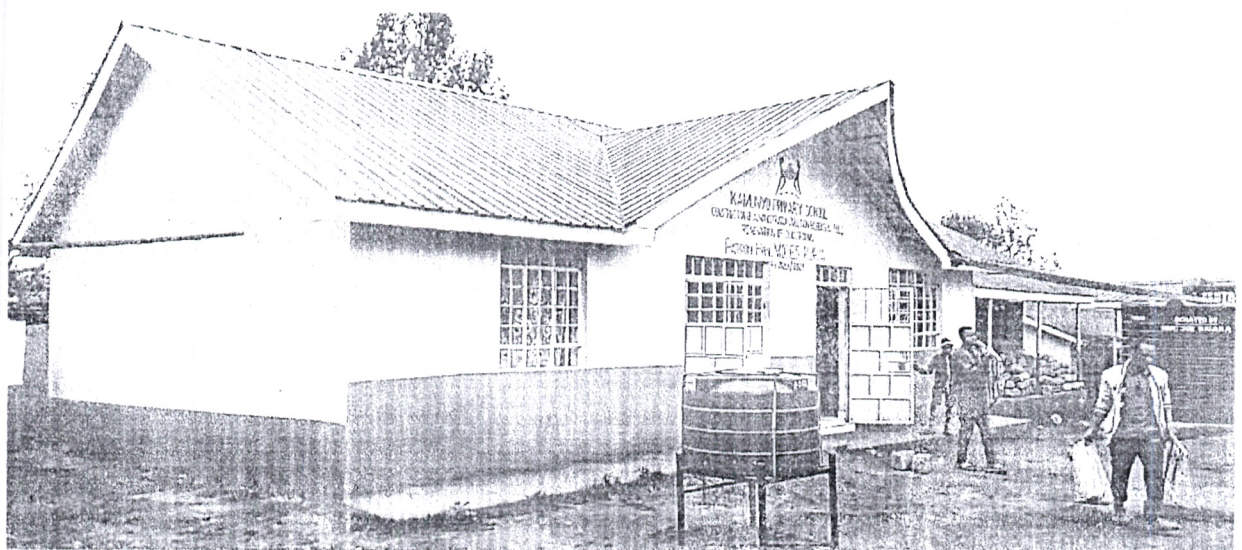
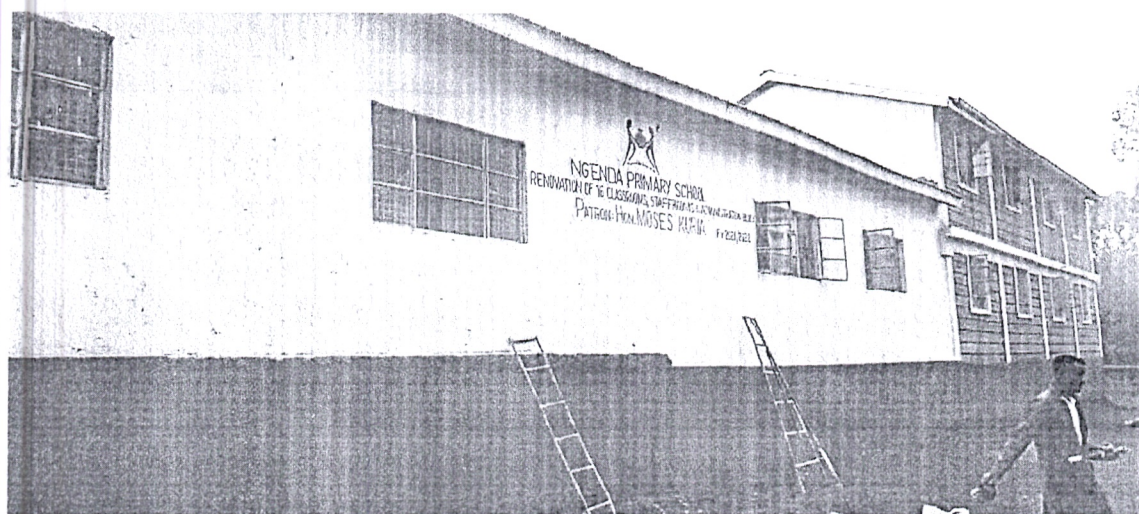


Fig 1.3 - Kamunyu Primary school - Renovation of classrooms and administration office

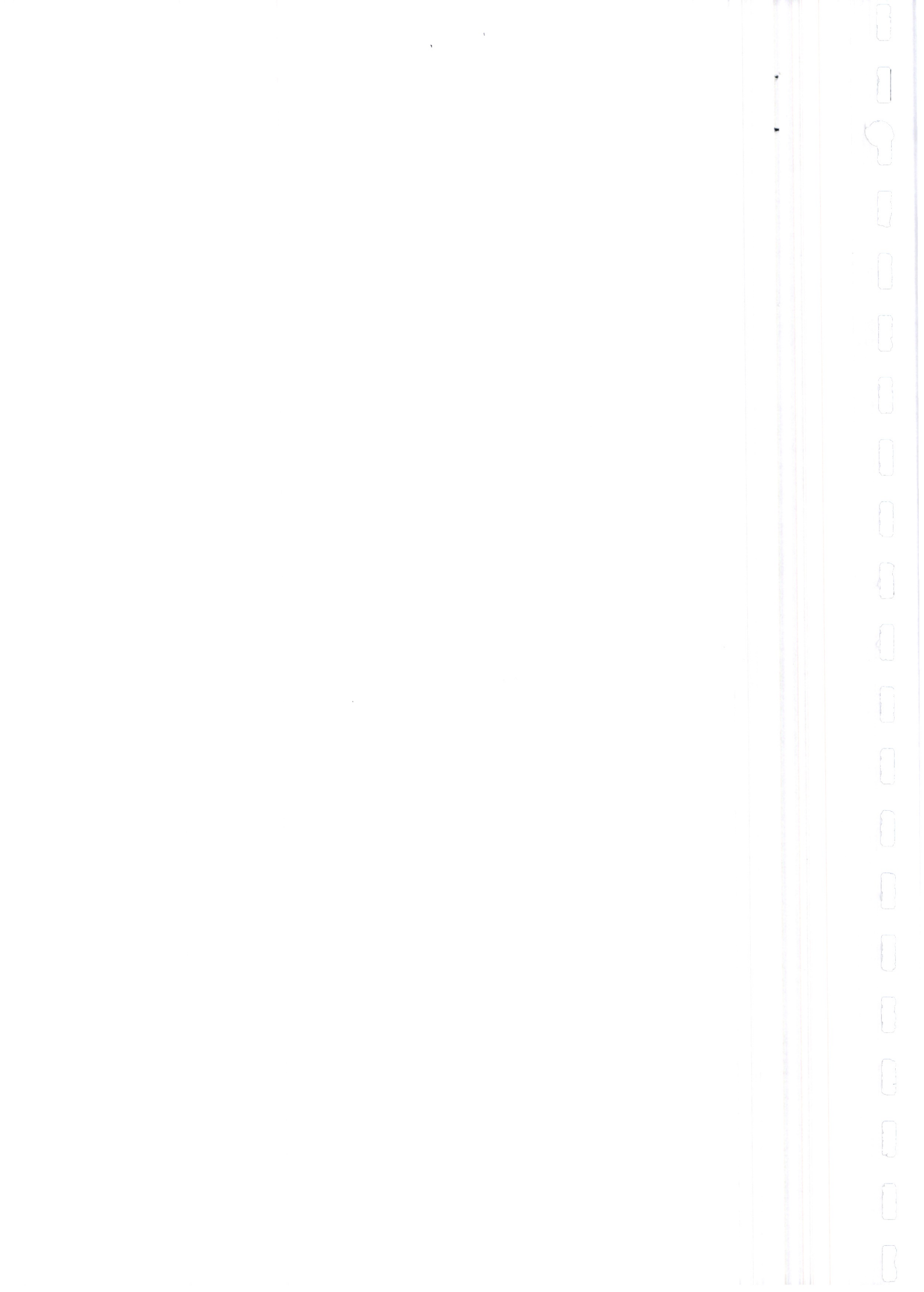


**Fig 1.4** Ngenda Primary School - Renovation of classrooms and administration block

**Challenges and emerging issues;**

- The challenges are similar to aforementioned key emerging issues and thus the following are the recommendation and what the committee is doing to overcome them;
- On political interference we have been able to educate the society on effect of politicizing projects. We have also ensured transparency in our implementation process from inception to completion.
- On project that fall under county projects that the society deem as priority we have sort consent from the county government before their approval to avoid duplication of the projects.
- Lack of an efficient process of identification of the needy cases to benefit from the bursary kitty. The Board should issue a bursary policy to ensure that the money allocated for bursary kitty is allocated to the very needy
- Finally, we were able to renovate classrooms for our primary schools which have enhanced the learning environment in our schools. We have also constructed multipurpose hall and dormitories for secondary schools support the government post covid-19 strategies and improve the education standard in our secondary school. To promote accountability in the management of bursary funds allocated to the constituency, we have ensured that we publish the list of beneficiaries for the bursary kitty on our notice board for public scrutiny and verification.

.....  
  
Name  
CHAIRMAN NGCDF COMMITTEE



III. Statement Of Performance Against Predetermined Objectives for FY2021/22

**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.

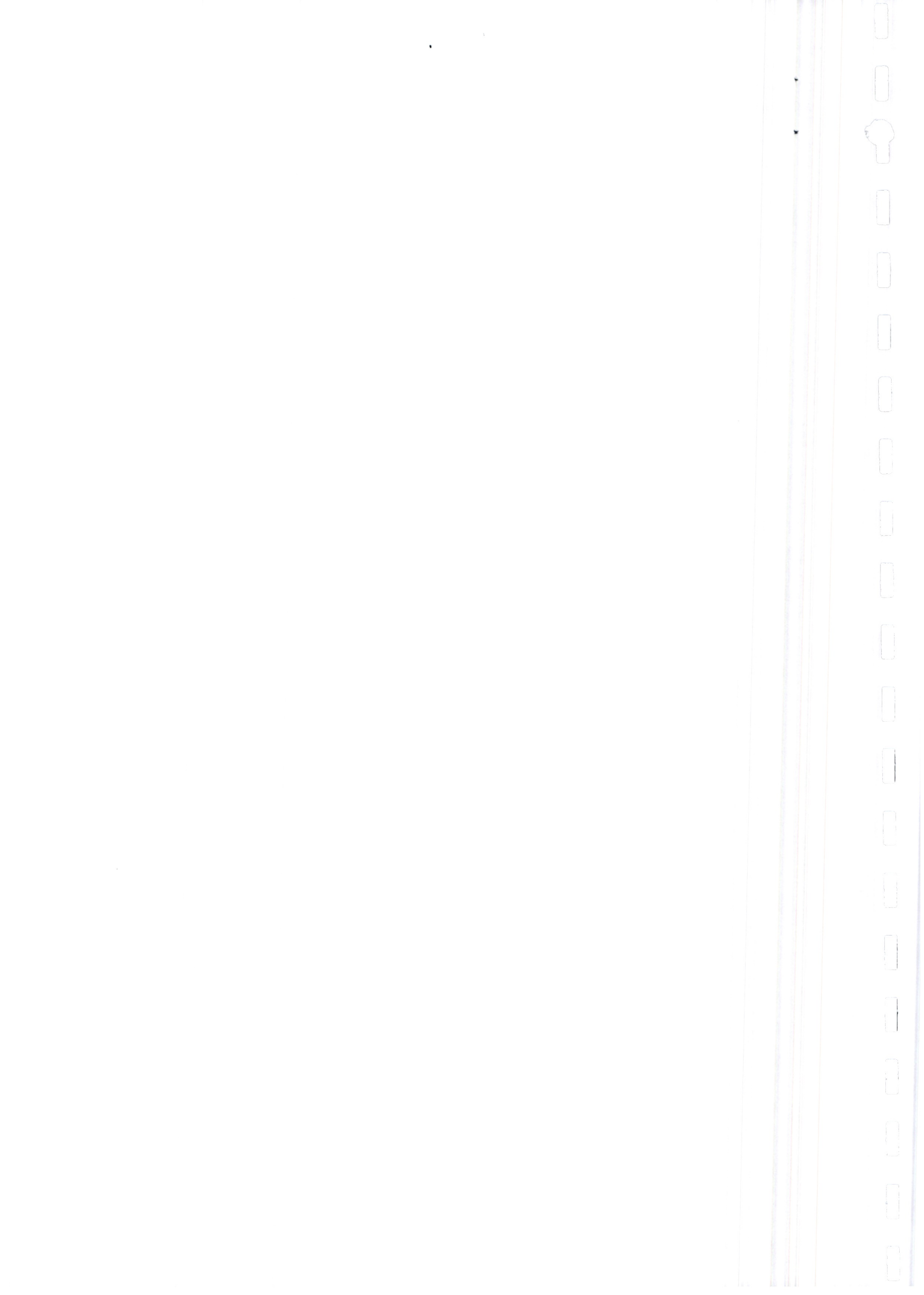
The key development objectives of *Gatundu South Constituency 2018-2022* plan are to:

- a) Promote and improve the quality of education standards
- b) Improve the security status, and strengthen security sector
- c) Improve sports and talents among the youth.
- d) Enhance quality leadership and policy direction for effective fund management.

**Progress on attainment of Strategic development objectives**

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels	In FY 21/22 we increased number of classrooms, dormitories, laboratories etc from ... to... in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	To improve security status and	Construction and renovation of	-Number of police stations in every ward	In FY 2021/22 The Construction of the new children



*Gatundu South Constituency  
National Government Constituencies Development Fund (NGCDF)  
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Constituency Sector	Objective	Outcome	Indicator	Performance
	strengthen security sector	Ap police post in Gatundu South Constituency		protection Unit is ongoing
Environment	Improve and enhance conservation in the constituency.	Levelling, landscaping and tree planting program has been initiated	- Number of institution that the constituency has planted trees.	- Levelling and landscaping is already complete in Muthiga Primary school.
Sports	Empower and develop youths through sports.	Sport tournament has been empowered and initiated	- Engage with the number of teams that are active in the constituency	- In the FY 2021/2022 Number of Constituency tournament increased from 4 per ward to 12 per location.
Emergency	Fire protection facilities has been provided inside and outside the building.	Provision of fire protection and clothing.	- Fire extinguishers are adequate and well maintained	- Number increased from 1-3.

#### IV. Environmental and Sustainability Reporting

Gatundu South 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.



**i. Sustainability strategy and profile -**

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

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



To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 21/22 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

**Environmental performance**

*NGCDF Gatundu south has ensured that the environment we live and work in is protected. Our key responsibility and an important aspect is the way in which we carry our operations.*

**Environmental Policy.**

- ✓ Managing and disposing of all wastage in a responsible manner.
- ✓ Observe all the relevant environmental regulation.
- ✓ Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air and water.
- ✓ Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources.
- ✓ Monitoring and continuously improving our environmental performance

**ii. Employee welfare**

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge Gatundu South 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.



**iii. Market place practices-**

Gatundu South 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

**iv. Community Engagements-**

Gatundu South 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.



*Gatundu South Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

**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 NGCDF 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.

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



Samuel Mawiyoo

FAM



## **V. Statement of Management Responsibilities**

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

The Accounting Officer in charge of the NGCDF-Gatundu South 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, 2022. 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- Gatundu South 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, 2022, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Gatundu South Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have



# REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

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

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GATUNDU SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2022**

---

### **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 - Gatundu South set out on pages 1 to 39, which comprise of the statement of assets and liabilities as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies

and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

### **Basis for Qualified Opinion**

#### **Inaccuracy in the Financial Statements**

The statement of receipts and payments reflects comparative amount payments in respect of compensation of employees totalling to Kshs.1,794,400. However, Note 4 to the financial statements reflects an amount of Kshs.2,950,974 resulting to unexplained variance of Kshs.1,156,574.

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

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

#### **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 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 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. Non-Compliance with the Law on the Management of Emergency Reserves**

The statement of receipts and payments and Note 7 to the financial statements reflects payments totalling to Kshs.40,569,121 in respect of other grants and transfers. Included in this amount are payments totalling to Kshs.7,190,490 in respect of emergency projects. Review of records revealed the following anomalies;

- i. The amount allocated to emergency projects of Kshs.7,192,207 was more than Kshs.6,854,444 allowed by the NG-CDF Board, resulting to a variance of Kshs.337,763 (or 5%) of the total allocation for the year. This was contrary to Section 8 (1) of National Government Constituencies Development Fund (NGCDF) Act, 2015 which requires that, a portion of the Fund, equivalent to five per centum shall remain unallocated and shall be available for emergencies which may occur within the Constituency.
- ii. The payments in respect of emergency projects related to renovation of two (2) toilet blocks and earth works at Muthurumbi Primary School and rehabilitation of access road to Muthurumbi Primary School on 1 December, 2021. There was no evidence that the committee reported on utilization of the emergency reserve to the Board within thirty days of the occurrence of the emergency, in the prescribed format. This was contrary to Regulation 20 of NG-CDF Regulation, 2016 which provides that a Constituency Committee shall ensure that the emergency reserve is utilized in accordance with the provisions of sections 24, 25 and 48 of the Act. In addition, the utilization shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board.

Further, it was observed that the contractor was paid the total sum without withholding 10% retention money contrary to Section 151 (2) of the Public and Procurement Act, 2015 which requires that as a best practice in project implementation a certain percentage of money payable to contractors for completed projects be retained for at least six months.

In the circumstances, the validity and regularity of the emergency expenditure amounting to Kshs.7,190,490 could not be confirmed.

### **2. Under Allocation of Bursary**

The summary statement of appropriations revealed that the allocation of bursaries for the financial year was Kshs.137,088,878. The statement of receipts and payments and Note 7 to the financial statements indicate that payments totalling to Kshs.40,569,121 were made in respect of other grants and transfers, out of which Kshs.25,905,999 (or 19%) of the total allocation was in respect of bursary, which was less than the recommended minimum of 25% of the funds allocated to a Constituency or Kshs.34,272,220. This was contrary to Regulation 21(5) of the NG-CDF Regulations, 2016 which provides that a Constituency Committee shall allocate not less than 25% of the funds allocated to a constituency for bursaries.

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

### **3. Transfers to Other Government Units**

The statement of receipts and payments and Note 6 to the financial statements reflect payments in respect of transfers to Government units totalling to Kshs.141,600,000. Review of procurement and payment records revealed the following anomalies;

#### **3.1. Irregularities in Implementation of School Dormitory Project**

Included in the transfers to Government entities totalling to Kshs.141,600,000 were payments of Kshs.83,300,000 in respect of transfers to secondary Schools. Review of the documents provided for audit revealed that the Constituency Committee allocated funds to PMC of Muthiga Girls High school for construction of 200 capacity dormitory at a contract sum of Kshs.4,999,550. However, the contractor was paid the contract sum in full without withholding 10% retention money of Kshs.500,000 contrary to Section 151(2) of the Public and Procurement Act ,2015 which requires as a best practice in project implementation a certain percentage of money payable to contractors for completed projects be retained for at least six months.

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

#### **3.2. Irregularities in Implementation of School Renovation Project**

Included in the transfers to government entities totalling to Kshs.141,600,000 were payments of Kshs.58,300,000 in respect of transfers to primary Schools. Review of the primary School projects implemented during the year revealed that the Constituency Committee allocated funds for Wamwangi Primary School for the renovation of eight (8) classrooms, staffroom and administration block at a contract sum of Kshs.5,000,000. However, it was observed that the contractor was paid the contract sum in full without withholding 10% retention money amounting to Kshs.500,000 contrary to Section 151(2) of the Public and Procurement Act, 2015 which requires as a best practice in project implementation a certain percentage of money payable to contractors for completed projects be retained for at least six months.

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

### **4. Failure to Return Unutilized Project Management Committee Balances**

Annex 5 to the financial statements reflects Kshs.6,367,513 in respect of Project Management Committee bank balances, being unutilized funds at the end of the year which were not returned to the Constituency bank account, contrary to Section 12(8) of the National Government Constituency Development Fund Act, 2015, which requires unutilized funds to be returned to the Constituency bank account.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

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

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

**10 July, 2023**



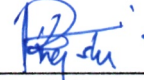
*Gatundu South Constituency*  
*National Government Constituencies Development Fund (NGCDF)*  
*Annual Report and Financial Statements for The Year Ended June 30, 2022*

- VI. Report Of the Independent Auditors On The NGCDF- Gatundu South Constituency  
 VII. Statement Of Receipts and Payments for the Year Ended 30th June 2022

	Note	2021-2022	2020-2021
			Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	172,177,758	171,367,724
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>172,177,758</b>	<b>171,367,724</b>
<b>PAYMENTS</b>			
Compensation of employees	4	3,045,137	1,794,400
Use of goods and services	5	10,714,460	10,379,232
Transfers to Other Government Units	6	141,600,000	87,811,679
Other grants and transfers	7	40,569,121	51,079,858
Acquisition of Assets	8	1,999,300	-
Other Payments	9	-	-
<b>TOTAL PAYMENTS</b>		<b>197,928,018</b>	<b>151,065,169</b>
<b>SURPLUS/DEFICIT</b>		<b>(25,750,260)</b>	<b>20,302,555</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 on 15<sup>th</sup> May, 2023 and signed by:

		
Fund Account Manager	National Sub-County Accountant	Chairman NG-CDF Committee
Name:	Name:	Name:
Samuel Mawiyoo	ICPAK M/No: 20395 Onesmas Kimani	James Kimani Nage

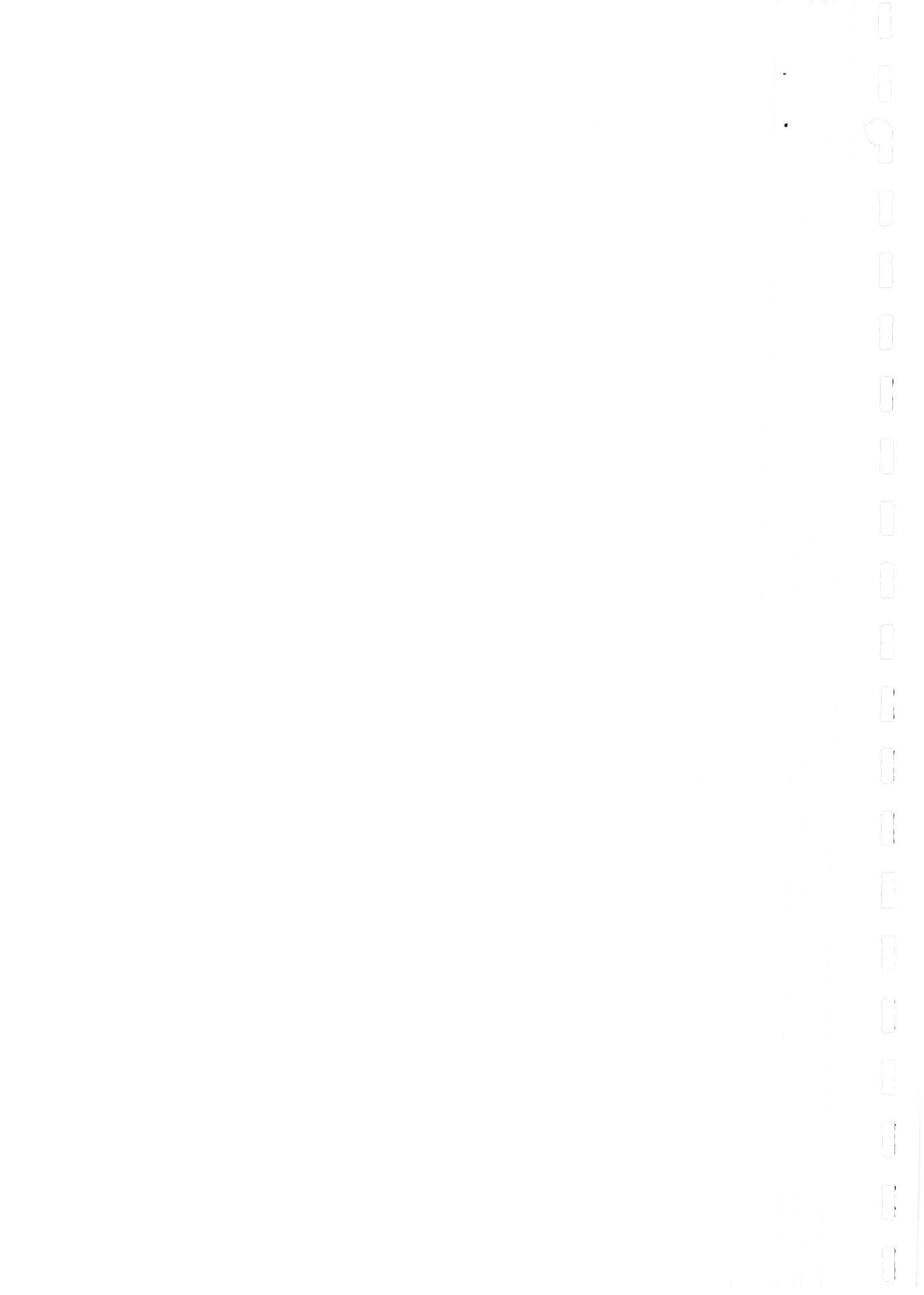




*Gatundu South Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

**VIII. Statement of Assets and Liabilities As At 30<sup>th</sup> June, 2022**

<b>II. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES</b>			
	Note	2021-2022	2020-2021
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
Cash and Cash Equivalents			
Bank Balances ( as per the cash book)	10A	6,367,515	32,117,774
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		6,367,515	32,117,774
Accounts Receivable			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>6,367,515</b>	<b>32,117,774</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL ASSETS</b>		<b>6,367,515</b>	<b>32,117,774</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July 2022	13	32,117,774	11,815,218
Prior year adjustments	14	-	
Surplus/Deficit for the year		(25,750,260)	20,302,555
<b>NET FINANCIAL POSITION</b>		<b>6,367,515</b>	<b>32,117,773</b>



**Gatundu South Constituency**

**National Government Constituencies Development Fund (NGCDF)**

**Annual Report and Financial Statements for The Year Ended June 30, 2022**

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

The Constituency financial statements were approved on 15<sup>th</sup> May, 2023 and signed by:



**Fund Account Manager**

Name:  
Samuel Mawiyoo



**National Sub-County Accountant**

Name:  
ICPAK M/No: 20395  
Onesmas Kimani



**Chairman NG-CDF Committee**

Name:  
James Kimani Nage

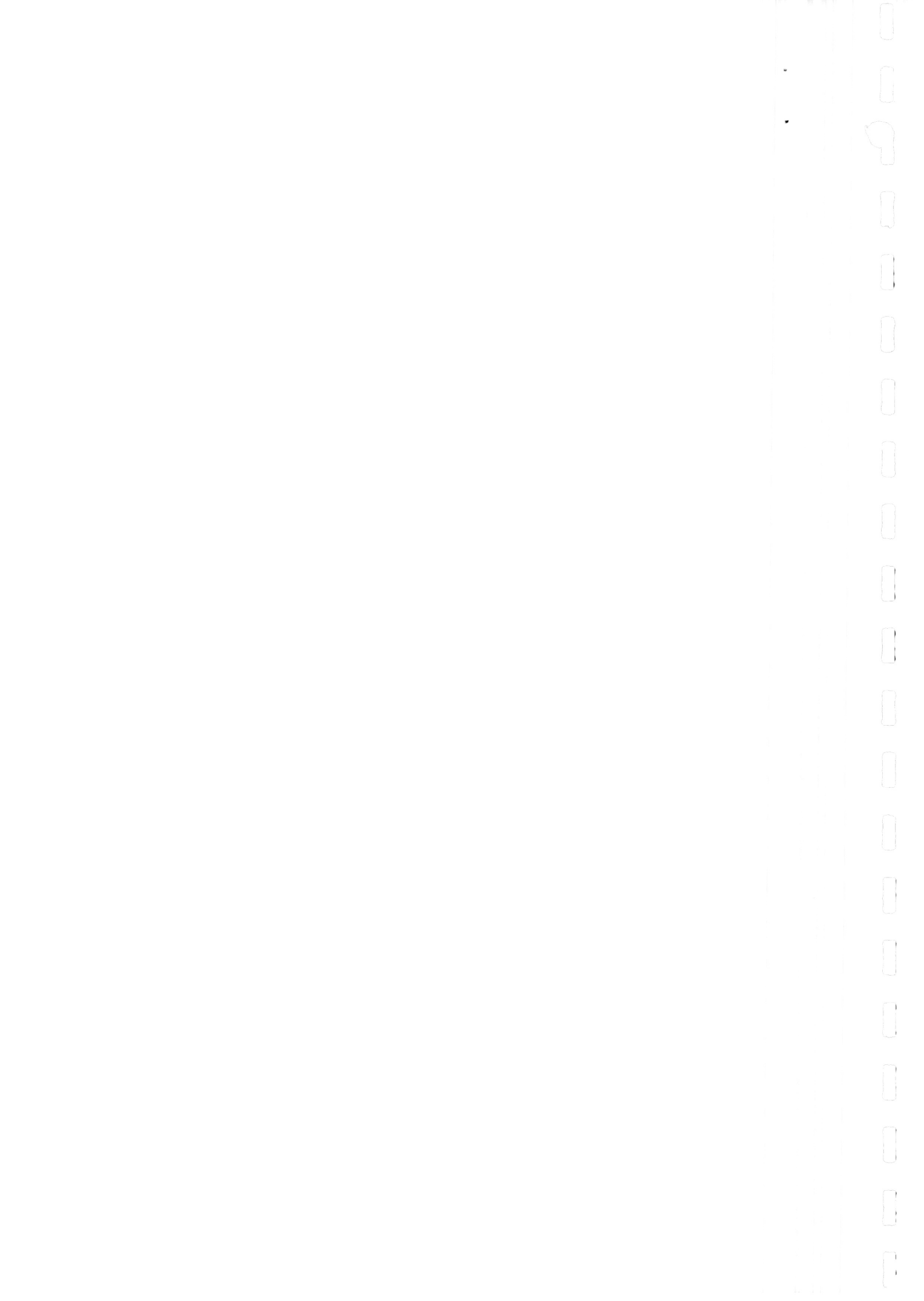




*Gatundu South Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

**IX. Statement of Cash Flows for the Year Ended 30th June 2022**

<b>STATEMENT OF CASH FLOW</b>		<b>2021-2022</b>	<b>2020-2021</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	172,177,758	171,367,724
Other Receipts	3	-	-
		<b>172,177,758</b>	<b>171,367,724</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	3,045,137	1,794,400
Use of goods and services	5	10,714,460	10,379,232
Transfers to Other Government Units	6	141,600,000	87,811,679
Other grants and transfers	7	40,569,121	51,079,858
Other Payments	9	-	-
		<b>195,928,718</b>	<b>151,065,169</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
Net Adjustments		-	-
<b>Net cash flow from operating activities</b>		<b>(23,750,960)</b>	<b>20,302,555</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(1,999,300)	-
<b>Net cash flows from Investing Activities</b>		<b>(1,999,300)</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(25,750,260)</b>	<b>20,302,555</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>32,117,773</b>	<b>11,815,218</b>
<b>Cash and cash equivalent at END of the year</b>		<b>6,367,514</b>	<b>32,117,773</b>
<b>Total</b>		<b>(1)</b>	<b>(1)</b>



**Gatundu South Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

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

The Constituency financial statements were approved on 15<sup>th</sup> May, 2023 and signed by:



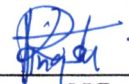
Fund Account Manager

Name:  
Samuel Mawiyoo



National Sub-County  
Accountant

Name:  
ICPAK M/No: 20395  
Onesmas Kimani



Chairman NG-CDF  
Committee

Name:  
James Kimani Nage





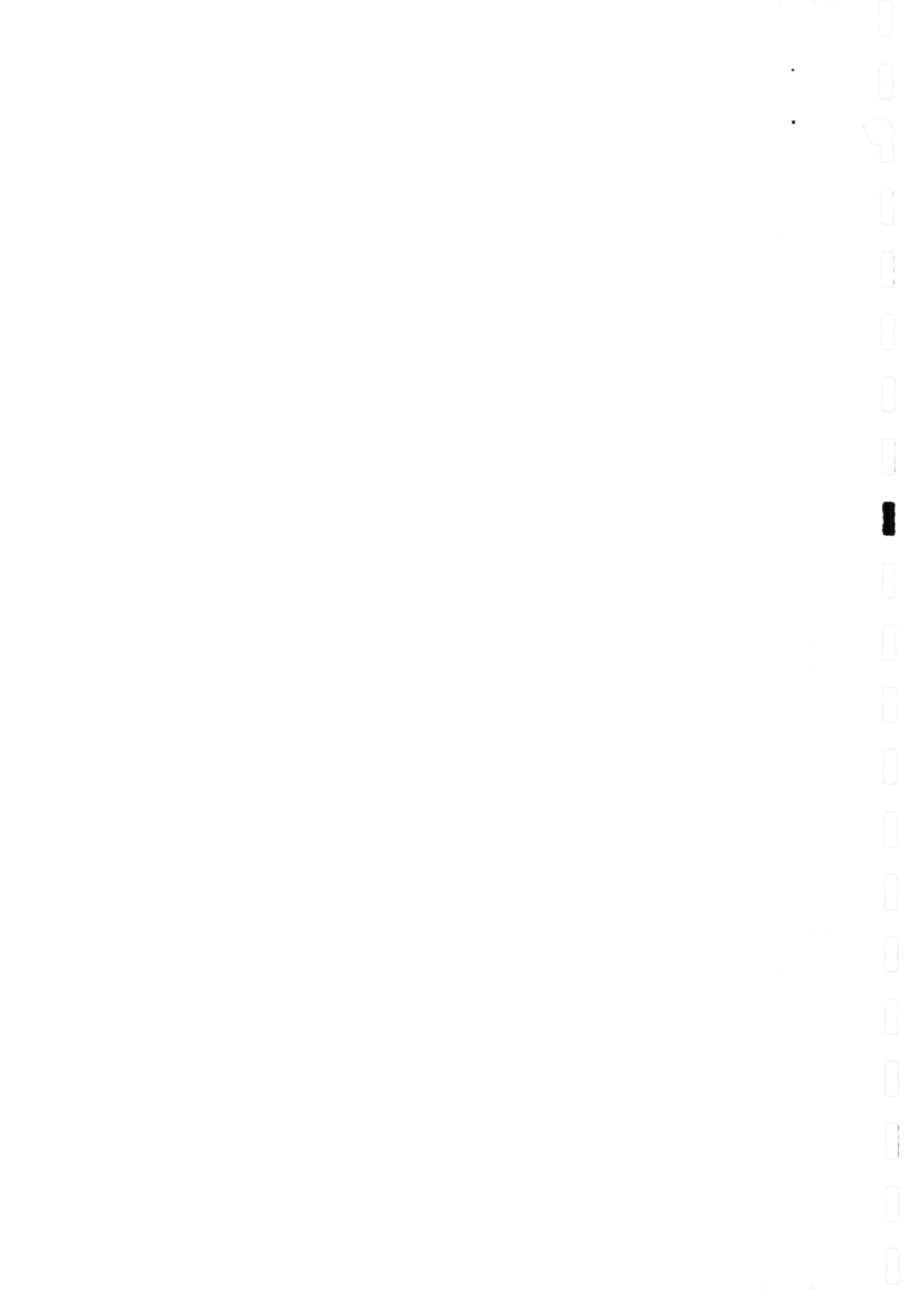
*Gatundu South Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

**X. Summary Statement of Appropriation for the Year Ended 30<sup>th</sup> June 2022**

Receipt/expense item	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	%
	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	137,088,879	32,117,774	35,088,879	204,295,532	204,295,532	(0)	
Proceeds from Sale of Assets				0	-	-	0.0%
Other receipts				0	-	-	
<b>Total receipts</b>	<b>137,088,879</b>	<b>32,117,774</b>	<b>35,088,879</b>	<b>204,295,532</b>	<b>204,295,532</b>	<b>(0)</b>	<b>100.0%</b>
<b>Payments</b>							
Compensation of Employees	2,120,400	3,295,594	0	5,415,994	3,045,137	2,370,857	56.2%
Use of goods and services	9,286,330	3,610,480	788,879	13,685,690	10,714,460	2,971,230	78.3%
Transfers to Other Government Units	85,300,000	22,000,000	34,300,000	141,600,000	141,600,000	-	100.0%
Other grants and transfers	40,382,148	202,485	0	40,584,633	40,569,121	15,512	100.0%
Acquisition of Assets		0	0	0	-	-	
Other payments	0	2,000,014	0	2,000,014	1,999,300	714	100.0%
Funds pending approval		1,009,200		1,009,200		1,009,200	
<b>Total</b>	<b>137,088,878</b>	<b>32,117,773</b>	<b>35,088,879</b>	<b>204,295,531</b>	<b>197,928,018</b>	<b>6,367,513</b>	<b>96.9%</b>

a. On Compensation of Employees the budget had exceeded the number of employees and the administration had considered the delay of funds and the new transition for the new government.


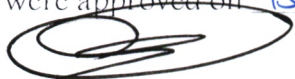
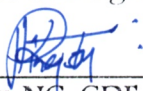
b. On use of goods and service the administration had budgeted for funds to run the office due to the new transition for the new government.



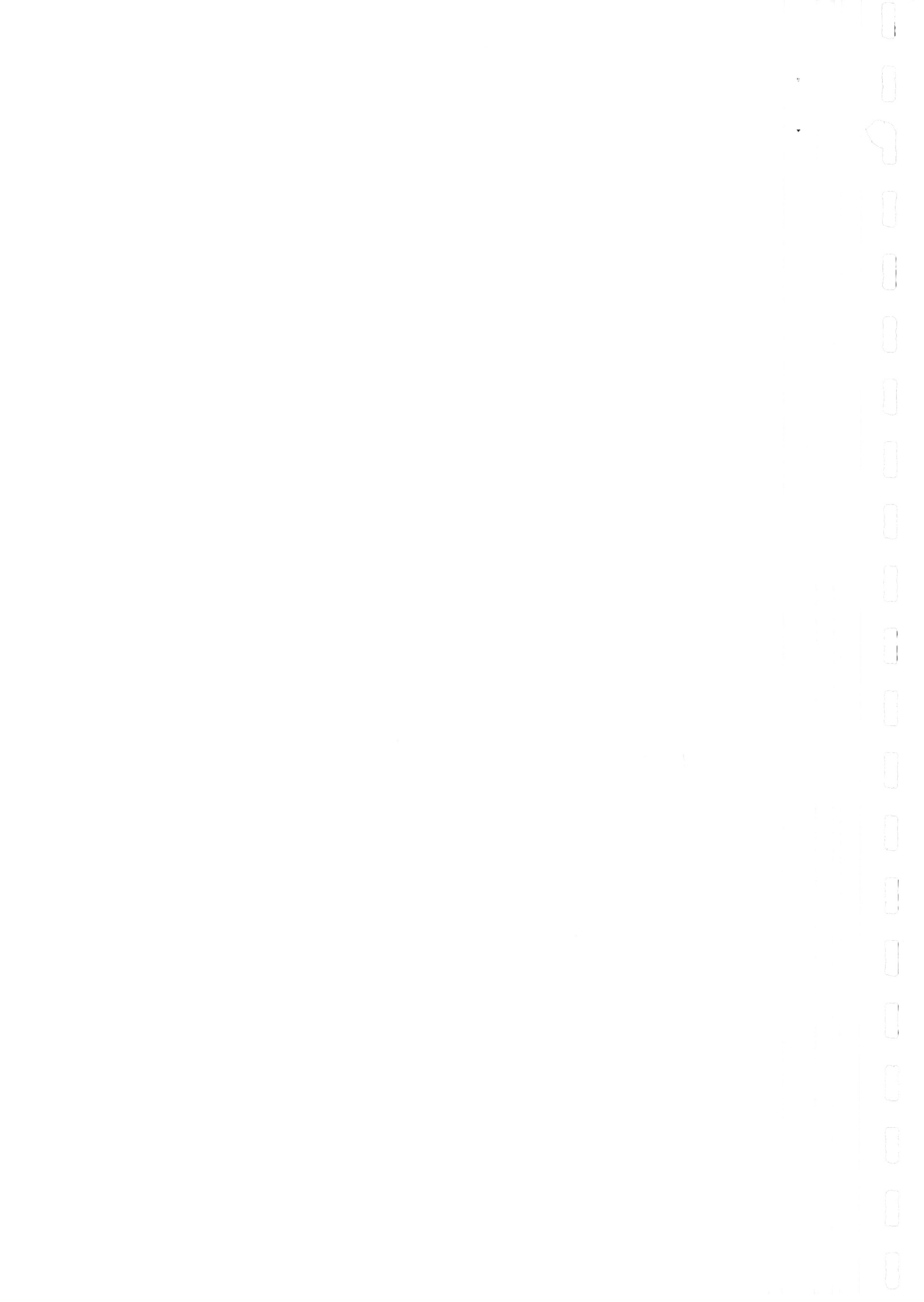
**Gatundu South Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Annual Report and Financial Statements for The Year Ended June 30, 2022**

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilisation difference totals	6,367,513
Less undisbursed funds receivable from the Board as at 30 <sup>th</sup> June 2022	-
	6,367,513
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2021/2022	6,367,513

The Constituency financial statements were approved on 15<sup>th</sup> May, 2023 and signed by:

		
_____ Fund Account Manager	_____ National Sub-County Accountant	_____ Chairman NG-CDF Committee
Name: Samuel Mawiyoo	Name: ICPAK M/No: 20395 Onesmas Kimani	Name: James Kimani Nage





*Gatundu South Constituency  
National Government Constituencies Development Fund (NGCDF)  
Annual Report and Financial Statements for The Year Ended June 30, 2022*

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
3.3 Tertiary institutions				-		-	
3.4 Security projects				-		-	
3.5 Unutilised				-		-	
<b>Total</b>	<b>7,192,207</b>	<b>2,199</b>		<b>7,194,406</b>	<b>7,190,490</b>	<b>3,916</b>	
<b>4.0 Bursary and Social Security</b>				-			
4.1 Secondary Schools	15,143,683.00			15,143,683	15,143,683	-	
4.2 Tertiary Institutions	9,947,316			9,947,316	9,947,316	-	
4.3 Social Security				-		-	
4.4 Special Needs	815,000	169.00		815,169	815,000	169	
<b>Total</b>	<b>25,905,999</b>		<b>-</b>	<b>25,906,168</b>	<b>25,905,999</b>	<b>169</b>	
<b>5.0 Sports</b>	<b>2,681,577</b>	<b>200,116.41</b>		<b>2,881,693</b>	<b>2,876,132</b>	<b>5,561</b>	
5.1						-	
<b>Total</b>	<b>2,681,577</b>			<b>2,881,693</b>	<b>2,876,132</b>	<b>5,561</b>	
<b>6.0 Environment</b>							
Muthiga primary Schhpool	1,600,000			1,600,000	1,600,000	-	
				-		-	
				-		-	
				-		-	

Gatundu South Constituency

National Government Constituencies Development Fund (NGCDF)

Annual Report and Financial Statements for The Year Ended June 30, 2022

Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
<b>Total</b>	<b>1,600,000</b>	-	-	<b>1,600,000</b>	<b>1,600,000</b>	-	
<b>7.0 Primary Schools Projects</b>							
Gatundu Primary School	1,300,000.00			1,300,000	1,300,000	-	
Gachika Primary School	7,000,000.00			7,000,000	7,000,000	-	
Gathage Primary School	5,000,000.00			5,000,000	5000000	-	
Githuya Primary School	5,000,000.00			5,000,000	5000000	-	
Ikuma Primary School	10,000,000.00			10,000,000	10000000	-	
Ituru Primary School	5,000,000.00			5,000,000	5000000	-	
Nembu Primary School	5,000,000.00			5,000,000	5000000	-	
Ndumbi Primary School	5,000,000.00			5,000,000	5000000	-	
Ng'enda Primary School	10,000,000.00			10,000,000	10000000	-	
Wamwangi Primary School	5,000,000.00			5,000,000	5000000	-	
<b>Total</b>	<b>58,300,000</b>	-	-	<b>58,300,000</b>	<b>58,300,000</b>	-	



*Gatundu South Constituency*

*National Government Constituencies Development Fund (NGCDF)*

*Annual Report and Financial Statements for The Year Ended June 30, 2022*

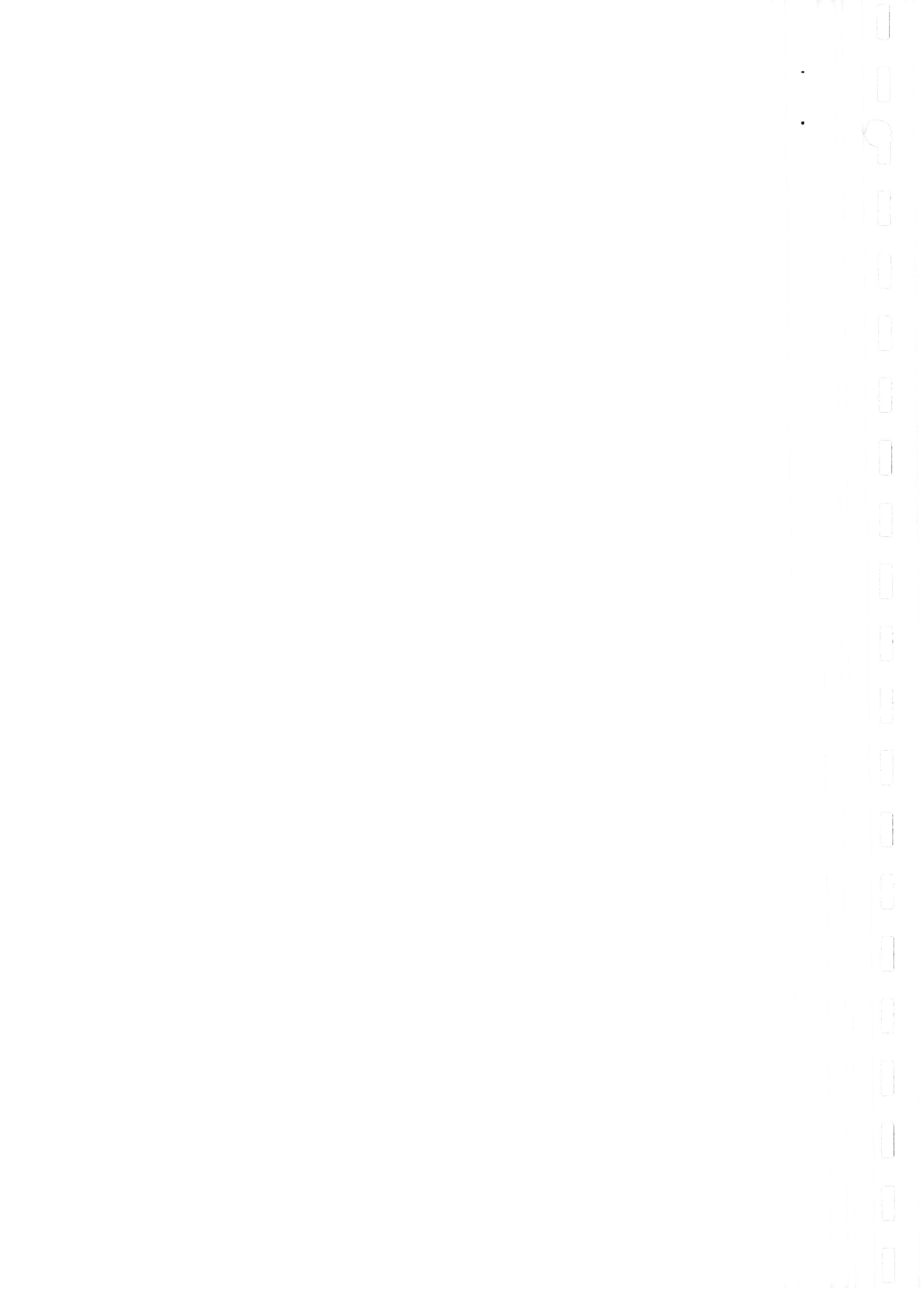
Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
	2021/2022	Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements	2021/2022	30/06/2022		
8.0 Secondary Schools Projects						-	
Gikure Secondary School	5,000,000.00			5,000,000	5,000,000.00	-	
St. Dominic Secondary School-Gatundu	7,000,000.00			7,000,000	7,000,000	-	
Kiamwangi High School	5,000,000.00			5,000,000	5,000,000	-	
Ruburi Secondary School	5,000,000.00			5,000,000	500000	-	
Muthiga Girls High School	5,000,000.00			5,000,000	500000	-	
Kiamworia Secondary School		5,000,000.00		5,000,000	500000	-	
Muthiga Girls High School		5,000,000.00		5,000,000	500000	-	
Kamutua Secondary School		2,000,000.00	3,000,000	5,000,000	500000	-	
Icaciri Girls High School		5,000,000.00		5,000,000	500000	-	
Ndarugo Secondary School		5,000,000.00		5,000,000	500000	-	
Gathiru high school			5,000,000	5,000,000	500000	-	
Githuya Secondary school			7,100,000	7,100,000	710000	-	
Wamwangi Secondary School			7,100,000	7,100,000	710000	-	
Ikuma Secondary School			5,000,000	5,000,000	500000	-	
Gachoka Secondary School			7,100,000	7,100,000	710000	-	



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Programme/Sub-programme	Original Budget(a)	Adjustments(b)		Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation(f=d/c %)
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
	2021/2022			2021/2022	30/06/2022		
	-			-	-	-	
	-			-	-	-	
<b>Total</b>	-			-	-	-	
<b>12.0 Other payments</b>							
Strategic plan		14.00		14.00		14.00	
NGCDF office Construction		2,000,000.00		2,000,000.00	1,999,300	700.00	
				-	-	-	
				-	-	-	
<b>Total</b>		<b>2,000,014</b>	<b>-</b>	<b>2,000,014</b>	<b>1,999,300</b>	<b>714</b>	
<b>13.0 unallocated fund</b>							
Unapproved projects							
AIA		1,009,200.00		1,009,200		1,009,200	
PMC savings							
<b>Total</b>		<b>1,009,200</b>	<b>-</b>	<b>1,009,200</b>	<b>-</b>	<b>1,009,200</b>	
	<b>137,088,878</b>	<b>32,117,773.24</b>	<b>35,088,879</b>	<b>204,295,531</b>	<b>197,928,018</b>	<b>6,367,513</b>	

(NB: This statement is a disclosure statement indicating the utilisation in the same format as the entity's budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)



## **XI. Significant Accounting Policies**

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

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

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

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

### **2. Reporting Entity**

The financial statements are for the NGCDF-Gatundu South 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 Equivalents.**

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

*Significant Accounting Policies continued*

**7. Accounts Receivable**

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

**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 xx June 20xx for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2022.



*Significant Accounting Policies continued*

**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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XII. Notes to the Financial Statements

1. Transfers from NGCDF Board

Description	2021-2022	2020-2021
	Kshs	Kshs
	2021-2022	2020 - 2021
	Kshs	Kshs
B 096947		15,000,000
B 104597		20,000,000
A 823512		32,367,724
B 124516		9,000,000
B 124840		2,000,000
B 124938		10,000,000
B 119793		13,000,000
B 128083	-	6,900,000
B 128393	-	6,000,000
B 132137	-	6,000,000
B 138806	-	12,000,000
B 126102	-	10,000,000
B 126391	-	14,100,000
B 140537	-	15,000,000
B 140886	35,088,879.30	-
B 105435	44,000,000.00	-
B 105764	24,000,000.00	-
B132498	10,000,000.00	-
B128809	12,000,000.00	-
B154007	20,000,000.00	-
B154300	27,088,879.00	-
<b>TOTAL</b>	<b>172,177,758.00</b>	<b>171,367,724</b>



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**2. Proceeds From Sale of Assets**

	2021-2022	2020-2021
	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**

	2021-2022	2020-2021
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMC's	-	-
Other Receipts Not Classified Elsewhere	-	-
<b>Total</b>	-	-



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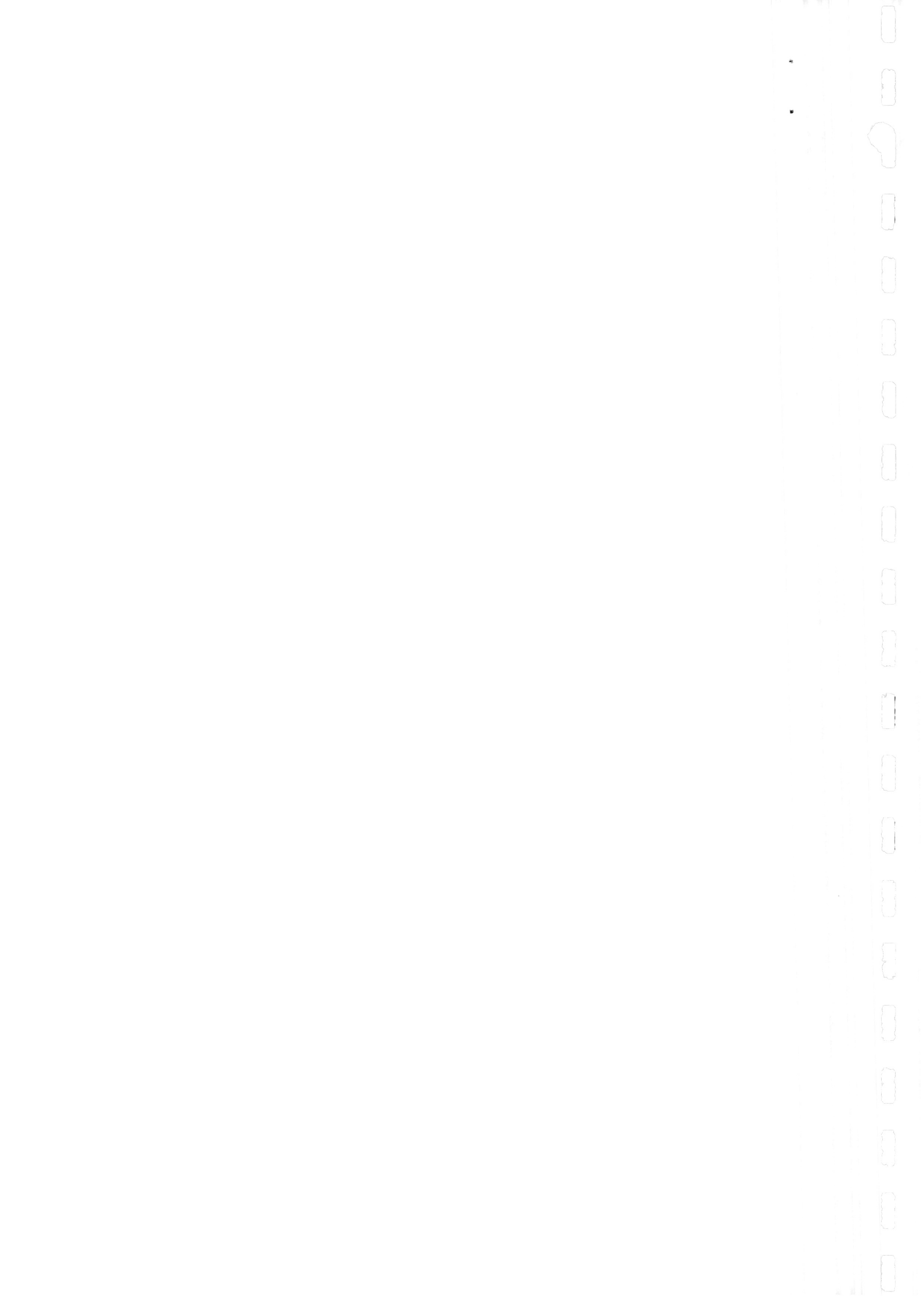
*Notes To the Financial Statements (Continued)*

**4. Compensation Of Employees**

	2021-2022	2020-2021
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,045,137	2,827,576
Personal allowances paid as part of salary		
House Allowance		
Transport Allowance		
Leave allowance		
Gratuity to contractual employees		123,398
Employer Contributions Compulsory national social security schemes		
<b>Total</b>	<b>3,045,137</b>	<b>2,950,974</b>

**5. Use Of Goods and Services**

	2021-2022	2020-2021
	Kshs	Kshs
Committee Expenses		
Electricity	121,350.00	40,352
Utilities, supplies and services		281,140
Water and sewage	226,955	16,210
Communication, supplies and services	342,086	88,600
Domestic travel and subsistence	1,038,100	125,500
Printing, advertising and information supplies & services	765,594	-
Rentals of produced assets	-	-
Training expenses	4,394,000.00	1,900,000
Hospitality supplies and services	346,535	-
Other committee expenses	495,348.00	1,615,500
Committee allowance	1,886,000.00	3,416,000
Insurance costs		
Specialized materials and services		
Office and general supplies and services	355,277.00	1,292,785
Other operating expenses	713,755.00	1,587,425
Bank Charges	29,460.00	15,720
Routine maintenance vehicles and other transport equipment		



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Routine maintenance -- other assets		
Total	10,714,460.00	10,379,232



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*Notes To The Financial Statements (Continued)*

**6. Transfer To Other Government Units**

Description	2021-2022	2020-2021
	Kshs	Kshs
Transfers To Primary Schools (See Attached List)	58,300,000.00	24,000,000
Transfers To Secondary Schools (See Attached List)	83,300,000.00	63,811,679
Transfers To Tertiary Institutions (See Attached List)		
<b>Total</b>	<b>141,600,000.00</b>	<b>87,811,679</b>

**7. Other Grants and Other transfers**

	2021-2022	2020-2021
	Kshs	Kshs
Bursary secondary schools (see attached list)	15,143,683.00	17,940,754
Bursary tertiary institutions (see attached list)	9,947,316.00	8,076,676
Bursary special schools (see attached list)	815,000.00	763,400
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	2,996,500.00	7,500,000
Sports projects (see attached list)	2,876,132.00	5,830,132
Environment projects (see attached list)	1,600,000.00	3,249,654
Emergency projects (see attached list)	7,190,490.00	7,719,242
<b>Total</b>	<b>40,569,121.00</b>	<b>51,079,858</b>

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**8. Acquisition Of Assets**

	2021-2022	2020-2021
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	1,999,300	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Acquisition of Land	-	-
<b>Total</b>	<b>1999,300</b>	

*Notes To the Financial Statements (Continued)*

**9. Other Payments**

	2021-2022	2020-2021
	Kshs	Kshs
Strategic plan	-	14
ICT Hub	-	-
	-	14

**10: Cash Book Bank Balance**

Name Of Bank, Account No. & Currency	2021-2022	2020-2021
	Kshs	Kshs
<b>10A: Bank Accounts (Cash Book Bank Balance)</b>		
<i>Name Of Bank, Account No.</i>		
<b>Total</b>	<b>6,367,513</b>	<b>32,117,774.00</b>
<b>10 B: Cash on Hand</b>		
Location 1		
Location 2		
Location 3		
Other Locations ( <i>Specify</i> )		
<b>Total</b>		
<i>[Provide Cash Count Certificates for Each]</i>		



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**11: Outstanding Imprests**

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

*Notes to the Financial Statement Continued*

**12A. Retention**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Retention as at 1 <sup>st</sup> July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30 <sup>th</sup> June D= A+B-C	-	-

Provide short appropriate explanations as necessary.

**12B. Gratuity**

	<b>2021-2022</b>	<b>2020-2021</b>
	<b>KShs</b>	<b>KShs</b>
Gratuity as at 1 <sup>st</sup> July (A)		
Gratuity held during the year (B)		
Gratuity paid during the Year (C)		
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C		



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**13. Balances Brought Forward**

	2021-2022 (1 <sup>st</sup> July 2021)	2020-2021 (1 <sup>st</sup> July 2020)
	Kshs	Kshs
Bank accounts	6,367,513	32,117,774
Cash in hand		
Imprest		
<b>Total</b>	<b>6,367,513</b>	<b>32,117,774</b>

**14. Prior Year Adjustments**

	Balance b/f FY 2020/2021 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2021/2022
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others ( <i>specify</i> )	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**15. Changes in Accounts Receivable – Outstanding Imprests**

	2021-2022	2020-2021
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-
Changes in Account Receivables E= D-A		-



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

	2021 – 2022	2020 – 2021
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	-
Changes in Accounts Payable E= D-E	-	-



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*Notes to the Financial Statements (Continued)*

17. Other Important Disclosures

17.1: Pending Accounts Payable (See Annex 1)

	2021-2022	2020-2021
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: Pending Staff Payables (See Annex 2)

	2021-2022	2020-2021
	Kshs	Kshs
NGCDFC Staff	-	-
Others	-	-
Total	-	-

17.3: Unutilized Fund (See Annex 3)

	2021-2022	2020-2021
	Kshs	Kshs
Compensation of employees	2,370,857	3,295,594
Use of goods and services	2,971,230	3,911,037
Amounts due to other Government entities (see attached list)	-	48,788,321
Amounts due to other grants and other transfers (see attached list)	15,512	8,202,485
Acquisition of assets	-	2,000,000
Other Payments	714	14
Funds pending approval	1,009,200	1,009,200
Total	<b>6,367,513</b>	<b>67,206,651</b>



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17.4: PMC account balances (See Annex 5)

	2021-2022	2020-2021
	Kshs	Kshs
PMC account balances (see attached list)		
Total		



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**Annexes**

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

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2022	Comments
	a	b	c	d=a-c	
<b>Construction of buildings</b>					
1.					
2.					
3.					
Sub-Total					
<b>Construction of civil works</b>					
4.					
5.					
6.					
Sub-Total					
<b>Supply of goods</b>					
7.					
8.					
9.					
Sub-Total					
<b>Supply of services</b>					
10.					
Sub-Total					
<b>Grand Total</b>					

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

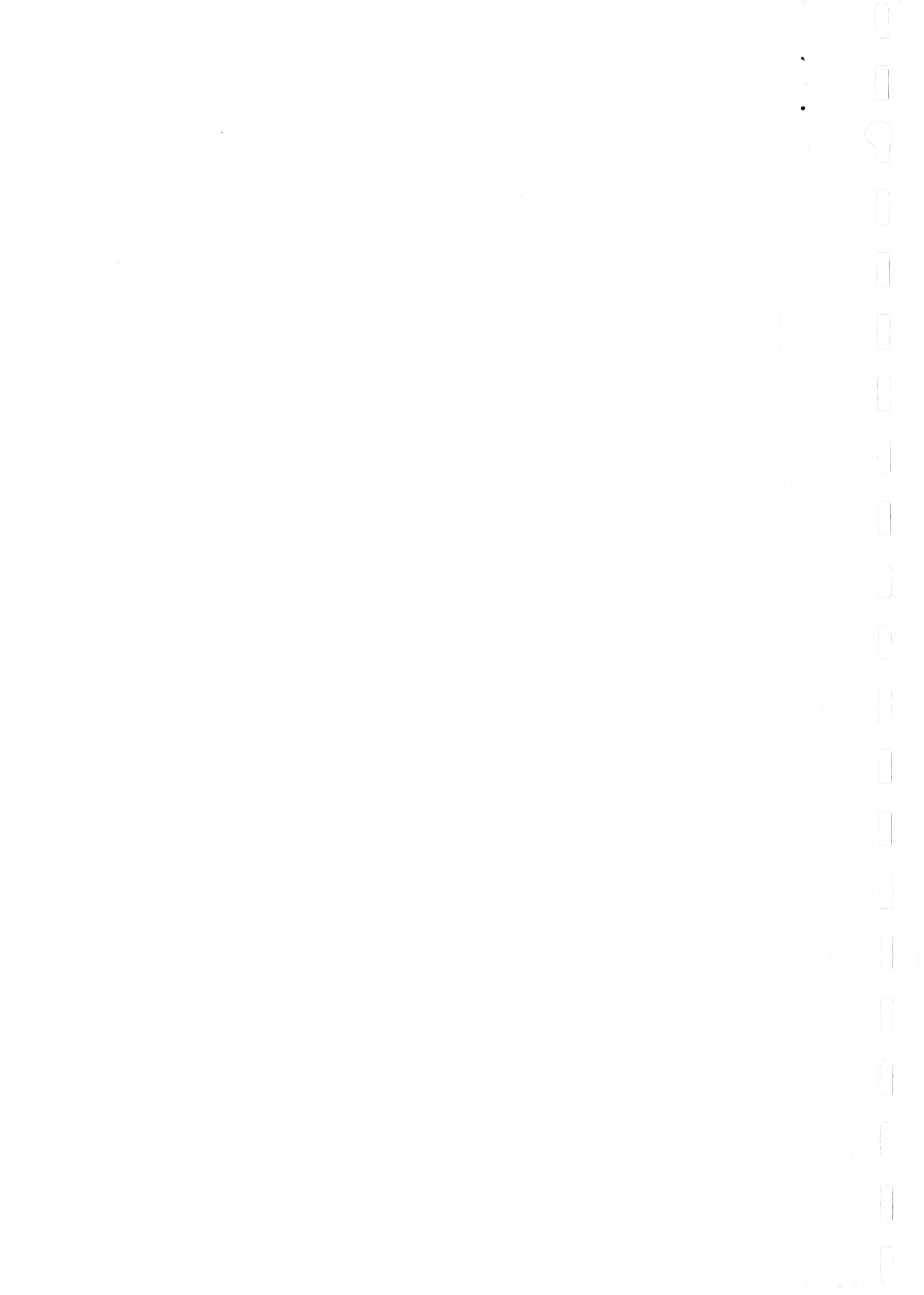
Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2022	Comments
<b>NG-CDFC Staff</b>				
1.				
2.				
3.				
Sub-Total				
<b>Grand Total</b>				



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**Annex 3 – Unutilized Fund**

Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
Compensation of employees		2,370,857	3,295,594	
Use of goods & services		2,971,230	3,911,037	
Amounts due to other Government entities				
Handege Secondary School	Construction of a 200 capacity dormitory to completion.	-	(5,000,000)	
Kagio Secondary School	Construction of 2 bedroom self-contained house with a Store to Completion.	-	(2,511,679)	
Muthiga Girls High school	Construction of a 200 capacity dormitory to completion.	-	5,000,000	
Kiamworya Secondary School	Construction of a 200 capacity dormitory to completion.	-	5,000,000	
Icaciri Secondary School	Construction of dining hall (250 students) to completion.	-	5,000,000	
Ndarugu Secondary School	Construction of a 200 capacity dormitory to completion.	-	5,000,000	
Ikuma Secondary School	Construction of a 200 capacity dormitory to completion.	-	5,000,000	
Githuya Secondary School	Purchase of school bus (ISUZU FRR, 51 Seater)	-	7,100,000	
Wamwangi Secondary School	Purchase of school	-	7,100,000	



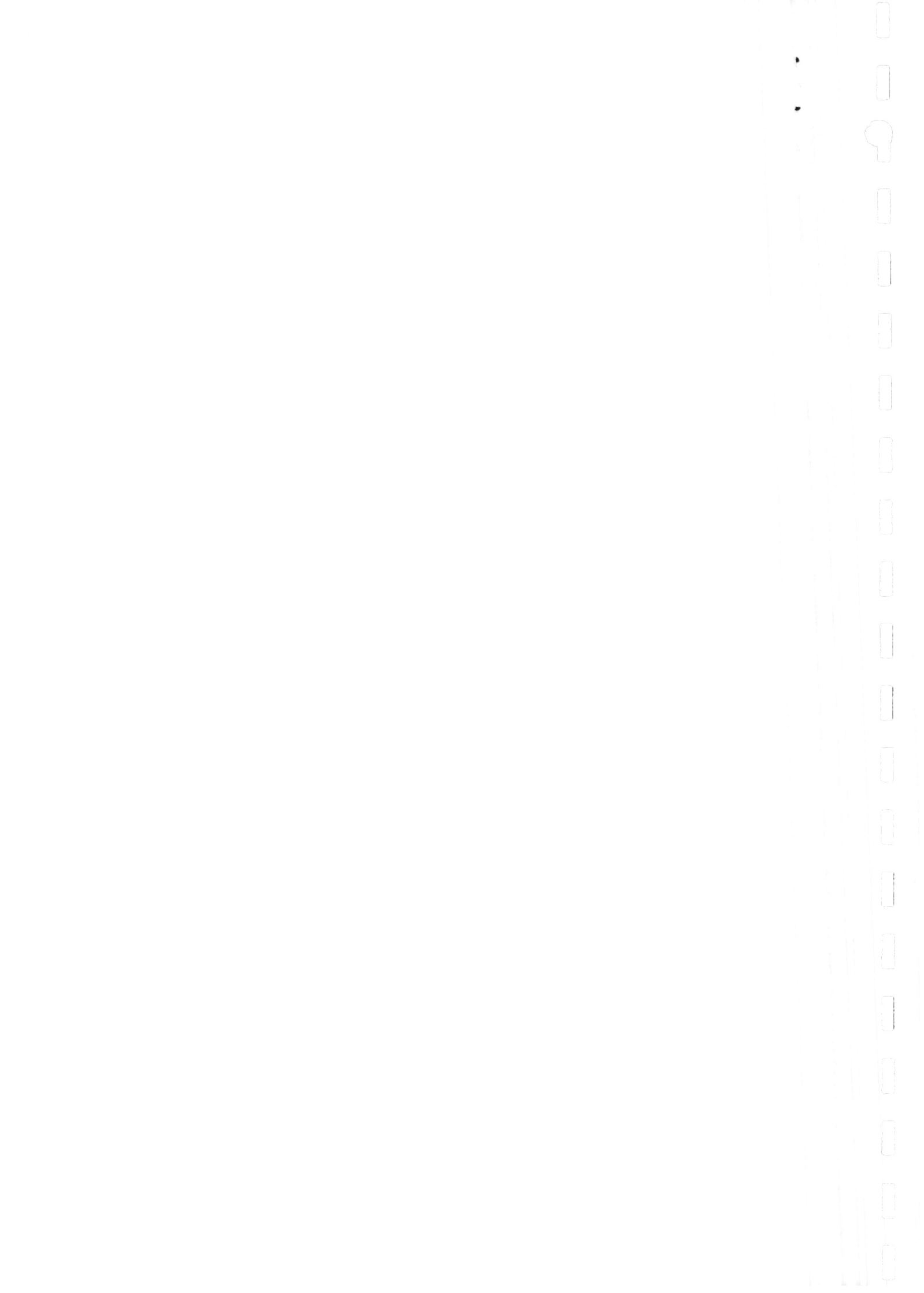
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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
	bus (ISUZU FRR, 51 Seater)			
Gachoka Secondary School	Purchase of school bus (ISUZU FRR, 51 Seater)	-	7,100,000	
Gathiru High School	Construction of a 200 capacity dormitory to completion.	-	5,000,000	
Kamutwa Secondary School	Construction of a 200 capacity dormitory to completion.	-	5,000,000	
Sub-Total		5,342,087	55,994,952	
Amounts due to other grants and other transfers				
Secondary Schools	Payment of bursary to needy student in secondary school	-	(6,440,754)	
Tertiary Institutions	Payment of bursary to needy student in Universities and colleges	-	14,404,154	
Special Needs	Payment of bursary to needy student in special schools	169	36,769	
Sport	Carry out constituency sports tournament and the winning teams/schools to be awarded with trophies, balls and games kit.	5,561	200,116	
Emergency	To cater for any unforeseen	3917	2,200	



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Name	Brief Transaction Description	Outstanding Balance 2021/22	Outstanding Balance 2020/2021	Comments
	occurrences in the constituency during the financial year			
Environment	Construction of gate with watchman cubicle	-	0	
Security				
	Assistant County Commissioner Kiamwangi office (Kiamwangi Ajira Centre)	4315		
	Assistant County Commissioner Ngenda office (Gatundu Ajira Centre)	1550		
<b>Sub-Total</b>		<b>15,512</b>	<b>8,202,485</b>	
Acquisition of assets				
CDF office	Fencing of Gatundu NGCDF Office with Chain link and concrete posts and Construction of Car shade	700	2,000,000	
Others ( <i>specify</i> )	Strategic plan	14	14	
<b>Sub total</b>		<b>714</b>	<b>2,000,014</b>	
Sub-Total				
Funds pending approval		1,009,200	1,009,200	
<b>Grand Total</b>		<b>6,367,513</b>	<b>67,206,651</b>	



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

Asset class	Historical Cost b/f (Kshs) 2020/21	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2021/22
Land				
Buildings and structures		1,999,300		1,999,300
Transport equipment	-			
Office equipment, furniture and fittings				
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>				



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**Annex 5 –PMC Bank Balances As At 30<sup>th</sup> June 2022**

PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Gathuri Primary School	Equity	0660280794471		0.00
Kagio Secondary School	Equity	0660177484345		56,713.00
Gatundu Police Station	Equity	0660280097598		460.00
Nembu Secondary School	Equity	0660179762639		1728.90
Gitare Secondary School	Equity	0660179758890		65,700.00
Gatundu Technical Training Institute	Equity	0660278549923		847.93
Gathage Secondary School	Equity	0660278817692		150.00
Kibiru Primary School	Equity	0660180357530		28,201.81
Gathuri Secondary School	Equity	0660280405588		10.00
Muthurumbi Primary School	Equity	0660177247709		18,013.00
Kamunyu Primary School	Equity	0660280798455		10.00
Ng'enda Primary School	Equity	0660278973625		300.00
Handege Primary School	Equity	0660179753652		808.00
Muthiga Girls High School	Equity	0660280408768	120,842.00	20.00
Handege Secondary School	Equity	0660179768980		808.00
Gatitu High School	Equity	0660280811846		250.00
Gachoka Secondary School	Equity	0660179751163	<b>109,903.20</b>	100,949.40
Githuya Secondary School	Equity	0660278821633	<b>1659.27</b>	1779.27
Wamwangi Secondary School	Equity	0660179786551	<b>529</b>	649.00
Kiamworia Secondary School	Equity	0660281041733	<b>90</b>	0.00
Gatundu Primary School	Equity Gatundu	0660176348552	1,580.52	
Gachika Primary School	Equity Gatundu	0660282445774	1,130.00	
Gathage Primary School	Equity Gatundu	0660282083917	980.00	

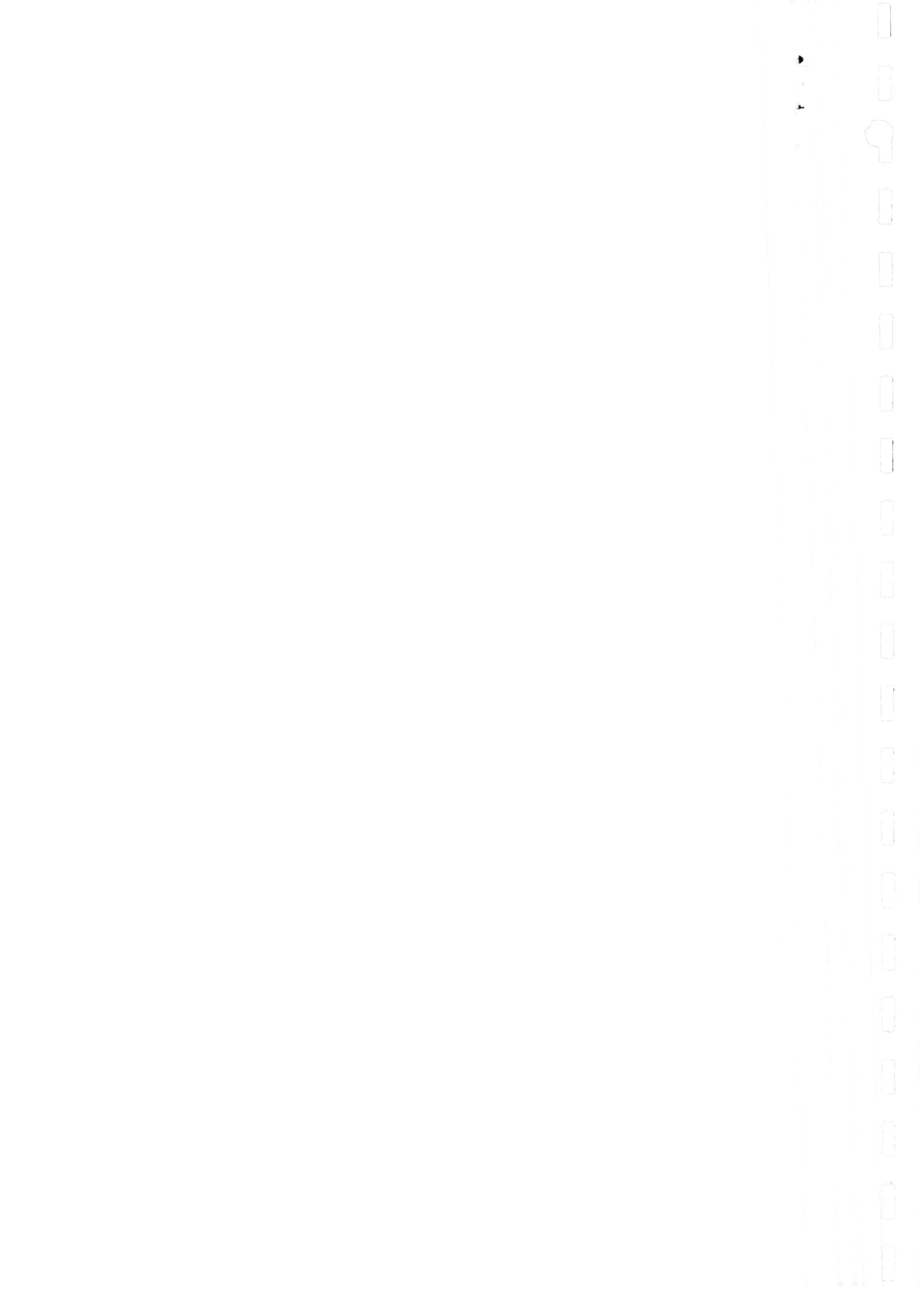


**Gatundu South Constituency**  
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PMC	Bank	Account number	Bank Balance 2021/22	Bank Balance 2020/21
Githuya Primary School	Equity Gatundu	0660282064014	1,100	
Ikuma Primary School	Equity Gatundu	0660282432185	2,350.00	
Ituru Primary School	Equity Gatundu	0660282045677	1,400.00	
Muthiga Primary School	Equity Gatundu	0660282455884	129,941.00	
Nembu Primary School	Equity Gatundu	0660282170994	660.00	
Ndumbi Primary School	Equity Gatundu	0660282052107	2,020.00	
Ng'enda Primary School	Equity Gatundu	0660278973625	474,690.00	
Wamwangi Primary School	Equity Gatundu	0660279642710	46,568.00	
Gikure Secondary School	Equity Gatundu	0660179758842	215,979.00	
St. Dominic Secondary School-Gatundu	Equity Gatundu	0660281282751	332,795.00	
Kiamwangi High School	Equity Gatundu	0660278733099	3,060.00	
Ruburi Secondary School	Equity Gatundu	0660282045537	2,310.00	
Gathuri High School	Equity Bank	0660281285875	1,330	
Kamutwa Secondary School	Equity Bank	0660281282789	610	
Ndarugu Secondary School	Equity Bank	0660281285464	237,101	
Icaciri Secondary School	Equity Bank	0660281282981	660	
<b>Total</b>			<b>1,689,287.99</b>	<b>277,398.31</b>

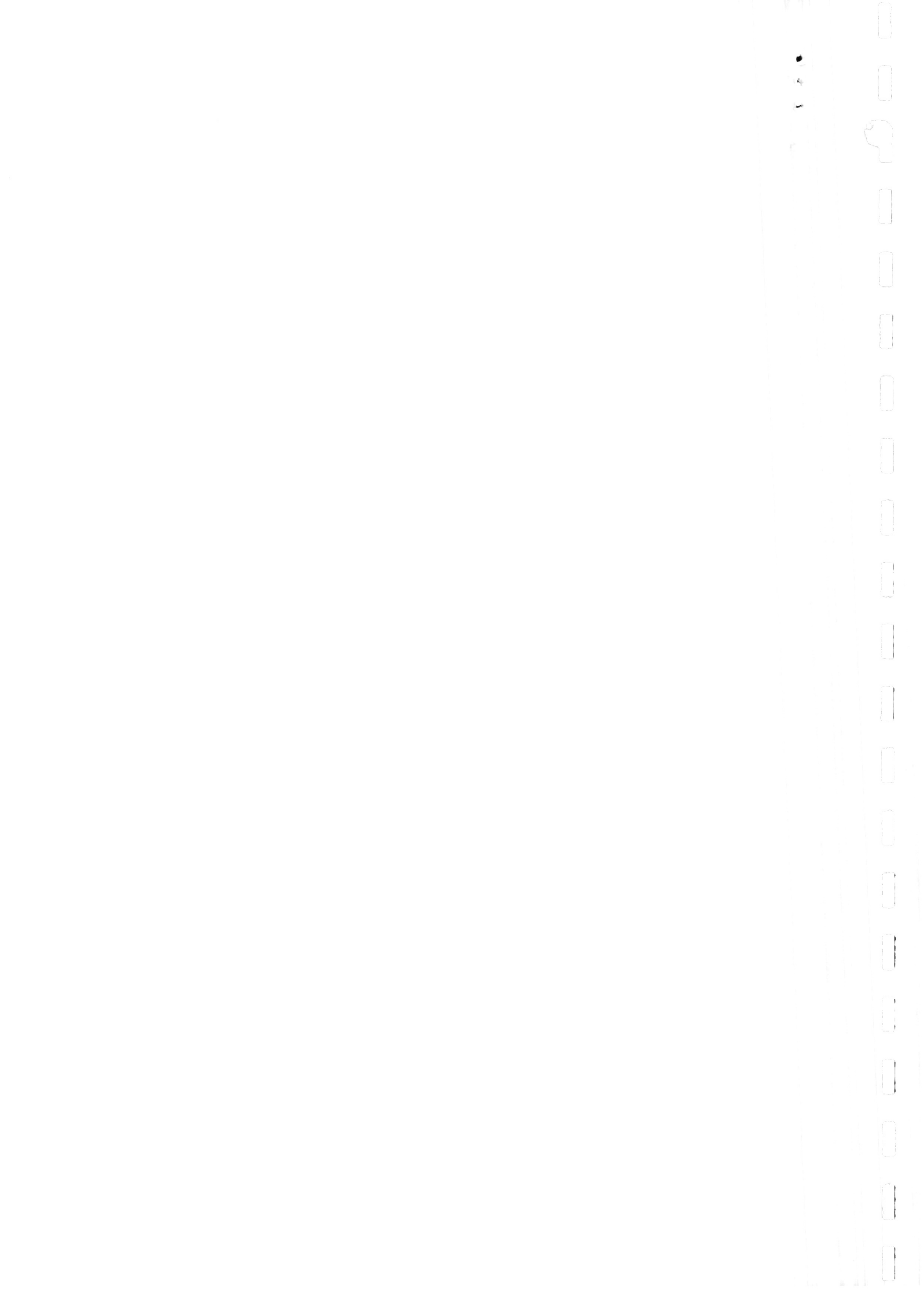
**Annex 6: Progress On Follow Up of Auditor Recommendations**

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.



**Gatundu South Constituency**  
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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)
1	<b>Misallocation of Expenditure</b> Kshs.19,348,940	The attached is extract of NGCDF Act 2015 Sec (24) in line with nature of projects: projects to be in respect of national government functions. The Kenya Medical Training Colleges are under Education Tertiary, and therefore the NGCDF Board approved them for implementation. (Annex 1)	Resolved on Certification	30 days
2	<b>Net Financial Position.</b>	The Financial statement as a template of IPSAS, the statement of Assets and liabilities is the financial position, being positive is not a liability rather the Net asset. Being the closing balance as the per the attached Bank Reconciliation and Expenditure Report. (Annex 2)	Resolved on Certification	5days
3	<b>Budgetary Performance</b>	The NGCDF Gatundu South had an approved budget of Kshs.86,810,344.82 and	Resolved on Certification	30 days



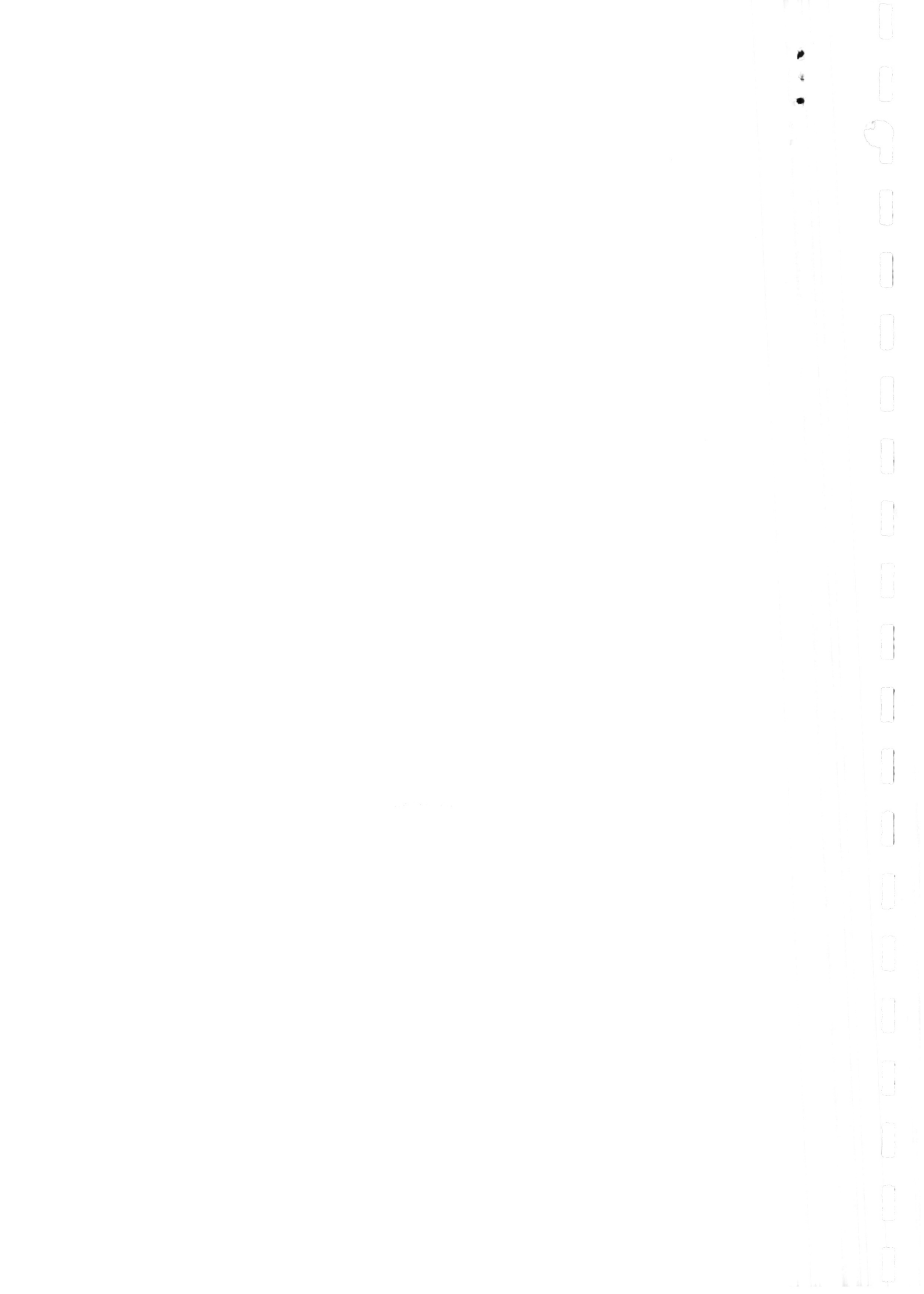
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		Kshs.11,379,310.34 respectively totalling to Kshs.101,074,199 in different 4period, leading to delay in p5roject proposal submission fo5r approval and project implementation at the end of financial year. Attached are Circular and proposal submission in various period. (Annex 3)		
4	<b>Repair And Maintenance Of Motor Vehicle</b>	We concur with above recommendation, the motor vehicle had an accident on 25 <sup>th</sup> February, 2015 and the Repair were required, the attached is a police abstract and photos indicating the issue. The attached is the memorandum and article of association of the Cebtec company indicating further service & duties the company can render including Motor vehicle spare parts and	Resolved on Certification	30 days



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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)
		implements on pg 2 of 14 (c). We also awarded the company on the basis of recommendation from Motor Hub, being the lowest bidder, The motor vehicle was repaired as per inspection report attached from the mechanical engineer, the NGCDFC is in process of disposing off the Motor vehicle as per the attached inspection report dated 14 <sup>th</sup> January, 2019 which indicates it is in good condition except the chassis bent. Attached is the memorandum and article of association, Recommendation Letter, Inspection report, and Disposal committee minutes, for Disposal (Annex 4)		
5	<b>Construction Of Ablution Block At Gatundu Primary School</b>	We concur with above recommendation, the Ksh. 4,635,930 was funds spent	Resolved on Certification	



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>from Emergency vote head, which was unforeseen expense at the time of project proposal. Hence the project being in the same institution the PMC combined the BQ. Attached are the Code list indicating how it was financed. Code lists, Request letter for Emergency (Annex 5)</p>		

*SM*

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**Name: Samuel Mawiyoo**  
**Fund Account Manager.**



