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REPORT

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DATE: 23 FEB 2022	DAY: Wed.
TABLED BY: The Majority Whip Hon. E. Wangwe, MP.	
CLERK-AT THE TABLE: Benson Inzira.	

THE AUDITOR-GENERAL

PARLIAMENT
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ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GATANGA CONSTITUENCY

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



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND-GATANGA
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NG-CDF)
GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

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**NATIONAL GOVERNMENT CONSTITUENCY 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Vision

Equitable Socio-economic development countrywide

Mission

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

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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 Gatanga 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 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Olympia Musonye
2.	Sub-County Accountant	Joyce Wambui
3.	Chairman NG-CDFC	Evanson Muiyuro
4.	Member NG-CDFC	Petronillah Kalimi

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF Gatanga Constituency Headquarters

P.O. Box 63-0100,
Thika
Mabanda Sub-County Offices
Gatanga

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(f) NGCDF Gatanga Constituency Contacts

Telephone: (254) 714 884 675
E-mail: cdfgatanga@cdf.go.ke
Website: www.gatangacdf.com

(g) NGCDF Gatanga Constituency Bankers

The Co-operative Bank of Kenya,
Thika Branch
A/C 01120074416200
Thika

(h) Independent Auditors

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

(i) Principal Legal Adviser

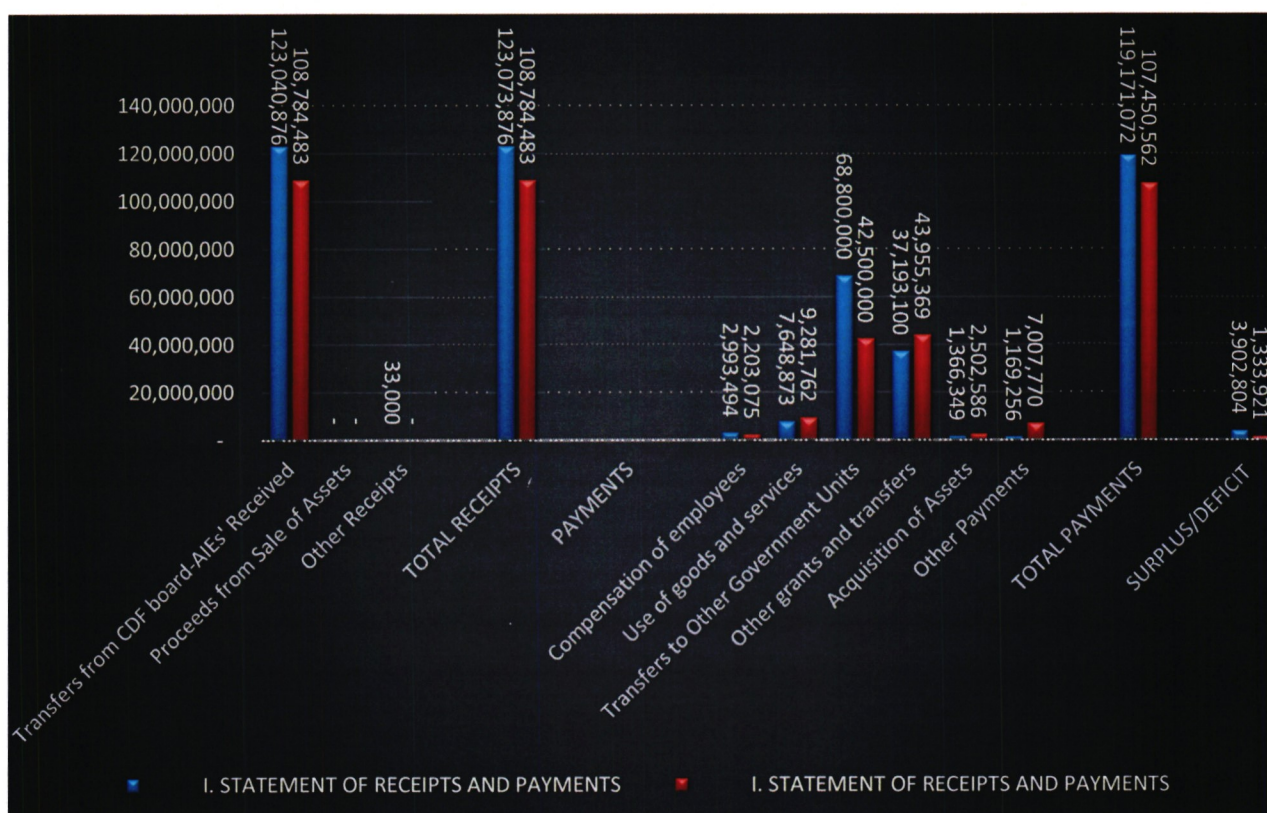
The Attorney General
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Nairobi, Kenya

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II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC)

Our NG-CDFC wishes to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. Our NG-CDF have improved the Education infrastructure, Education bursary, Sports, Environment and Security infrastructures of Gatanga Constituency through the various projects that we have.

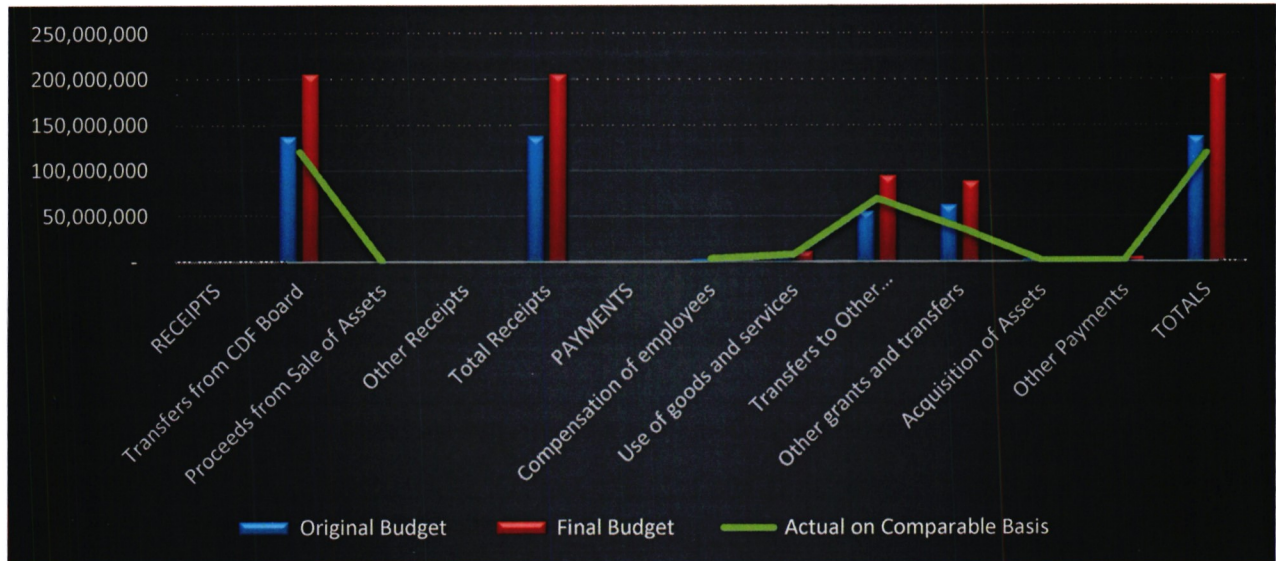
Statement of Receipts and Payments Comparison F/Ys' 2019/2020 and 2018/2019



Comparatively, Statement of Receipts and Payments for the financial year 2018/2019 reflects a low value in amount against the financial year 2019/2020. The biggest variance is evident in Transfers to Other Government Units. In the mentioned items, in the financial year 2018/2019, the management managed to transfer Kshs 42,500,000 compared to 68,800,000 in the financial year 2019/2020. The increase in the receipt and payment in the financial year 2019/2020 is attributed to the financial year 2018/2019 disbursement totaling to Ksh 55,040,875.50 that was received in the financial year 2019/2020.

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Original Budget, Adjustments against Actual Utilization of Funds for the Financial Year F/Ys' 2019/2020



As observed, the Management managed to utilize Ksh119, 171,072 against the original budget of Kshs 137,367,724. This points to 86.7% absorption rate. This is a fall from the financial year 2018/2019 where the constituency absorption rate stood at 98.5%. The management was unable to attain the 100% utilization rate due to the fact that there was delayed disbursement of funds from the Board. Apart from the above-mentioned issues, there has been a good project implementation spirit within the Constituency. Some of the best practices within the constituency are hereby interpreted.

Detail key achievements for the Financial Year F/Ys' 2019/2020

The operation of the Fund is exposed to variety of risks given the environment it operates. The environment is composed of the beneficiaries who need services irrespective of the available Funds. On the other hand, there exist the Contractors who target maximization of the profits. From this backdrop, risk management has become an essential tool to tackle the inevitable rivaling forces by the NG-CDFC. The success or failure of the Funds initiative at this level has been heavily determined by the uptake of risk initiatives.

Gatanga constituency mitigation strategies and tactics are connected through project objectives, which are both affected by uncertainty. This leads to risk at both strategic and tactical levels. To be able to mitigate risks, the committee undertakes several actions which are undertaken iteratively throughout the project lifecycle. One of the factors the constituency has put a lot of weight is risk management planning. Under this, the

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constituencies define the scope and objectives of the risk process, describing the techniques and tools to be used, stating the thresholds of acceptable risk to various stakeholders, detailing roles and responsibilities. One of the example is issuance of bursary that can result to bright needy cases missing out. The committee ensures that its forms have the rightful captions that will enable the subcommittees get the rightful information.

This has enabled the Gatanga NG-CDFC to come up with the best procedures that have resulted in the implementation of high impact projects within the constituency and the region. Highlighted herein are some of the best projects done within the financial year;



Construction of 12 number office Gatura Assistant County Commissioners office (The project expected to enable administrative services to the approximate population of 22,494 residents of Kariara Division)

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Construction of 7 number Mukurwe Chiefs office (The project expected to enable administrative and other government extension services to approximate population of 29,243 residents of Mugumoini ward)



Construction of four Standard Classroom at Ngatho Primary School (The project expected to provide a 160 pupil learning space each year and 120 pupils learning space where COVID-19 is concern)

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Apart from the positivity's experienced and exhibited, there has been political, economic, social, legal and global challenges influencing the implementation of NG-CDF projects within Gatanga Constituency. These challenges have been handled in the proper ways and those that the constituency is unable they have been handled by the relevant authorities.

Our NG-CDFC wishes that there be more sensitization done to the people on the importance and NG-CDF. We wish to open the world to the change that has been enabled by the fund so that its sustainability and continuation is fully supported by the citizenry and ensure its livelihood.

Sign



CHAIRMAN NG-CDF COMMITTEE

Evanson Muiyuro

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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED 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-Gatanga Constituency's 2018-2022 plan are to:

- a) To promote quality education through financial support to studying constituents at Primary, secondary and tertiary levels and improvement of infrastructure.
- b) To develop staff capacity with focus on quality performance and service delivery.
- c) To develop and enhance physical infrastructure.
- d) To enhance usage of technology to support NG-CDFC operations.
- e) To enhance and sustain financial resources mobilization and management.
- f) To develop strong education and public awareness/outreach activities at the Constituency

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To promote quality education through financial support to studying constituents at Primary, secondary and tertiary levels and improvement of infrastructure.	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels, - Innovative dissemination of bursaries 	In FY 19/20 -we increased number of classrooms, dormitories, laboratories - We managed to issue Ksh8, 501,598 that benefited 267 students across all levels.

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Staff	To develop staff capacity with focus on quality performance and service delivery.	Increased degree of competency in provision of services to the public -Percentage turnover -Non motivated staff	-The number of service related official complaints by all the Fund stakeholders -Number of trainings and capacity building - Number of staff leaving employment and degree of absenteeism.	-In FY 19/20 the constituency received one complaint compared to the year FY2018/2019 which had 4 number complaints
Security	To develop and enhance physical infrastructure.	Percentage Reduction in crime rate	-Number of complete and in use administrative offices and structures	-During the financial year we constructed 6 number administrative offices worth Ksh13,419,747
Enhanced Service provision	To enhance usage of technology to support NG-CDFC operations	Time taken to offer services, Monitor and evaluate processes and projects	-Number of ICT related projects and programs	-Developed a Geographical Information Monitoring and Evaluation System
Sustainable development	-To enhance and sustain financial resources mobilization and management	-Projects that embrace sustainable features(Universal and futuristic designs and Environmental conservation features	-Number of complete projects with the sustainable aspects	-80% the projects in FY 2019/2020 have ramps, gutters for water collection and are fitted with LED bulbs.
Public awareness	To develop strong education and public awareness/outreach activities at the Constituency	- Enhanced public awareness on issues concerning NG-CDF and of public interest	-Number of awareness activities carried out in a financial year	-2 number public awareness events carried out for project identification and on COVID-19

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF Gatanga 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 -

To be sustainable, Gatanga NG-CDF projects are supposed to meet the objectives of NG-CDF that is, poverty reduction and development at the grassroots. This is well elaborated at our Strategic plan ensuring that the NG-CDFC focuses on three main pillars in the running of the Fund. First we have focused on quality management. Our project have optimised the three project management constraints that is cost, time and scope at the planning and implementation stage. This is ensured through project Monitoring via the use of Geographical information System, carrying out of Bill of Quantities before project proposal and allocating enough budget for a given project. Secondly, the Constituency ensures environmental sustainable projects. This is ensured by ensuring that all the enterprise environmental factors have been taken care of during project implementation. This is done through the use of local material and labour in the implementation of our projects. This increases the degree of ownership of our projects. Our project management also stresses on the aspect of energy conservation by designing projects that are energy compliant for example 80% of our classrooms are designed with gutters for water collection. Last but not least, the designs of our projects consider the universal aspect. Thirdly the constituency has ensured strategic allocation of resources. This has reduced skewed project implementation that defeats the concept of equitable development. Resource allocation activities are always planned for long term perspectives and utilized considering stakeholders expectation.

2. Environmental performance

Gatanga NG-CDFC strategic Environmental agenda recognizes the provisions of the NG-CDF Board Strategic Plan and the National Environmental Management Authority (NEMA) guidelines. The NEMA Performance Contract Guidelines for all Ministries, Departments and Agencies (MDAs) provide that institutions undertake planning, implementation, monitoring and Audit of the projects to ensure compliance with and enforcement of the constitution and other statutory obligations relating to environmental sustainability.

As a Constituency, we ensure that Project Implementation Committees (PMC) continue to priorities and improve environmental sustainability projects. We also Encourage Community participation in identification, protection and conservation of environment by carrying out environmental awareness programes. Create synergy between the NG-CDFC and other related players. In the financial year 2019/2020 the Constituency carried out the following;

- a) Sensitized Gatanga National Government Constituency Development Fund Committee (NG-CDFC) Members and Public on Environmental Sustainability through sharing of best practices with Mvita Constituency.
- b) Trained 1000 staffs, students and pupils on Waste disposal, and Tree growing skills in Ithanga Secondary, Thungururu Secondary, Ngelelya Secondary, Kariara Primary and Iganjo Primary Schools.

3. Employee welfare

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The Occupational Health and Safety Act (OSHA) provide for the health, safety and welfare of persons employed, and all persons lawfully present at workplaces and related matters. Gatanga NG-CDFC adheres to this policy in various ways as it looks out to optimise employee output. To realise this, Gatanga NG-CDFC ensures that the offices are properly cleaned, ventilated and lighted. The constituency has ensured provision of good office space to avoid overcrowding, air pollution and noise at the workstations. There is established a dispute resolution sub-committee that looks into employee welfare and work environment. The Fund Account Manager has established a tracking chat that ensures the quarterly milestones are well tracked and attained by individual staff. This is followed by a Pizza eating session for all staff members whenever all the milestones are attained within the constraint of quality. The Committee ensures that Kenyan labour laws and NG-CDF 215 Act and regulations are adhered to during all the recruitment processes.

4. Market place practices-

a) Responsible competition practice.

Through NG-CDFC, Gatanga constituency ensures that all the projects and programmes are deliberated through consensus undertaken during their monthly meetings. The consensus are only arrived at after a comprehensive advice has been offered by the Fund Account Manager. The committee has also ensured there is an active website and other communication forum's that enable public participation in decision making. This include a functioning website, an open door office policy, Ward meetings for project identification and separation of the offices and staff of the Member of Parliament office and the NG-CDF office.

b) Responsible Supply chain and supplier relations.

The NG-CDFC ensures that all contract obligations are met. This is done by ensuring the supply chain management process observe the Public Procurement and Asset Disposal Act, 2015. All the suppliers that attain and those that fail the prequalification threshold are communicated to officially. Payment of contractors is done on time. Lastly, all the contractors and suppliers are given clear guidelines and instructions on the content of their contracts.

c) Responsible marketing and advertisement

The Constituency has established a notice board where all the prequalified and tender winning companies are displayed.

d) Product stewardship

Instructions are given to all the contractors to secure the construction sites of our projects. This is meant to protect the beneficiaries from injuries related to construction works

5. Community Engagements-

During the financial year, the Constituency offered their GK vehicle to assist the sub-county health office to broadcast COVID-19 awareness across the constituency.



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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 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 by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Gatanga 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, 2019. 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-Gatanga 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 entity's 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 in-charge of the NG-CDF-Gatanga Constituency further confirms the completeness of the accounting records maintained for the entity, 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-Gatanga 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-Gatanga Constituency financial statements were approved and signed by the Accounting Officer on 25/6 2020.

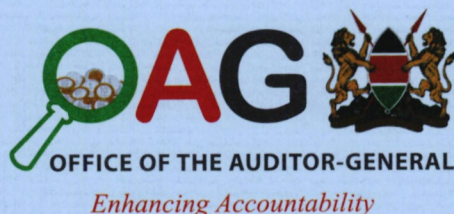


Fund Account Manager
Name: Olympia Musonye



Sub-County Accountant
Name: Joyce Wambui
ICPAK Member Number:

REPUBLIC OF KENYA



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NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Gatanga Constituency set out on pages 15 to 50, which comprise the statement of financial assets as at 30 June, 2020 and the statement of receipts and payments, statement of cash flows and 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, 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 - Gatanga 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 Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Bursary to Needy Students

Disclosed in Note 7 to the financial statements are other grants and transfers totaling Kshs.8,696,828 comprised of Kshs.8,158,828, Kshs.528,000 and Kshs.10,000 for bursary-secondary schools, Bursary-tertiary institutions and bursary-special schools respectively. However, schedule of bursary payments reflected an amount of Kshs.9,236,716 resulting in a difference of Kshs.539,888 which was not explained or reconciled. Further, acknowledgement letters or receipts from two institutions which were paid a total of Kshs.7,968,828 to confirm receipt of the bursaries were not provided for audit review.

Consequently, it was not possible to ascertain whether the bursaries amounting to Kshs.8,696,828 were properly accounted for.

2. Project Management Committees (PMC) Bank Accounts

Disclosed under Annex 5 to the financial statements are unutilized balances totalling Kshs.31,707,314 in respect of sixty (60) Project Management Committee (PMC) bank accounts as at 30 June 2020. However, the Gatanga - NGCDF did not provide implementation status of the projects. Further, no explanation was given for failure to close the accounts and transfer the balances to the Constituency bank account contrary to Section 12(8) of the NGCDF Act, 2015, which requires that all unutilized funds of the project management committee shall be returned to the Constituency account. In addition, expenditure returns for funds amounting to Kshs.6,416,821 in respect of PMC bank accounts as at 30 June, 2019 were not provided for audit review.

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

Key Audit Matters

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

Other Matter

1. Prior Year Unresolved Issues

In the report of the previous year, several issues were raised under Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. A review of the Progress on follow up of Auditor Recommendations showed that the Management has indicated that all the issues have been resolved. To the contrary, the matters remained unresolved as the National Assembly has yet to deliberate on the audit report for 2018/2019.

2. Budget Performance

During the financial year under review, the Constituency received a total of Kshs.123,073,876 from the National Government Constituencies Development Fund Board against a budget of Kshs.205,652,457 resulting in a shortfall of Kshs.82,578,581 or 40% of the budgeted amount.

Further, the total actual expenditure for the year was Kshs.119,171,072 representing an absorption rate of 96.8% of the actual receipts. Failure to implement projects fully and to

absorb in full the funds disbursed denied the residents the benefits accruing from the planned projects, programmes and activities.

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 sections 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 Verification

The statement of receipts and payments reflects expenditure on transfers to other government units and other grants and transfers of Kshs.68,200,000 and Kshs.37,793,100 respectively for implementation of various projects during the year ended 30 June, 2020.

However, physical verification of nineteen (19) projects implemented at a cost of Kshs.32,848,420 revealed poor workmanship as visible cracks on the floors and walls, leaking roofs, loose doors, incomplete works, leaking wastewater pipes and poor paint works on the various projects was observed. Further, included in the Kshs.32,848,420 is an amount of Kshs.2,500,000 incurred on construction of two classrooms and one unit ablution block at Chomo mixed day secondary school. As at the time of verification, the school was not operational as there were no students and no teachers posted, no approval of the school from the Ministry of education and no evidence of public participation before implementing the project was provided for review.

In the circumstances, the value for money of the expenditure of Kshs.32,848,420 incurred on the projects during the year ended 30 June, 2020 could not be confirmed.

2. Gatanga ICT Innovation Hubs

Disclosed under Note 9 to the financial statements on other payments is an expenditure of Kshs.1,169,256 in respect of ICT hub in Kihumbuini ward. Available records indicate that the NGCDF-Gatanga Constituency had allocated a total Kshs.4,677,027.20 for development of four innovation hubs in Gatanga ward, Kariara ward, Kihumbu ward and Ithanga ward, each receiving an amount of Kshs.1,169,256

The contract for development of the four ICT hubs was awarded to M/sTelcom Kenya at a total sum of Kshs.4,677,027.20 and the contract agreement signed on 25 October, 2018. However, no procurement records including original tender bids from suppliers, evaluation and award minutes and details of the ICT equipment ordered and supplied were presented for audit review. Further, audit inspection carried out in February, 2021 revealed that the hubs have not been used for unclear reasons.

Consequently, the value for money expenditure of Kshs1,169,256.80 incurred on the projects during the year ended 30 June, 2020 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are

in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

08 February, 2022

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
GATANGA CONSTITUENCY
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VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020 Kshs	2018 - 2019 Kshs
RECEIPTS			
Transfers from NGCDF board	1	123,040,876	108,784,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	33,000	-
TOTAL RECEIPTS		123,073,876	108,784,483
PAYMENTS			
Compensation of employees	4	2,993,494	2203075
Use of goods and services	5	7,648,873	9,281,762
Transfers to Other Government Units	6	68,200,000	42,500,000
Other grants and transfers	7	37,793,100	43,955,369
Acquisition of Assets	8	1,366,349	2,502,586
Other Payments	9	1,169,256	7,007,770
TOTAL PAYMENTS		119,171,072	107,450,562
SURPLUS/(DEFICIT)		3,902,804	1,333,921

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Gatanga Constituency financial statements were approved on 28/8 2020 and signed by:



Fund Account Manager
Name: Olympia Musonye




Sub-County Accountant
Name: Joyce Wambui
ICPAK Member Number:

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

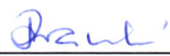
VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	17,113,661	13,210,857
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		17,113,661	13,210,857
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		<u>17,113,661</u>	<u>13,210,857</u>
FINANCIAL LIABILITIES			
Accounts payable-Retention	12	-	-
NET FINANCIAL ASSETS		<u>17,113,661</u>	<u>13,210,857</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	13,210,857	11,876,936
Surplus/Deficit for the year		3,902,804	1,333,921
Prior year adjustments	14	-	-
NET FINANCIAL POSITION		<u>17,113,661</u>	<u>13,210,857</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GATANGA Constituency financial statements were approved on 25/8 2020 and signed by:



Fund Account Manager
Name: Olympia Musonye



Sub-County Accountant
Name: Joyce Wambui
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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IX. STATEMENT OF CASHFLOW

Receipts from operating income		2019 – 2020	2018 – 2019
		Kshs	Kshs
Transfers from NGCDF Board	1	123,040,876	108,784,483
Other Receipts	3	33,000	-
Total Receipts from		123,073,876	108,784,483
Payments for operating expenses			
Compensation of Employees	4	2,993,494	2,203,075
Use of goods and services	5	7,648,873	9,281,762
Transfers to Other Government Units	6	68,200,000	46,007,770
Other grants and transfers	7	37,793,100	43,955,369
Other Payments	9	1,169,256	3,500,000
		(117,804,723)	(104,947,976)
Adjusted for:			
Adjustments during the year	14	-	-
Net cash flow from operating activities		5,269,153	3,836,507
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(1,366,349)	(2,502,586)
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		3,902,804	1,333,921
Cash and cash equivalent at BEGINNING of the year	13	13,210,857	11,876,936
Cash and cash equivalent at END of the year		<u>17,113,661</u>	<u>13,210,857</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GATANGA Constituency financial statements were approved on 25/8 2020 and signed by:



Fund Account Manager
Name: Olympia Musonye



Sub-County Accountant
Name: Joyce Wambui
ICPAK Member Number:

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	137,367,724	68,251,733	205,619,457	123,040,876	82,578,581	60%
Proceeds from Sale of Assets				-	-	
Other Receipts-AIA	-	33,000	33,000	33,000	-	
Total Receipts	137,367,724	68,284,733	205,652,457	123,073,876	82,578,581	60%
PAYMENTS						
Compensation of employees	2,732,400	1,270,000.00	4,002,400	2,993,494	1,008,906	74.8%
Use of goods and services	9,630,695	1,520,500.00	11,151,195	7,648,873	3,502,322	68.6%
Transfers to Other Government Units	55,750,000	38,500,000	94,250,000	68,200,000	26,050,000	72.4%
Other grants and transfers	62,254,629	25,951,732.50	88,206,361	37,793,100	50,413,261	42.8%
Acquisition of Assets	3,000,000	9,500.00	3,009,500	1,366,349	1,643,151	45.4%
Other Payments	4,000,000	1,000,000.00	5,000,000	1,169,256	3,830,744	23.4%
Unallocated fund AIA		33,000.00	33,000		33,000	
TOTALS	137,367,724	68,284,733	205,652,457	119,171,072	86,448,385	57.9%

The Budget utilization ration is low in most sectors owing to the delays in funds disbursements from the board leading to problems in projects implementation. This as a result affected the absorption rate of the itemised units.

The NGCDF-GATANGA Constituency financial statements were approved on 25/8 2020 and signed by:


Fund Account Manager
Name: Olympia Musonye


Sub-County Accountant
Name: Joyce Wambui
ICPAK Member Number:

Reports and Financial Statements
For the year ended June 30, 2020

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,732,400.00	1,270,000.00	4,002,400.00	2,993,494.00	1,008,906.00
1.2 Committee allowances	5,050,663.45	793,501.00	5,844,164.45	3,968,207.00	1,875,957.45
1.3 Use of goods and services	4,580,031.72	726,999.00	5,307,030.72	3,680,666.00	1,626,364.72
2.0 Monitoring and evaluation	4,121,031.72		4,121,031.72		4,121,031.72
2.1 Capacity building	2,621,031.72	600,000.00	3,221,031.72	2,258,157.72	37,126.00
2.2 Committee allowances	800,000.00	788,305.00	1,588,305.00	1,338,305.00	250,000.00
2.3 Use of goods and services	700,000.00	1,116,784.00	1,816,784.00	1,364,402.00	452,382.00
3.0 Emergency	7,198,241.38		2,708,363.62	9,906,578.00	9,906,578.00
3.1 Primary Schools					
3.2 Secondary schools	-				
3.3 Tertiary institutions	-				
3.4 Security projects	-				
4.0 Bursary and Social Security					
4.1 Primary Schools	-				
4.2 Secondary Schools	17,000,000.00	2,700,000.00	19,700,000.00	5,120,700.00	14,579,300.00
4.3 Tertiary Institutions	13,341,931.04	1,300,000.00	14,641,931.04	3,376,128.00	11,265,803.04
4.4 Universities	-	-		-	
4.5 Vocational Schools	4,000,000.00	-	4,000,000.00	4,000,000.00	-
5.0 Sports	2,747,354.48	-	2,747,354.48	-	2,747,354.48

Reports and Financial Statements

For the year ended June 30, 2020

5.1 Sporting Activities	1,923,148.00			1,923,148.00	-	1,923,148.00
5.2 Cultural Activities	824,208.48			824,208.48	-	824,208.48
5.3						
6.0 Environment	1,547,354.48			1,547,354.48	-	1,547,354.48
6.1 Planting of Trees	600,000.00			600,000.00	-	600,000.00
6.2 Dirt Bins	600,000.00			600,000.00	-	600,000.00
6.3 Purchase and Installation of Tanks	1,547,354.48			1,547,354.48	-	1,547,354.48
7.0 Primary Schools Projects						
(List all the Projects)						
Ngatho Primary School	4,500,000.00			4,500,000.00	4,500,000.00	-
Gatiguru Primary School Cdf	500,000.00			500,000.00	500,000.00	-
Gathuthu Primary School	500,000.00			500,000.00	-	500,000.00
Ngurunga Primary School	700,000.00			700,000.00	700,000.00	-
Wanduhi Primary School	1,000,000.00			1,000,000.00	1,000,000.00	-
Wanduhi Primary School	1,000,000.00			1,000,000.00	1,000,000.00	-
Gatakaini Primary School CDF	2,500,000.00			2,500,000.00	2,500,000.00	-
Manager, Cooperative Bank (Rubiru Pri Sch)	2,000,000.00			2,000,000.00	2,000,000.00	-
Ng'ate Primary School	1,000,000.00			1,000,000.00	1,000,000.00	-
Mwea Primary School	1,000,000.00			1,000,000.00	1,000,000.00	-
Mugumo Primary School	1,000,000.00			1,000,000.00	1,000,000.00	-
Mt. Olive Primary School	1,000,000.00			1,000,000.00	-	1,000,000.00
Kagarai Primary School	2,000,000.00			2,000,000.00	2,000,000.00	-
Kigio Primary School	2,000,000.00			2,000,000.00	2,000,000.00	-
Mabae Primary School	1,000,000.00			1,000,000.00	1,000,000.00	-
Ngungu Primary School	2,000,000.00			2,000,000.00	2,000,000.00	-
Kibaaka Primary School	1,000,000.00			1,000,000.00	1,000,000.00	-
Gichumbu Primary School CDF	1,000,000.00			1,000,000.00	1,000,000.00	-
Gichumbu Primary School	1,000,000.00			1,000,000.00	1,000,000.00	-

Reports and Financial Statements

For the year ended June 30, 2020

Giatusu Primary School	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Rwaitira Primary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00
Gatunguru Kariara Primary School	1,500,000.00	-	1,500,000.00	1,500,000.00	-
Kigio Primary School	1,500,000.00	-	1,500,000.00	1,500,000.00	-
Rwegetha Primary School	1,500,000.00	-	1,500,000.00	-	1,500,000.00
8.0 Secondary Schools Projects (List all the Projects)					
Kimandi Secondary School Cdf	500,000.00	-	500,000.00	500,000.00	-
Gatuny Secondary School	3,000,000.00	-	3,000,000.00	3,000,000.00	-
Chomo Mixed Day Secondary School	2,500,000.00	-	2,500,000.00	2,500,000.00	-
Gathanji Secondary School	2,500,000.00	-	2,500,000.00	2,500,000.00	-
Jogoo Kimakia Secondary School CDF	2,500,000.00	-	2,500,000.00	2,500,000.00	-
St.Marys Rwegetha Sec Sch CDF	2,100,000.00	-	2,100,000.00	2,100,000.00	-
Ngelelya Secondary Shool CDF	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Giteme Secondary School	2,000,000.00	-	2,000,000.00	2,000,000.00	-
Githambia Secondary School	2,000,000.00	-	2,000,000.00	2,000,000.00	-
Kigio Secondary School	2,000,000.00	-	2,000,000.00	2,000,000.00	-
St. Teresa Secondary School	2,000,000.00	-	2,000,000.00	2,000,000.00	-
Mbugiti Secondary School CDF	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Manager, Cooperative Bank (Gathanji Sec Sch)	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Manager Cooperative Bank (Mbugiti Sec Sch)	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Giteme Secondary School	1,500,000.00	-	1,500,000.00	1,500,000.00	-
Kihumbuini Secondary School	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Kimandi Secondary School	1,500,000.00	-	1,500,000.00	1,500,000.00	-
Gituamba Secondary School	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Thungururu Secondary School CDF	1,500,000.00	-	1,500,000.00	1,500,000.00	-

Reports and Financial Statements

For the year ended June 30, 2020

CCM Gatanga Girls Secondary School	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Del Monte Secondary School CDF	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Gakurari Secondary School	1,000,000.00	-	1,000,000.00	1,000,000.00	-
9.0 Tertiary institutions Projects (List all the Projects)					
10.0 Security Projects					
Nyaga Administration Police Post CDF	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Kiganjo Assistant Chief's Office CDF	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Mukurwe Chief's Office	3,200,000.00	-	3,200,000.00	3,200,000.00	-
Kirwara Police Station	4,000,000.00	-	4,000,000.00	4,000,000.00	-
Gatanga DCC's Office	1,000,000.00	-	1,000,000.00	1,000,000.00	-
Gatura ACC's Office	3,000,000.00	-	3,000,000.00	3,000,000.00	-
Gatanga DCC's Office	219,747.00	-	219,747.00	219,747.00	-
Ithangarari Assistant Chiefs Office	1,000,000.00	-	1,000,000.00	1,000,000.00	-
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-
11.2 Construction of CDF office	3,000,000.00	-	3,000,000.00	3,000,000.00	-
11.3 Purchase of furniture and equipment	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-
11.5 Purchase of land	-	-	-	-	-
12.0 Others					
12.1 Strategic Plan					
12.2 Innovation Hub					
12.3 Un allocated fund AIA		33000	33000		33000
Sub-totals					
Total	137,367,724	68,284,733	205,652,457	119,171,072	86,481,385

**Reports and Financial Statements
For the year ended June 30, 2020**

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

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

X11. 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 NG-CDF-GATANGA 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.

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

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 30th June 2019, 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 CONSTITUENCY 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 Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

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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 in June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was no 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 30th 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

Description	2019-2020	2018-2019
	Kshs	Kshs
AIE No. B 042736		11,000,000
AIE No. B005159		54,784,483
AIE No. B 030055		10,000,000
AIE No. B 006332		8,000,000
AIE No. B 030391		12,000,000
AIE No. B 042886		13,000,000
B041080	55,040,875.50	
B047412	4,000,000.00	
B041455	20,000,000.00	
B047883	6,000,000.00	
B049262	15,000,000.00	
B104284	23,000,000.00	
TOTAL	123,040,876	108,784,483

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Total		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019- 2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	33,000	-
Other Receipts Not Classified Elsewhere	-	-
Total	33,000	-

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic Salaries & wages of contractual employees	2,318,160	1,593,860
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	571,134	510,215
Other personnel payments – NHIF & NSSF	104,200	99,000
Total	2,993,494	2,203,075

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	1,265,500	4,288,170
Utilities, supplies and services	-	200,000
Communication, supplies and services	111,469	-
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	68,440	550,000
Other Allowance Expense - M& E	2,702,707	-
Training expenses	-	777,600
Hospitality supplies and services	-	1,006,500
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	2,753,645	1,836,655
Fuel, Oil and lubricants	594,444	300,000
Routine maintenance – vehicles and other transport equipment	140,488	322,837
Routine maintenance – other assets	12,180	-
Total	7,648,873	9,281,762

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	34,200,000	30,000,000
Transfers to secondary schools (see attached list)	34,000,000	12,500,000
Transfers to tertiary institutions- (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	68,200,000	42,500,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018- 2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	8,158,828	27,337,913
Bursary – tertiary institutions (see attached list)	528,000	-
Bursary – special schools (see attached list)	10,000	-
Mock & CAT (see attached list)	-	-
Water projects (see attached list)	-	-
Others (Markets)	-	-
Electricity projects (see attached list)	-	-
Security projects (see attached list)	11,404,869	11,404,869
Roads projects (see attached list)	-	0
Sports projects (see attached list)	2,180,817	227,586
Environment projects (see attached list)	2,189,130	220,000
Emergency projects (see attached list)	10,306,578.	4,765,000
Total	37,793,100	43,955,369

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non-Financial Assets	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	1,366,349	2,502,586
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
	-	-
Total	1,366,349	2,502,586

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	-	3,500,000
ICT Hub	1,169,256	3,507,770
TIVET	-	-
Total	1,169,256	7,007,770

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
Co-operative Bank – Thika (01120074416200)	17,113,661	13,210,857
Total	17,113,661	13,210,857
10B: CASH IN HAND		
Location 1		
Location 2		
Location 3		
Other Locations (specify)		
Total		
[Provide cash count certificates for each]		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer or Institution	dd/mm/yy	Xxx	Xxx	Xxx
Name of Officer or Institution	dd/mm/yy	Xxx	Xxx	Xxx
Name of Officer or Institution	dd/mm/yy	Xxx	Xxx	Xxx
Name of Officer or Institution	dd/mm/yy	Xxx	Xxx	Xxx
Name of Officer or Institution	dd/mm/yy	Xxx	Xxx	Xxx
Name of Officer or Institution	dd/mm/yy	Xxx	Xxx	Xxx
Total				Xxx

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

12A RETENTION

	2019 – 2020	2018 - 2019
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

12B GRATUITY DEPOSITS

	2019 – 2020	2018 - 2019
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

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13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	13,210,857	11,876,936
Cash in hand		
Imprest		
Total	13,210,857	11,876,936



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2019- 2020	2018-2019
	Kshs	Kshs
Bank accounts	-	-
Cash in hand		
Imprest		
Total	-	-

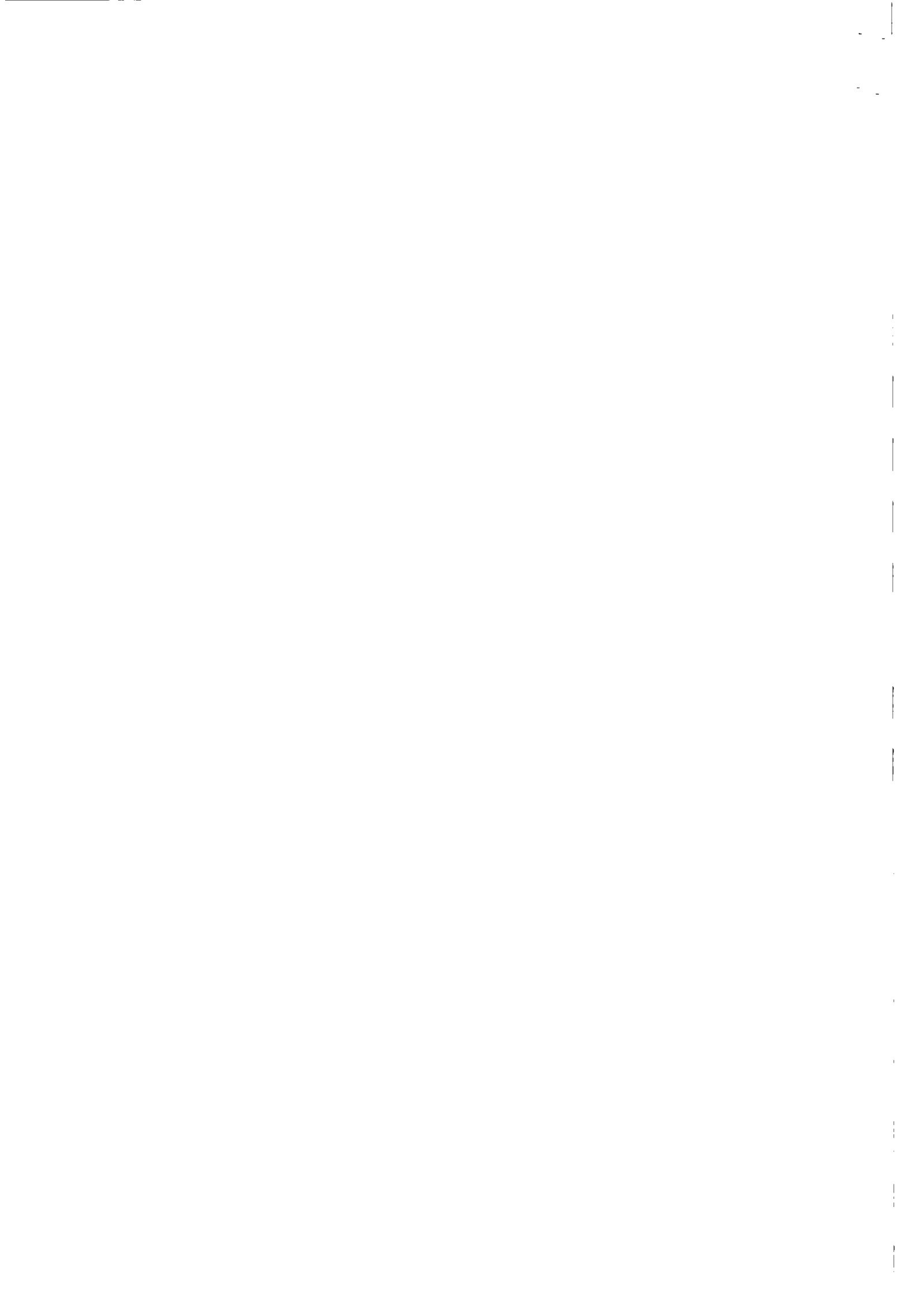
The above is a cheque that had been erroneously been treated as unrepresented yet it was totally cancelled.

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	2,600,000	-
Imprest surrendered during the Year (C)	2,600,000	-
Net changes in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st 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	-	-



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (specify)	-	-
	-	-

17.3: UNUTILIZED FUNDS (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,008,906.00	-
Committee allowances under Administration	1,875,957.45	-
Use of goods and services for Administration	1,626,364.72	-
Monitoring and evaluation field visit allowances	4,121,031.72	-
Capacity building	37,126.00	-
Committee allowances under M&E	250,000.00	-
Use of goods and services for M&E	452,382.00	-
Emergency	7,741,560.11	-
Total	17,113,661	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	31,707,314.37	-
	31,707,314.37	-

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – GATANGA CONSTITUENCY
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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	Outstanding Balance 2019	Comments
	a	B	C	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – GATANGA CONSTITUENCY
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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	Outstanding Balance 2019	Comments
		A	B	C	d=a-c		
Senior Management							
1.							
2.							
3.							
Sub-Total							
Middle Management							
4.							
5.							
6.							
Sub-Total							
Unionisable Employees							
7.							
8.							
9.							
Sub-Total							
Others (specify)							
10.							
11.							
12.							
Sub-Total							
Grand Total							

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	249,000	0	0	249,000
Buildings and structures	4,035,600	0	0	4,035,600
Transport equipment	7,600,000	0	0	7,600,000
Office equipment, furniture and fittings	2,490,998	0	0	2,490,998
ICT Equipment, Software and Other ICT Assets	3,445,354	1,366,349.00	0	4,811,703.00
Other Machinery and Equipment	4,000	0	0	4,000
Heritage and cultural assets	N/A	0	0	N/A
Intangible assets	N/A	0	0	N/A
Total	17,824,952	1,366,349.00	0	19,191,301

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Gatiiguru Primary School Cdf	Co- Operative	01141558379100	1,549.50	-
Mugumo Primary School	Co- Operative	01141073045300	1,801.75	-
Mwea Primary School	Co- Operative	01141735286300	97,690.50	-
Wanduhi Primary School	Co- Operative	01141558738000	50,168.25	-
Gakurari Secondary School	Co- Operative	01139074146000	37,210.00	-
Gatunguru Kariara Primary School	Co- Operative	01141558424200	25,310.25	-
Ngatho Primary School	Co- Operative	01141735285100	2,875.00	-
Kigio Primary School	Co- Operative	01141734705600	55,246.75	-
Gichumbu Primary School CDF	Co- Operative	01141833941100	56,010.50	-
Ng'ate Primary School	Co- Operative	01141833929400	2,115.00	-
Gatakaini Primary School CDF	Co- Operative	01141833931400	61,767.50	-
Kibaaka Primary School	Co- Operative	01141558361700	49,539.50	-
Mabae Primary School	Co- Operative	01141558714600	80,208.00	-
Ngurunga Primary School	Co- Operative	01139073045402	25,945.00	-
Mt. Olive Primary School	Co- Operative	01141558393500	1,000,881.50	-
Gathuthu Primary School	Co- Operative	01141073047400	500,296.18	-
Ngungugu Primary School	Co- Operative	01141073047500	200,182.75	-
Kagarii Primary School	Co- Operative	01141734693600	698,757.00	-
Rwegetha Primary School	Co-	01141558713800	1,525,489.50	-

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
	Operative			
Giatutu Primary School	Co-Operative	01141734459900	1,105,528.00	-
Rwaitira Primary School	Co-Operative	01141428529700	2,003,335.00	-
Mwanawikio Primary School CDF	Co-Operative	01139278357900	421,280.00	-
Mianyani Chief's Office CDF	Co-Operative	01141832052400	4,385.50	-
Kirwara Primary School CDF	Co-Operative	01109279970600	20,561.25	-
Giatutu Primary School CDF	Co-Operative	01141734459900	1,105,528.00	-
Ithanga Primary School	Co-Operative	01141558704900	80.00	-
Kiarutara Primary School	Co-Operative	01141734554000	58.00	-
Gatanga Primary School	Co-Operative	01141734215800	22,226.82	-
Gathaini Primary School	Co-Operative	01141734294100	500,570.00	-
Githambia Primary School	Co-Operative	01141734694800	504,925.00	-
Kiangigi Primary School	Co-Operative	01141558296300	35,688.75	-
Ndunyu Chege Primary School CDF	Co-Operative	01141558875800	20,192.50	-
Kimandi Secondary School Cdf	Co-Operative	01139073470902	1,570,989.50	-
Del Monte Secondary School CDF	Co-Operative	01141833905600	99,005.00	-
Jogoo Kimakia Secondary School CDF	Co-Operative	01141833904400	3.00	-
Ngelelya Secondary Shool CDF	Co-Operative	01141832877000	1,685.00	-
Gakurari Secondary School	Co-Operative	01139074146000	37,210.00	-
Thungururu Secondary School CDF	Co-Operative	01141428557400	48,535.89	-

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Gatunyu Secondary School	Co-Operative	01141558789600	215,473.50	-
St.Marys Rwegetha Sec Sch CDF	Co-Operative	01139074174700	2,717,155.10	-
St. Teresa Secondary School	Co-Operative	01141429941500	195,706.63	-
CCM Gatanga Girls Secondary School	Co-Operative	01141734294500	1,002,250.00	-
Giteme Secondary School	Co-Operative	01141735565001	2,525,556.00	-
Githambia Secondary School	Co-Operative	01139278976100	103,887.50	-
Kigio Secondary School	Co-Operative	01141833455500	969,695.00	-
Gituamba Secondary School	Co-Operative	01141832355700	1,000,655.00	-
Kihumbuini Secondary School	Co-Operative	01139278419300	1,012,481.25	-
Chomo Mixed Day Secondary School	Co-Operative	01141833478500	1,595,476.25	-
CDF Office Mabanda	Co-Operative	01141557676700	74,882.30	-
Nyaga Administration Police Post CDF	Co-Operative	01141832979100	998,975.00	-
Kiganjo Assistant Chief's Office CDF	Co-Operative	01141832979000	1,072.00	-
Mukurwe Chief's Office	Co-Operative	01141832047000	9,743.50	-
Kirwara Police Station	Co-Operative	01134278981000	2,779,623.50	-
Gatanga DCC's Office	Co-Operative	01141833514700	1,218,722.00	-
Gatura ACC's Office	Co-Operative	01141832883000	3,267,958.75	-
Kihumbuini ACC's Office	Co-Operative	01141833967600	39,860.00	-
Gatanga CDF Sports Account	Co-Operative	01141278419400	3,309.45	-
St. Basil Gathanji Secondary School	Equity	0090279164962	1,150,607.40	-
Rubiru Primary School	Equity	0090279141878	100,667.50	-
Mbugiti Boys High School	Equity	0090279180138	103,894.00	-
Total			31,707,314.37	-

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kibaaka Primary School CDF	Cooperative Bank	01141558361700	-	130,004.50
Paul Mbiyu Primary School	Cooperative Bank	01141428521700	-	30,015.25
Nanga Primary School	Cooperative Bank	01139278454600	-	52,084.50
Mt. Olive Primary School	Cooperative Bank	01141558393500	-	48,881.50
Kinyangi Primary School CDF Account	Cooperative Bank	01141832279700	-	25.00
Kitito Primary School CDF Account	Cooperative Bank	01141734037500	-	18,300.50
Rwegetha Primary School CDF	Cooperative Bank	01141558713800	-	400,462.50
Thare Primary School	Cooperative Bank	01141073047900	-	18,765.00
Ngurunga Primary School	Cooperative Bank	01139073045402	-	1,729,885.00
Thuita Primary School CDF	Cooperative Bank	011417734744500	-	17,937.60
Silanga Primary School	Cooperative Bank	01141558461500	-	1,995.75
Mwea Primary School	Cooperative Bank	01141735286300	-	48,433.00
Gatunguru Kariara Primary School CDF	Cooperative Bank	01141428271500	-	600.00
Wanduhi Primary School	Cooperative Bank	01141558738000	-	620.75
Gatura Primary School	Cooperative Bank	01139279973900	-	21,181.25
Elimambo Primary School	Cooperative Bank	0113907304820211	-	31,667.84
Mabae Primary School CDF	Cooperative Bank	01141558714600	-	28,075.50
Gatanga Primary School CDF	Cooperative Bank	01141734215800	-	48,613.00
Thungururu Primary School	Cooperative Bank	01139557343200	-	25,517.60
Wanyaga Primary School CDF Account	Cooperative Bank	01141429648900	-	17,160.63
Gatunyu Primary School	Cooperative Bank	01141558693300	-	18,662.34
Ithangarari Primary School	Cooperative Bank	01141734273000	-	2,915.00
C.C.M Gathanji Primary	Cooperative Bank	01117073048101	-	41,773.00

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Mabanda Primary School	Cooperative Bank	01141428508600	-	60,925.00
Ngungugu Primary School	Cooperative Bank	01141073047500	-	2,607.75
Mugumo Primary School	Cooperative Bank	01141073045300	-	21,034.25
Kanduri Primary School CDF Account	Cooperative Bank	01141832022400	-	69,800.00
Rwaitira Primary School	Cooperative Bank	01141428529700	-	53,260.00
Kirwara High School CDF Account	Cooperative Bank	01141429744500	-	181,583.75
St. Benedict Ithanga Township Sec School CDF	Cooperative Bank	01141832022800	-	18,289.25
St Marys Rwegetha Secondary School	Cooperative Bank	01139074174700	-	445,187.10
Ithangarari Secondary School	Cooperative Bank	01141074624100	-	16,183.75
St. Paul Sec School	Cooperative Bank	0113927848200	-	1,030,237.50
Githambia Sec School	Cooperative Bank	01139278976100	-	22,870.00
Gakurari Sec School	Cooperative Bank	01139074146000	-	5,710.00
Gatunyu Sec School	Cooperative Bank	01141558789600	-	96,789.00
Karang Secondary School	Cooperative Bank	01141735285200	-	567.25
Gatanga Girls Sec Sch CDF A/c	Cooperative Bank	01141428520000	-	1,000,095.50
Kiarutara Secondary Sch	Cooperative Bank	01141279198000	-	49,230.50
Kihumbu-Ini Sec School	Cooperative Bank	01139278419300	-	1,157.50
Mianyani Chiefs Office	Cooperative Bank	01141832052400	-	47,475.50
Mukurwe Chiefs Office	Cooperative Bank	01141832047000	-	560,240.50
Total			-	6,416,821.11

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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.

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)	Time frame: (Put a date when you expect the issue to be resolved)
4.1	The supporting schedules must be reconciled against figures reflected in the financial Statements.	<i>This was an Emergency expenditure for Nanga Primary School wrongly classified as transfer to other government entities.</i>	Musonye Olympia. Fund Account Manager	Resolved	1day
4.2	Re classify the figures and restate the financial statements.	<i>The error of misclassification was noted and amended</i>	Musonye Olympia. Fund Account Manager	Resolved	1day
4.3	Reconcile the schedules with the financial statement.	<i>The misstatement was occasioned by misclassification of transfers to other government entities and other grants and transfers as use of goods. This error was noted and corrected.</i>	Musonye Olympia. Fund Account Manager	Resolved	1day
4.4	Explain why a project was carried out only to be used as intended and whether assessment of needs was carried out before commencement of the project	<i>The project was complete as stipulated in the Code list and the Bill of Quantities. The project has been allocated extra money in the financial year 2018/2019 to purchase and installation of equipment and fixtures.</i>	Musonye Olympia. Fund Account Manager	Resolved	2day

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4.5	The NG-CDFC should include specific delivery time frames into the contracts and hold the contractors accountable for any unjustified delays	<i>The contractor had delayed because the specific quality of tanks he had ordered was not readily available from the suppliers. Despite of this, the tanks has been delivered and installed.</i>	Musonye Olympia. Fund Account Manager	Resolved	3day
4.6	Amend the financial statements to reflect a true and fair position	<i>The misstatement of other grants and transfers was as a result of misclassification of the components constituting other grants and transfers to use of goods and services. The error was noted and rectified.</i>	Musonye Olympia. Fund Account Manager	Resolved	1day
4.7	The CDF should strictly comply with the provisions of the CDF laws and regulations	<i>The allocation was informed by the circular from the Board that specified the amount to be allocated for Emergency</i>	Musonye Olympia. Fund Account Manager	Resolved	1day
4.8	Amend the cash and bank balances to reflect the true and fair position	<i>The misstatement was as a result of omission of unrepresented cheque in the bank reconciliation statements. This has now been rectified and Financial Statement amended to reflect true and fair position.</i>	Musonye Olympia. Fund Account Manager	Resolved	1day
4.9	Explain the source of the projects	<i>The figure was included in the note erroneously as a prior year adjustment. This was noted and the financial statement adjusted.</i>	Musonye Olympia. Fund Account Manager	Resolved	1day
4.10	Explain how the beneficiaries of the bursary fund were un-identified.	<i>The beneficiaries were identified through the ward sub-committees that vetted each applicant using the formulae issued to them through the NG-CDFC Minutes.</i>	Musonye Olympia. Fund Account Manager	Resolved	1day

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4.11	Explain underperformance the	<i>This aspect occurred due to delayed disbursement of the fund from the Board. The disbursement occurred in the third and fourth quotas of the financial year. This meant that expenditure was also to delay as there is need regulations and procurement procedures before expenditure.</i>	Musonye Olympia. Fund Account Manager	Resolved on ML(Yet to be cleared by KENAO)	1day
4.12	Provide the evidence of receipt and distribution of the items.	<i>At the time of audit all the expenditure items was in a different file.</i>	Musonye Olympia. Fund Account Manager	Resolved	1day