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BY:

The majority whmp
Hon. E. Wangwe, MP
Benson Inzogu.

REPORT

TABLE:

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT
FUND - MUKURWEINI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2020



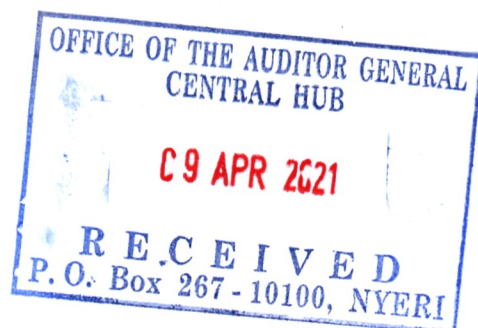


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -
MUKURWE-INI CONSTITUENCY**

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)



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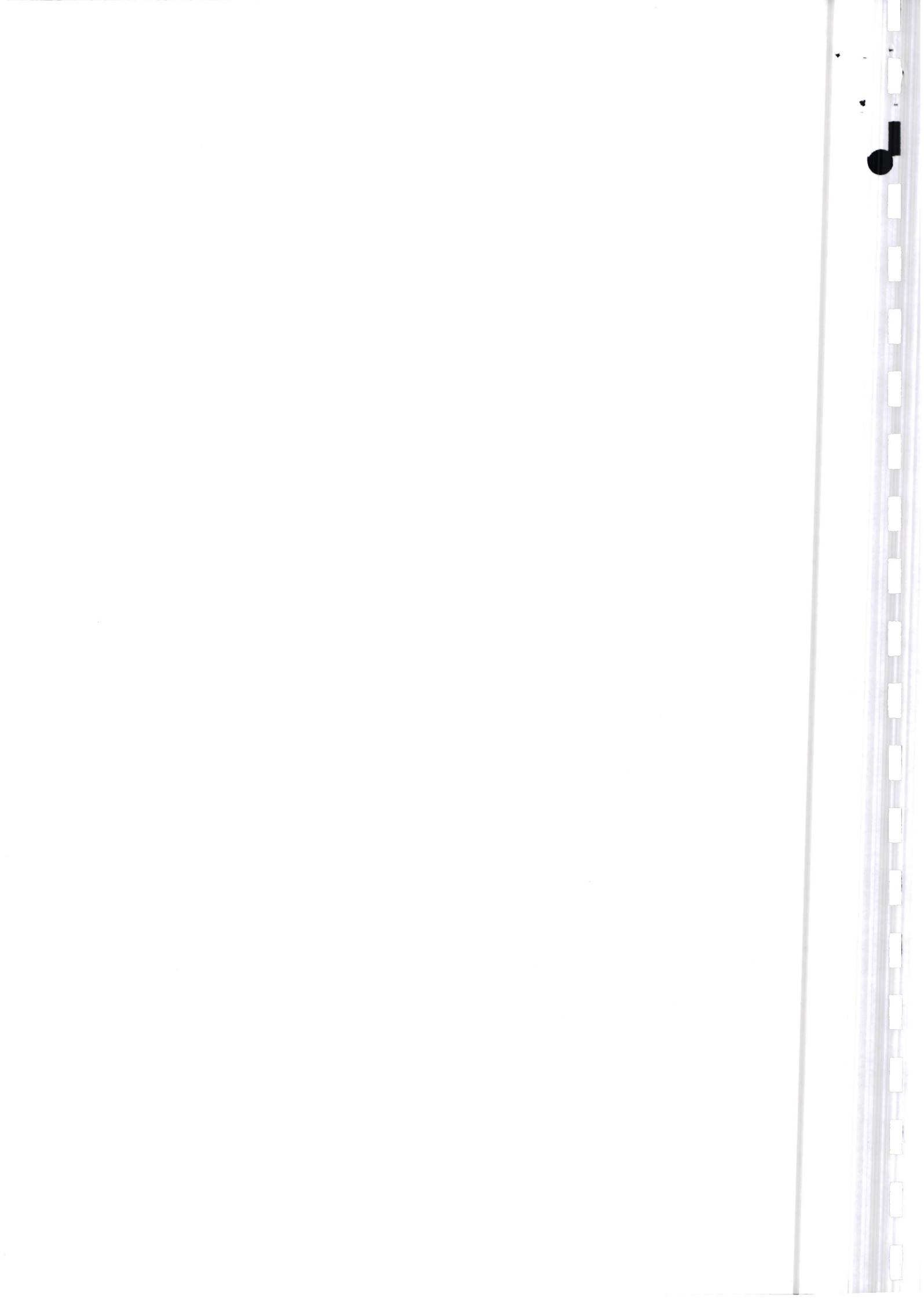
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

MUKURWE-INI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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:

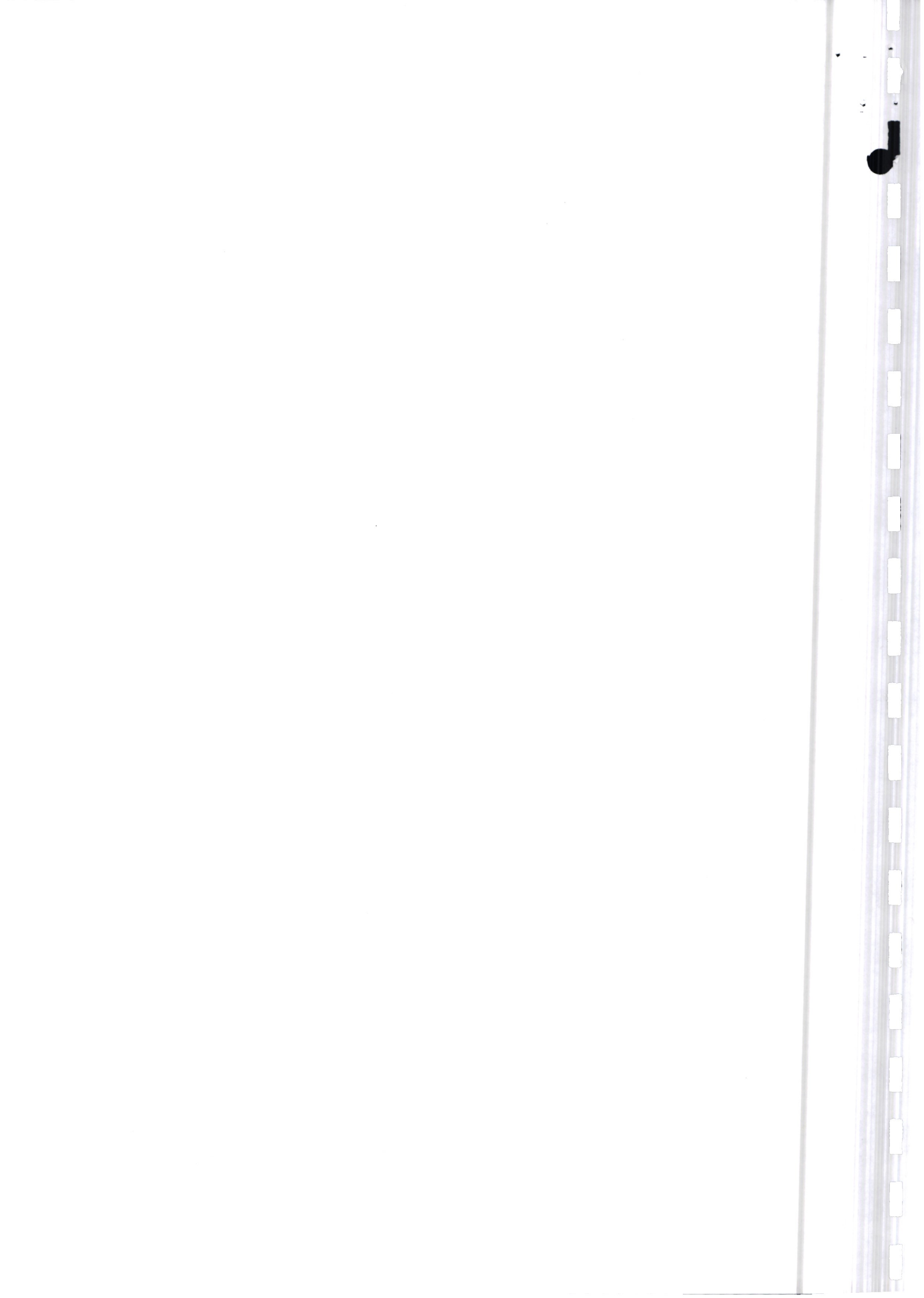
- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide 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



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 MUKURWE-INI 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:

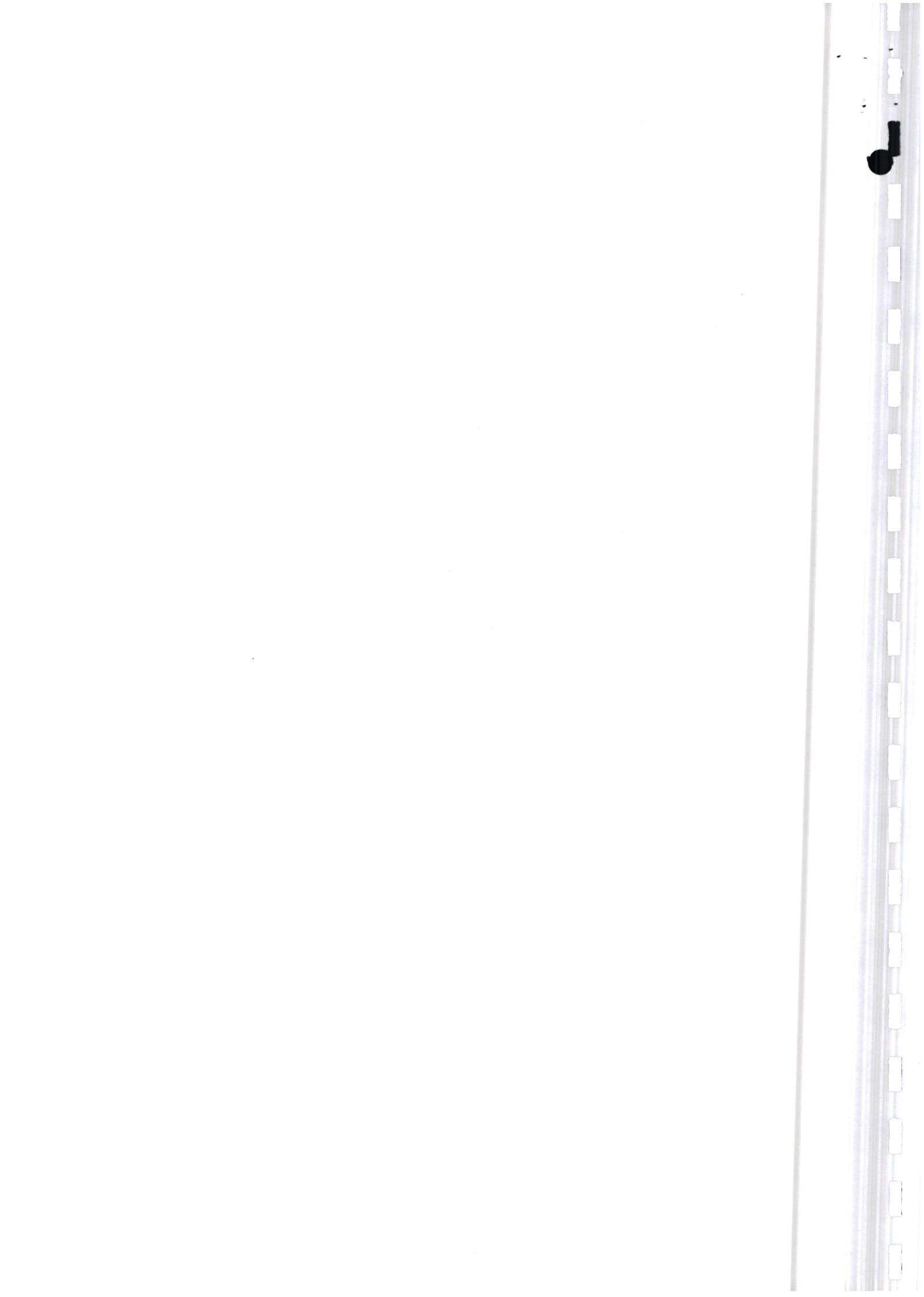
N	Designation	Name
o		
1.	A.I.E holder	Edwin Nyamu
2.	Sub-County Accountant	Grace Mwangi
3.	Chairman NGCDFC	Robert Githae Gachanja
4.	Member NGCDFC	Charles Mwangi Maina

(d) Fiduciary Oversight Arrangements

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

P.O. Box 8-10103
NG-CDF Offices
Near Mukurwe-ini Police Station
Mukurwe-ini, Nyeri



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MUKURWE-INI CONSTITUENCY**

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For the year ended June 30, 2020

(f) NGCDF MUKURWE-INI Constituency Contacts

Telephone: (254) 720255913
E-mail: mukurweini@cdf.go.ke
Website: mukurwe-iniconstituency.co.ke

(g) NGCDF MUKURWE-INI Constituency Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

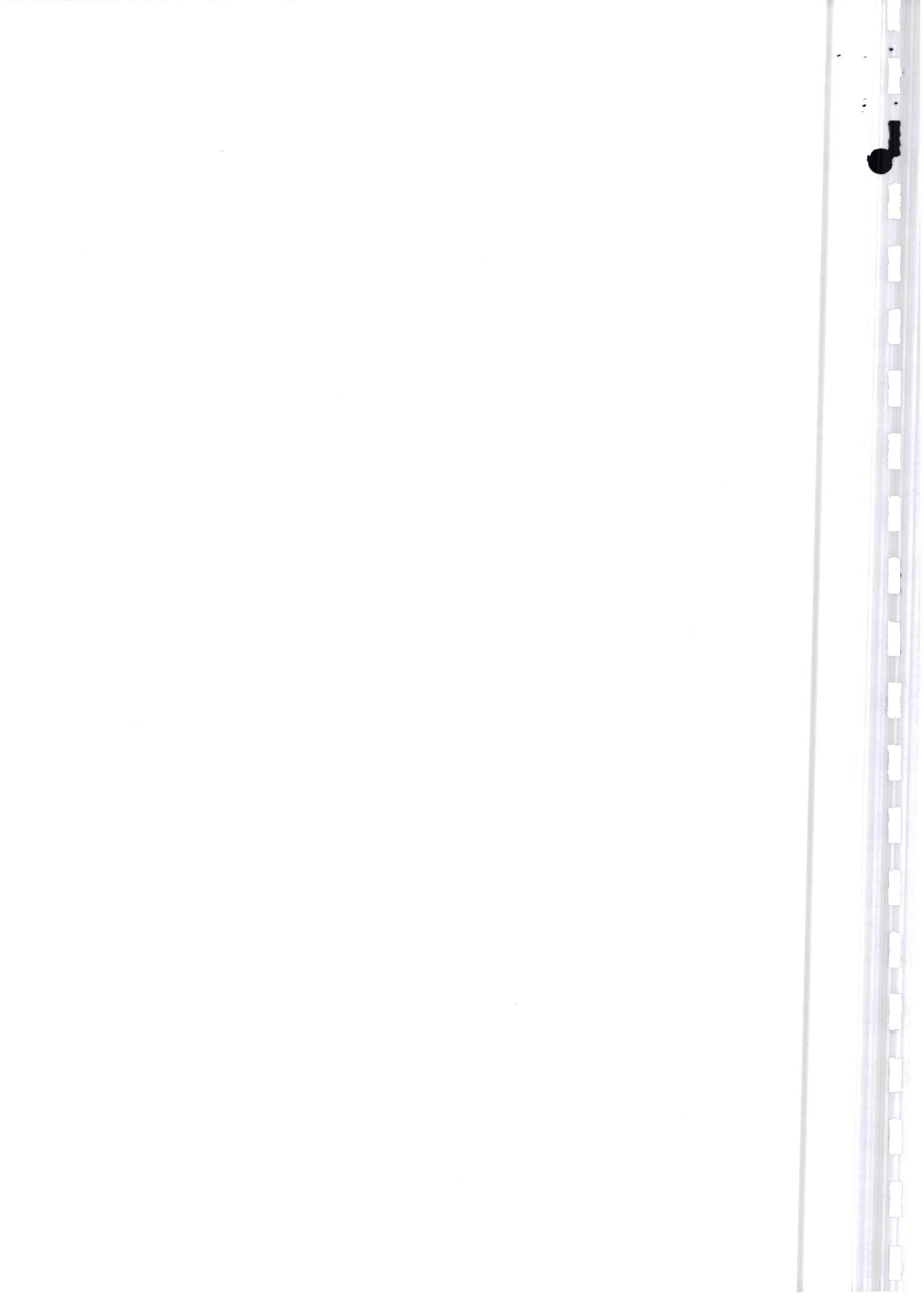
2. Equity Bank Ltd
P.O Box 8-10103
Mukurwe-ini Branch
A/C NO. 0830297514775

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



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II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Mukurwe-ini NG-CDF is an institution whose vision is to serve the community with utmost dedication and selflessness. We are also dedicated to be the reference constituency for development where all constituents enjoy decent living standards.

Through the allocation received from NG-CDF Board, Mukurwe-ini NG-CDF has managed to implement education and security projects together with well organised constituency sports tournament.

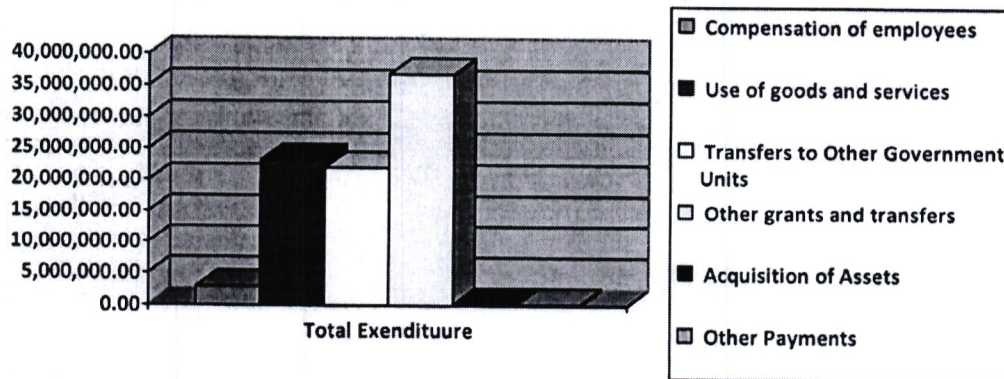
Our primary and secondary schools' infrastructures have been constructed or rehabilitated thus creating a conducive environment to learners and teachers.

The NG-CDFC intensified the monitoring and evaluation exercise and also carried out several capacity building exercises for the NG-CDFC, staff and PMCs.

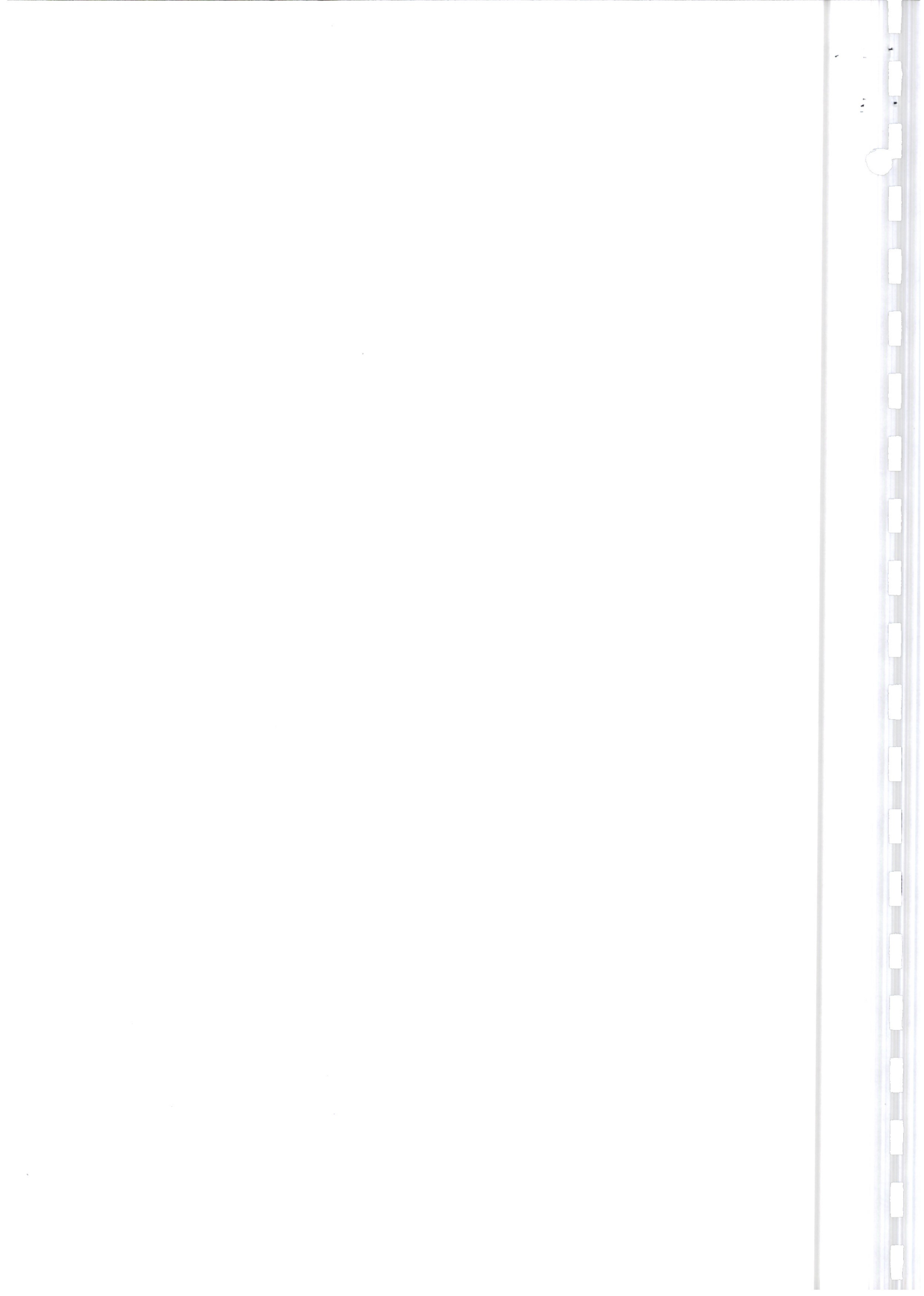
Our key achievement has been access to quality and equal opportunity in education by giving bursaries to the less fortunate and persons with disabilities both in secondary and tertiary level.

We have also managed to assist the constituents during this Covid-19 pandemic. We have distributed sanitizers, hand washing stations and also educated the community. I want to congratulate the NG-CDF fraternity for the utmost support.

Below is the graphical representation of the total expenditure.



CHAIRMAN NGCDF COMMITTEE



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MUKURWE-INI CONSTITUENCY**

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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED 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-MUKURWE-INI Constituency's 2018-2022 plan are to:

- a) Improve education performance in primary, secondary and tertiary colleges within Mukurwe-
ini constituency
- b) Enhance security and promote social cohesion.
- c) Harness opportunities to empower youth, women and persons with disabilities through sports,
talent development and business innovations.
- d) Mainstream environment conservation through community driven environmental programs.
- e) Ensure robust road infrastructure for accelerated constituency development.

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 improve school infrastructure, sanitation and learning environment. To promote PWDs friendly learning environment	Increased enrolment in primary schools and improved transition to secondary schools. To enhance learning environment for PWDs	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	In FY 19/20 Number of classrooms increased by 20 Number of laboratories increased by 1 Number of ablution blocks increased by 4 Number of administration 1
Security	To provide a robust security system in the constituency that	Enhanced security infrastructure, patrols and	Number of usable physical infrastructure built in every	Number of assistant chief's offices increased by 4



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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	will enhance investment through optimal security infrastructure and personnel	working environment.	ward and police station.	
Environment	To inculcate in the community the culture of environment conservation	Well-coordinates, mainstreamed community driven environment conservation.	Water harvesting projects done in both primary and secondary schools infrastructures. Number of trees have been planted	Number of water harvesting projects increased by 12 Number of trees planted increased by 15,000
Sports	To initiate and support talent identification and development shows	Enhanced talent identification and nurturing them.	Indoor games have been promoted. FKF Soccer League introduced.	Number of teams increased by 17
ICT	To create a community that embraces technology.	Enhanced development data generation, analysis and dissemination	Number of usable ICT hubs with internet connectivity. Enrolment of youth to Ajira Digital programs	Number of ICT hubs increased from 0 to 4 Number of youth enrolled for Ajira Digital program increase from 32 to 89



IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – MUKURWE-INI 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 –

In order to realize the aspirations of the constituents, Mukurwe-ini NG-CDF has identified the shared development agenda. Strategies and mechanisms to propel the constituency has been put in place and are geared towards attaining its development goals.

Vision statement

To be the reference constituency for development where all constituents enjoy decent living standards

Mission statement

To serve the community with utmost dedication and selflessness and also to promote a culture of efficiency and transparency.

Core values

Our core values are; integrity, professionalism, teamwork, accountability, transparency, diligence, meritocracy, impartiality and respect of diversity.

Photos to be included

NG-CDF Mukurwe-ini constituency has been able to do a thorough assessment of the operating macro-economic environment before putting in place mechanisms to respond to the challenges. Political regimes play an important role in providing an enabling political environment for equitable sharing of resources. Political tolerance and goodwill between constituencies, counties and countries encourage cross border trade and cooperation creating a perfect environment for both distribution of produce and sharing of development information.

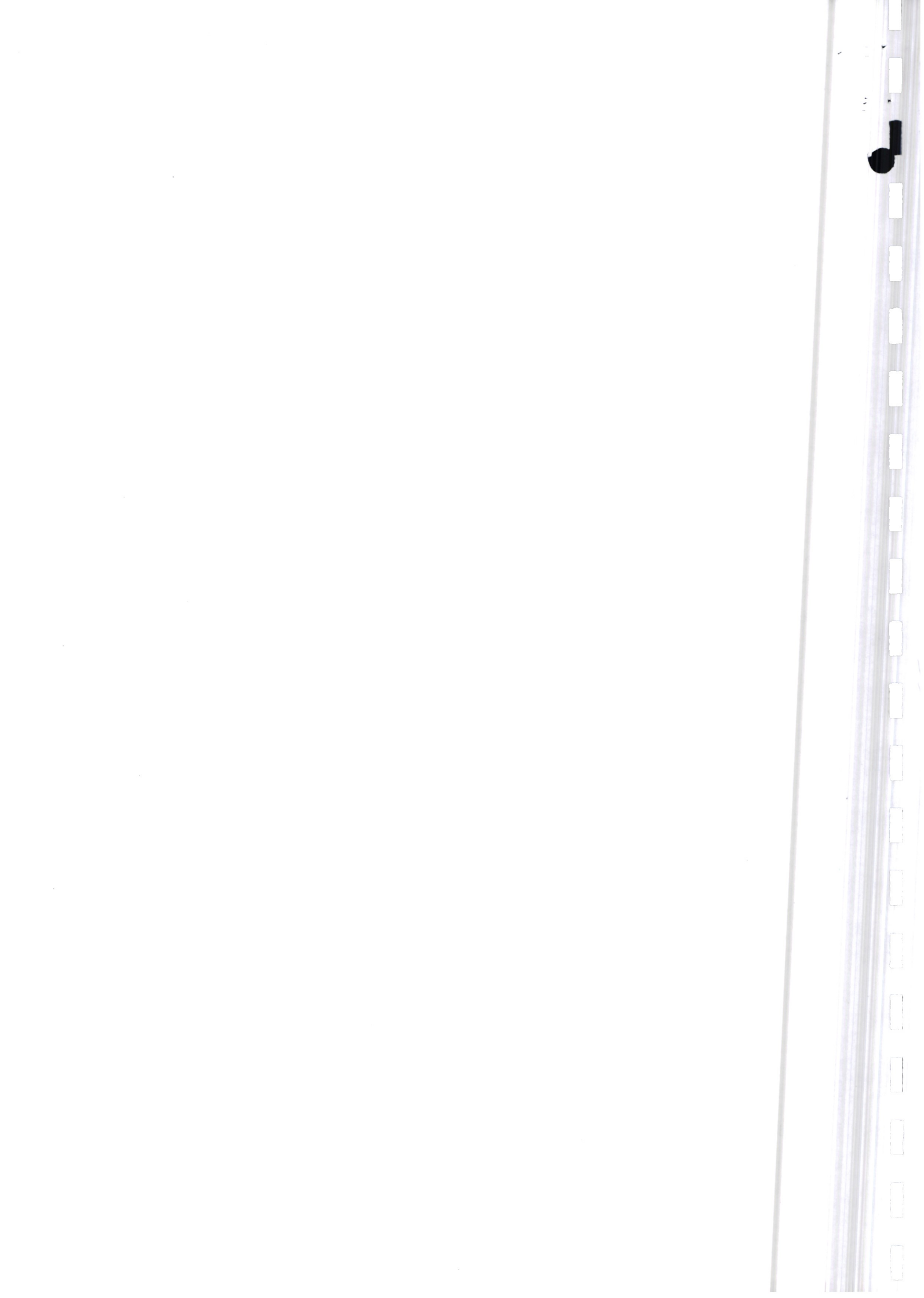
2. Environmental performance

Mukurwe-ini NG-CDF has put measures regarding the effects of human activities on the environment, particularly those measures that are designed to prevent or reduce effects of human activities on ecosystem.

Our Environment Policy

We are committed to;

- Comply with all environmental regulations.
- Prevent pollution whenever possible.
- Train our staff on our environmental program and empower them to contribute and participate.
- Communicate environmental aims and objectives to employees and external stakeholders
- Recycle, re-use and reduce.
- Conserve energy, water and natural resources.
- To monitor and record our environmental impact on a regular basis and compare our performance with our policies, objectives and targets.
- Liaise with the local community in environmental activities
- Participate in discussions about environmental issues



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

- Agree to commit to environmental principles and continual improvement at the highest level

Mukurwe-ini NG-CDF has been in the forefront to conserve the environment. Environmental conservation aims at promoting sustainable and equitable resource exploitation and utilization for posterity and prosperity. There is high correlation between poverty and environment degradation. Through poverty eradication programs we have been able to educate the constituents utilise the available natural resources.

3. Employee welfare

All employees in Mukurwe-ini NG-CDF are hired in accordance to Employment Act, 2007 and all laws governing labour.

Recruitment

We ensure that recruitment of staff is competitive giving all candidates an equal opportunity and ensure that the most qualified persons are hired. We ensure openness and opportunity for all eligible applicants by advertising for posts social media, posts in public offices and announcements to public forums.

Terms of service

Staffs are employed on contract terms of three years period, which is renewed subject to performance.

Remuneration

Remuneration of staff is benchmarked to prevailing Civil Service salary scale. The pay package is subject to statutory deductions in accordance to legislation. They are entitled to 21 days annual leave. They are also eligible for a service gratuity tabulated at 31% of annual basic pay for all three years.

Termination of employment

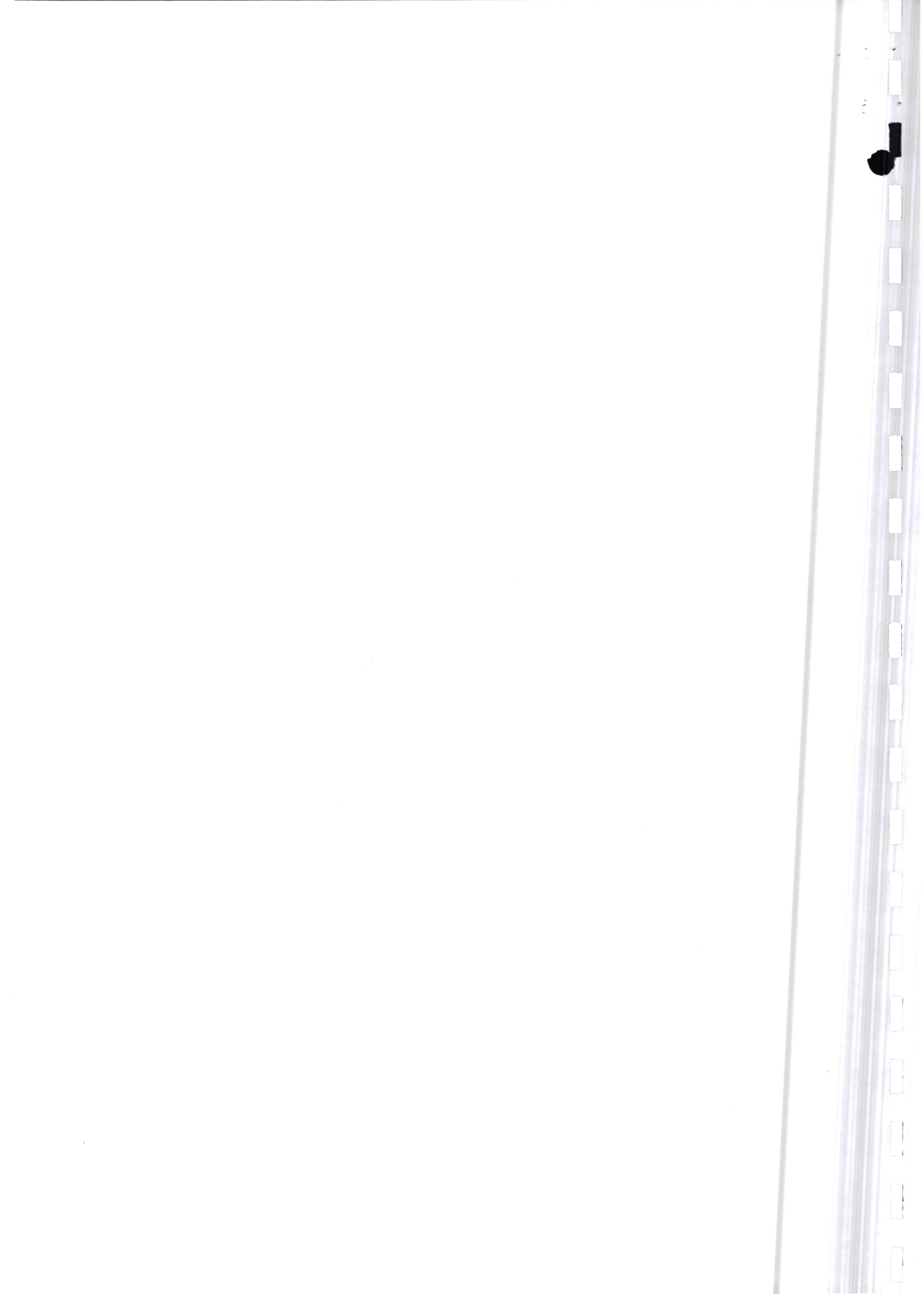
The contract may be terminated by either party with one month notice.

In addition to the above, Mukurwe-ini NG-CDF have the following responsibilities;

- Provide a workplace free from serious recognized hazards and comply with standards, rules and regulations issued under the OSH Act.
- Examine workplace conditions to make sure they conform to applicable OSHA standards.
- Make sure employees have and use safe tools and equipment and properly maintain this equipment.
- Use color codes, posters, labels or signs to warn employees of potential hazards.
- Establish or update operating procedures and communicate them so that employees follow safety and health requirements.
- Must provide safety training in a language and vocabulary workers can understand.
- Provide medical examinations and training.
- Report all work-related fatalities within 8 hours, and all work-related inpatient hospitalizations, all amputations and all losses of an eye within 24 hours.
- Provide access to employee medical records and exposure records to employees or their authorized representatives.
- Not discriminate against employees who exercise their rights under the Act.

4. Market place practices-

Economic factors such as inflation, tax policies, subsidies, trade barriers, and trade policies all have a direct bearing on the cost of living and performance of interventions by NG-CDF. These factors have a direct bearing on the growth and development of the constituency. There is therefore, need



Reports and Financial Statements

For the year ended June 30, 2020

for development friendly economic policies to check on the costs of farm inputs and other capital goods.

a) Responsible competition practice.

Agriculture is the mainstay of the economy of the constituency. Poor market systems, scanty market information and existence of middle men who exploit farmers, make the whole venture unattractive particularly to the youth. We have been able to spur growth and development through robust infrastructure base, which will enhance information sharing, security and movement of goods and people.

b) Responsible Supply chain and supplier relations

Payments to suppliers are done promptly upon presentation of requisite supporting documents and satisfactory delivery of service or product as per the agreement.

c) Responsible marketing and advertisement

Advertising of tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

d) Product stewardship

In order to safeguard consumer rights and interests, Mukurwe-ini NG-CDF has come up with a service charter and a complaints register. The service charter points out the commitment towards giving quality services to all constituents and stakeholders.

Complaints handling policy ensures consistent, fair and confidential complaints handling and to resolve complaints as quickly as possible.

5. Community Engagements

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 benefits of public participation are as follows;

- *Sustainable Development*

Sustainable development can be achieved only through the involvement of all stakeholders

- *Environmental Protection*

Environmental issues can be addressed when valued by the public. It is important that a party represents the interest of the environment in the public debate. Without such a party, the environment will not be put on the agenda

- *Conflict Management*

Although conflicts cannot be avoided, they are made explicit in the public participation debate. This makes conflict handling more efficient.

- *Project Understanding and Reduction of Public Opposition*

The public, being the user of a system, is the only party that can assess and evaluate the impacts of (possible) measures on the functions of a coastal environment.

- *Economic Benefits*

If the public is involved in the full decision making process, their concerns may be met early on in the planning process when changes may be easier to make, rather than late in the process when even small changes may cost both time and money.

We have also been able to engage in Corporate Social Responsibilities (CSR) through engaging the community in mitigation of Covid-19. We have been able to procure locally manufactured masks and innovative hand wash. We have engaged the community in printing of posters disseminating information regarding coronavirus protection and also training the community.



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MUKURWE-INI CONSTITUENCY**

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For the year ended June 30, 2020

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 the Public Sector Accounting Standards Board of Kenya from time to time.

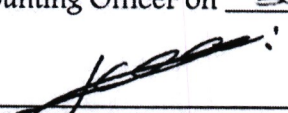
The Accounting Officer in charge of the NGCDF-MUKURWE-INI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-MUKURWE-INI 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 NGCDF-MUKURWE-INI 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-MUKURWE-INI 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-MUKURWE-INI Constituency financial statements were approved and signed by the Accounting Officer on 30th Sep 2020.


Fund Account Manager
Name: Edwin Nyamu

FUND ACCOUNT MANAGER
NG-CDF MUKURWE-INI
P. O. Box 8-10103,
MUKURWE-INI

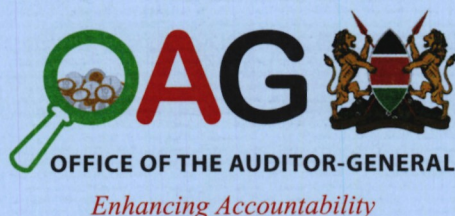

Sub-County Accountant
Name: Grace Mwangi
ICPAK Member Number:

THE NATIONAL SUB-COUNTY ACCOUNTANT
MUKURWEINI
P. O. Box 245 - 10103,
MUKURWEINI



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mukurweini Constituency set out on pages 13 to 54, which comprise the statement of assets and liabilities 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, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Mukurweini 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 Opinion

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

Key Audit Matters

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

Other Matter

1. Prior Year Unresolved Issues

In the report of the previous year, several issues were raised under Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, although the Management has indicated that all the issues have been resolved, the matters remained unresolved as the National Assembly has yet to deliberate on the audit report for 2018/2019.

2. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflect receipts on actual and comparable basis of Kshs.143,045,437 against a budget of Kshs.194,175,905 resulting in a shortfall of Kshs.51,130,468, or 26% of the budgeted amount. Further, the total actual expenditure for the year was Kshs.85,634,844 against expenditure budget of Kshs.194,175,905 resulting in under expenditure of Kshs.108,541,061 or 56% of the budgeted amount.

Based on the approved estimates, under funding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

3. Project Implementation Analysis

A review of project implementation status report revealed that the CDF Management had identified and allocated funds amounting to Kshs.166,313,541 to development projects during the year but incurred actual expenditure of Kshs.58,973,445 as analyzed below:

Project Category	No. of Projects Budgeted	No. Completed	No. ongoing	Projects not started	Budget Amount (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)
Emergency	1	0	1	0	7,198,241	1,131,000	6,067,241
Bursary	1	0	1	0	43,128,703	18,599,122	24,529,581
Sports	1	1	0	0	3,850,002	3,850,000	2
Environment	1	1	0	0	5,300,000	5,300,000	0
Primary Schools	19	9	0	10	19,070,090	10,398,818	8,671,272
Secondary Schools	17	7	0	10	37,374,612	11,574,612	25,800,000
Tertiary Projects	1	0	0	1	13,000,000	0	13,000,000
Security Projects	14	5	0	9	34,391,893	7,941,893	26,450,000
Acquisition of Assets	1	0	1	0	550,000	178,000	372,000
Others	1	0	0	1	2,450,000	0	2,450,000
Total	57	23	3	31	166,313,541	58,973,445	107,340,096

Further, the above analysis indicate that CDF Committee had planned to undertake fifty-seven (57) projects. However, twenty-three (23) projects were completed, three (3) were on going while thirty-one (31) had not commenced during the year under review. Failure

to implement and complete projects impacted negatively on service delivery to the residents of Mukurweini Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Insure Assets

Annex 4 to the financial statements on summary of fixed asset register reflects various classes of assets of historical value totalling Kshs.52,504,955 as at 30 June, 2020. However, all the assets have not been insured against risk of loss due to fire, burglary, or theft contrary to Section 36(3) of the National Government Constituencies Development Fund Act, 2015, which requires all assets to be insured in the name of the Board.

The Management is in breach of the law.

2. Expenditure on Supply and Installation of Transformers

The statement of financial performance reflects other grants and transfers expenditure of Kshs.36,822,015 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.7,941,893 in respect of security projects, out of which a total of Kshs.5,000,000 was paid to Rural Electrification and Renewable Energy Corporation for the supply of four transformers to four administrative Divisions. The amount was a matching fund to the Corporation to facilitate the installation of transformers in Mukurweini West, Mukurweini Central, Gikondi and Rugi. However, acknowledgement letter from the Corporation to confirm receipt of the funds was not provided for audit review.

Further, memorandum of understanding was not signed between the Corporation and the NG-CDF Mukurweini on the said project for the co-funding as required by paragraph 22(1)(h) of the National Government Constituencies Development Fund Regulations, 2016. In addition, the transformers had not been delivered or installed as at the time of audit in February, 2021. No justification was provided for the delay in the installation of transformers.

The validity of Kshs.5,000,000 paid to Rural Electrification and Renewable Energy Corporation 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 governance.

In preparing the financial statements, Management is responsible for assessing the ability of the National Government Constituencies Development Fund - Mukurweini Constituency to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish the Fund or to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public 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 entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance 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 policies and procedures may deteriorate.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the National Government Constituencies Development Fund - Mukurweini Constituency 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 sustaining 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 National Government Constituencies Development Fund - Mukurweini Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 February, 2022

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MUKURWE-INI CONSTITUENCY**

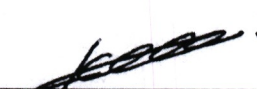
Reports and Financial Statements

For the year ended June 30, 2020


VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	139,542,906	88,784,483
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	723,329	1,251,848
TOTAL RECEIPTS		140,266,235	90,036,331
PAYMENTS			
Compensation of employees	4	3,482,869	3,217,739
Use of goods and services	5	23,178,530	19,443,374
Transfers to Other Government Units	6	21,973,430	10,951,517
Other grants and transfers	7	36,822,015	51,055,197
Acquisition of Assets	8	178,000	1,085,763
Other Payments	9		8,177,027
TOTAL PAYMENTS		85,634,844	93,930,617
SURPLUS/(DEFICIT)		54,631,391	(3,894,286)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MUKURWE-INI Constituency financial statements were approved on 30th Sep 2020 and signed by:


Fund Account Manager
Name: Edwin Nyamu

FUND ACCOUNT MANAGER
NG-CDF MUKURWE-INI
P. O. Box 8-10103,
MUKURWE-INI


National Sub-County Accountant
Name: Grace Mwangi
ICPAK Member Number:

THE NATIONAL SUB-COUNTY ACCOUNTANT
MUKURWE-INI
P. O. Box 245 - 10103,
MUKURWEINI

THE NATIONAL SUB-COUNTY ACCOUNTANT
MUKURWE-INI
P. O. Box 245 - 10103,
MUKURWEINI



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MUKURWE-INI CONSTITUENCY**

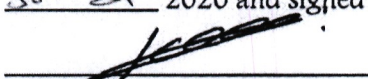
Reports and Financial Statements

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	57,739,995	2,779,203
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		57,739,995	2,779,203
Accounts Receivable		0	0
Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		57,739,995	2,779,203
FINANCIAL LIABILITIES			
Accounts Payable		0	0
Retention	12A	0	(209,988)
Deposits (Gratuity)	12B	(1,078,778)	(539,389)
TOTAL FINANCIAL LIABILITES		(1,078,778)	(749,377)
NET FINANCIAL ASSETS		56,661,217	2,029,826
REPRESENTED BY			
Fund balance b/fwd	13	2,029,826	5,924,112
Prior year adjustments	14	0	0
Surplus/Deficit for the year		54,631,391	(3,894,286)
NET FINANCIAL POSITION		56,661,217	2,029,826

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MUKURWE-INI Constituency financial statements were approved on 30th Sep 2020 and signed by:


Fund Account Manager
Name: Edwin Nyamu

FUND ACCOUNT MANAGER
NG-CDF MUKURWE-INI
P. O. Box 8-10103,
MUKURWE-INI


National Sub-County Accountant
Name: Grace Mwangi
ICPAK Member Number:

THE NATIONAL SUB-COUNTY ACCOUNTANT
MUKURWEINI
P. O. Box 245 - 10103,
MUKURWEINI



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MUKURWE-INI CONSTITUENCY**

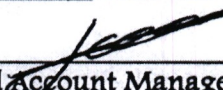
Reports and Financial Statements

For the year ended June 30, 2020


IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	139,542,906	88,784,483
Other Receipts	3	<u>723,329</u>	<u>1,251,848</u>
Total receipts		140,266,235	90,036,331
Payments for operating expenses			
Compensation of Employees	4	3,482,869	3,217,739
Use of goods and services	5	23,178,530	19,443,374
Transfers to Other Government Units	6	21,973,430	10,951,517
Other grants and transfers	7	36,822,015	51,055,197
Other Payments	9		8,177,027
Total payments		85,456,844	92,844,854
Total Receipts Less Total Payments		54,809,391	(2,808,523)
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	0	0
Increase/(Decrease) in Accounts Payable: (Gratuity/ deposits/Retention)	16	329,401	749,377
Prior year adjustments	14	0	0
Net cash flow from operating activities		55,138,792	(2,059,146)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	178,000	1,085,763
Net cash flows from Investing Activities		(178,000)	(1,085,763)
NET INCREASE IN CASH AND CASH EQUIVALENT		54,960,792	(3,144,909)
Cash and cash equivalent at BEGINNING of the year	13	2,779,203	5,924,112
Cash and cash equivalent at END of the year		<u>57,739,995</u>	<u>2,779,203</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MUKURWE-INI Constituency financial statements were approved on 26th Sep 2020 and signed by:


Fund Account Manager
Name: Edwin Nyamu

FUND ACCOUNT MANAGER
NG-CDF MUKURWE-INI
P. O. Box 8-10103,
MUKURWE-INI


National Sub-County Accountant
Name: Grace Mwangi
ICPAK Member Number:

THE NATIONAL SUB-COUNTY ACCOUNTANT
MUKURWEINI
P. O. Box 245 - 10103,
MUKURWEINI




X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED


Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,724	55,069,884	192,437,608	142,322,108	50,115,500	74.0%
Proceeds from Sale of Assets	-	-	-	-	-	
Other Receipts	1,738,297	-	1,738,297	723,329	1,014,968	71.3%
PAYMENTS						
Compensation of Employees	4,010,304	-	4,010,304	3,482,869	527,435	86.8%
Use of goods and services	8,352,791	15,499,267	23,852,058	23,178,530	673,528	97.2%
Transfers to Other Government Units	36,471,272	32,973,430	69,444,702	21,973,430	47,471,272	31.6%
Other grants and transfers	87,271,654	6,597,187	93,868,841	36,822,015	57,046,826	39.2%
Acquisition of Assets	550,000	-	550,000	178,000	372,000	32.4%
Other Payments	2,450,000	-	2,450,000	-	2,450,000	0.0%
TOTALS	139,106,021	55,069,884	194,175,905	85,634,844	108,541,061	44.1%



- i. *Compensation of employees, transfer to other government units, other grants and transfers, acquisition of assets and other payments underutilisation was due to delayed disbursement from the Board*

The NGCDF-MUKURWE-INI Constituency financial statements were approved on 20th Sep 2020 and signed by:


Fund Account Manager
Name: **Edwin NJIRANI**
FUND ACCOUNT MANAGER
NG-CDF MUKURWE-INI
P. O. Box 8-10103,
MUKURWE-INI


Sub-County Accountant
Name: **Grace Mwangi**
ICPAK Member Number:
THE NATIONAL SUB-COUNTY ACCOUNTANT
MUKURWEINI
P. O. Box 245 - 16103,
MUKURWEINI



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

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
Employees Salaries	3,722,544	-	3,722,544	3,222,139	500,405
Goods and Services	2,212,810	-	2,212,810	1,799,380	413,430
NSSF	207,360	-	207,360	190,680	16,680
NHIF	80,400	-	80,400	70,050	10,350
Committee Expenses	2,018,950	6,824,500	8,843,450	8,724,380	119,070
Sub-Total	8,242,063	6,824,500	15,066,563	14,006,629	1,059,934
2.0 Monitoring and evaluation					
Goods and Services	841,032	-	841,032	837,050	3,982
Committee expenses	1,280,000	2,853,944	4,133,944	4,092,320	41,624
CDFC/PMC Capacity Building	2,000,000	5,820,823	7,820,823	7,725,400	95,423
Sub-Total	4,121,032	8,674,767	12,795,799	12,654,770	141,029
3.0 Emergency					
Emergency	7,198,241	-	7,198,241	1,131,000	6,067,241
Sub-Total	7,198,241	-	7,198,241	1,131,000	6,067,241
4.0 Bursary and Social Security					



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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Primary Schools		-	-		-
Secondary Schools	23,750,000	-	23,750,000	15,621,452	8,128,548
Tertiary Institutions	19,378,703	-	19,378,703	2,977,670	16,401,033
Universities		-	-		-
Social Security		-	-		-
Sub-Total	43,128,703	-	43,128,703	18,599,122	24,529,581
5.0 Sports					
Rugi Combined Team.	686,839	275,662	962,501	962,500	1
Mukurwe-ini West combined team	686,839	275,662	962,501	962,500	1
Gikondi combined team.	686,839	275,662	962,501	962,500	1
Mukurwe-ini Central combined team	686,839	275,662	962,501	962,500	1
bal b/f		-	-		-
Sub-Total	2,747,354	1,102,648	3,850,002	3,850,000	2
6.0 Environment					
6.1 balance b/f		-	-		-
Environment	2,747,354	2,552,646	5,300,000	5,300,000	0
Sub-Total	2,747,354	2,552,646	5,300,000	5,300,000	0



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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
7.0 Primary Schools Projects		-	-		-
Gikondi Primary School	200,000	-	200,000	-	200,000
Mukui Primary School	500,000	-	500,000	-	500,000
Kariara Primary School	450,000	-	450,000	-	450,000
Mutonga Primary School	100,000	-	100,000	-	100,000
Thukuma Primary School	2,000,000	-	2,000,000	-	2,000,000
Ithanji Primary School	2,200,000	-	2,200,000	-	2,200,000
Maganjo Primary School	1,000,000	-	1,000,000	-	1,000,000
Karundu Primary School	1,000,000	-	1,000,000	1,000,000	-
Gaikundo Primary School	1,000,000	-	1,000,000	1,000,000	-
Gatura Primary School	200,000	-	200,000	-	200,000
Wanjithi Primary School	1,021,272	-	1,021,272	-	1,021,272
Gakira Primary School	1,000,000	-	1,000,000	-	1,000,000
Kinuri Primary School		200,000	200,000	200,000	-
Kangurwe Primary School		1,145,508	1,145,508	1,145,508	-
Karindi Primary School		1,145,507	1,145,507	1,145,507	-
Ichamara Primary School		1,200,000	1,200,000	1,200,000	-
Gathiriti Primary School		800,000	800,000	800,000	-



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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Karaguririo Primary School		1,478,286	1,478,286	1,478,286	-
Kiamurathe Primary School		2,429,517	2,429,517	2,429,517	-
Sub-Total	10,671,272	8,398,818	19,070,090	10,398,818	8,671,272
8.0 Secondary Schools Projects		-	-	-	-
St. Thomas Gatura Secondary School	2,000,000	-	2,000,000	-	2,000,000
Ack Kiuu Secondary School	2,500,000	-	2,500,000	-	2,500,000
Kibutio Secondary School	3,500,000	-	3,500,000	-	3,500,000
Rev. Muhoro Secondary School	2,300,000	-	2,300,000	-	2,300,000
Karindi Secondary School	4,500,000	-	4,500,000	-	4,500,000
Giathugu Secondary School	3,000,000	-	3,000,000	-	3,000,000
Kihuti Secondary School	2,000,000	-	2,000,000	-	2,000,000
Tambaya Secondary School	3,500,000	-	3,500,000	-	3,500,000
Karaba Secondary Schol	1,500,000	-	1,500,000	-	1,500,000
Karundu Secondary School	1,000,000	-	1,000,000	-	1,000,000
Gathungururu Girls High Sch		2,956,572	2,956,572	2,956,572	-
Ack Kiuu Secondary School		1,025,000	1,025,000	1,025,000	-
Gathiriti Secondary School		2,050,000	2,050,000	2,050,000	-



Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Gathungururu Girls High Sch		2,280,350	2,280,350	2,280,350	-
St. John Thunguri Sec Sch		812,690	812,690	812,690	-
Ngoru Orthodox Sec Sch		1,000,000	1,000,000	1,000,000	-
Gathiriti Secondary School		1,450,000	1,450,000	1,450,000	-
Sub-Total	25,800,000	11,574,612	37,374,612	11,574,612	25,800,000
9.0 Tertiary Projects		-	-	-	-
Mukurwe-ini KMTC		13,000,000	13,000,000		13,000,000
Sub-Total					
10.0 Security Projects	-	13,000,000	13,000,000		13,000,000
Bohero, Kibutio, Wamachatha and Gatiki	6,000,000	-	6,000,000		6,000,000
Kariara Asst. Chief's Office	1,000,000	-	1,000,000		1,000,000
Rural Electrification Authority	5,000,000	-	5,000,000	5,000,000	-
Gikondi Chief's Office	2,000,000	-	2,000,000		2,000,000
Mutonga Asst. Chief's Office	2,000,000	-	2,000,000		2,000,000
Kabuta Police Post	2,200,000	-	2,200,000		2,200,000
Mukurwe-ini East Acc Office	4,000,000	-	4,000,000		4,000,000



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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Mukurwe-ini South Acc Office	4,000,000	-	4,000,000		4,000,000
Mukurwe-ini Police Headquarter	3,750,000	-	3,750,000		3,750,000
Gaikundo AP Post	1,500,000	-	1,500,000		1,500,000
Gakindu Chief's Office		782,473	782,473	782,473	-
Ichamara AP Post		811,400	811,400	811,400	-
Karaba Police Lines		478,020	478,020	478,020	-
Ichamara AP Post		870,000	870,000	870,000	-
Sub-Total	31,450,000	2,941,893	34,391,893	7,941,893	26,450,000
11.0 Acquisition of assets		-	-		-
Balances b/f		-	-		-
Motor Vehicles		-	-		-
Construction of CDF office	550,000	-	550,000	178,000	372,000
Purchase of furniture and equipment		-	-		-
Purchase of computers		-	-		-
Retention b/f		-	-		-
Sub-Total	550,000	-	550,000	178,000	372,000
12.0 ROADS		-	-		-
		-	-		-



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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
13.0 Others		-	-		-
Furniture	2,450,000	-	2,450,000		2,450,000
Strategic Plan		-	-		-
Innovation Hub		-	-		-
TIVET		-	-		-
Sub-Total	2,450,000	-	2,450,000	-	2,450,000
GRAND TOTALS	139,106,021	55,069,884	194,175,905	85,634,844	108,541,061



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

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-MUKURWE-INI Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

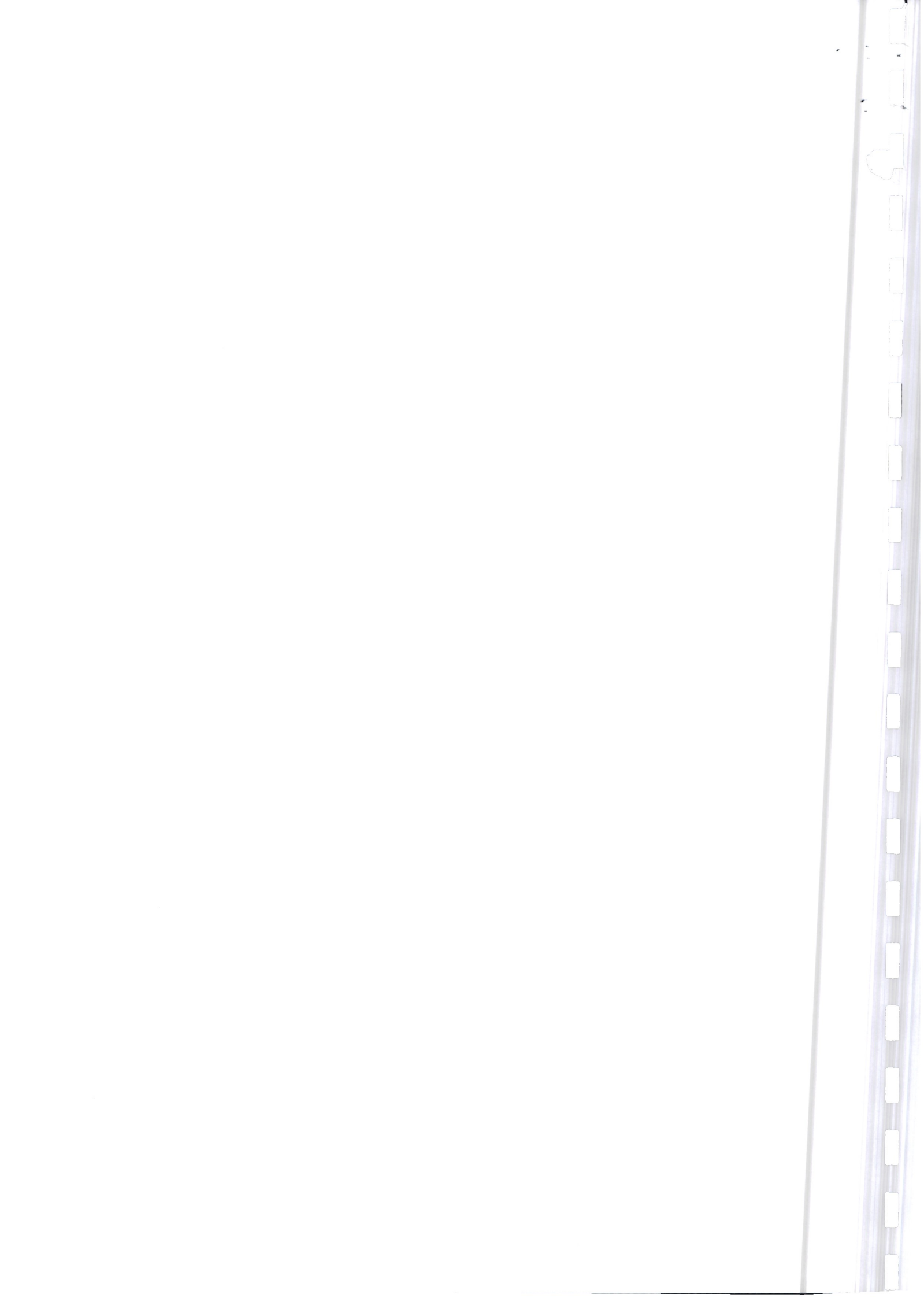
The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

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

Transfers from the Exchequer

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



SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

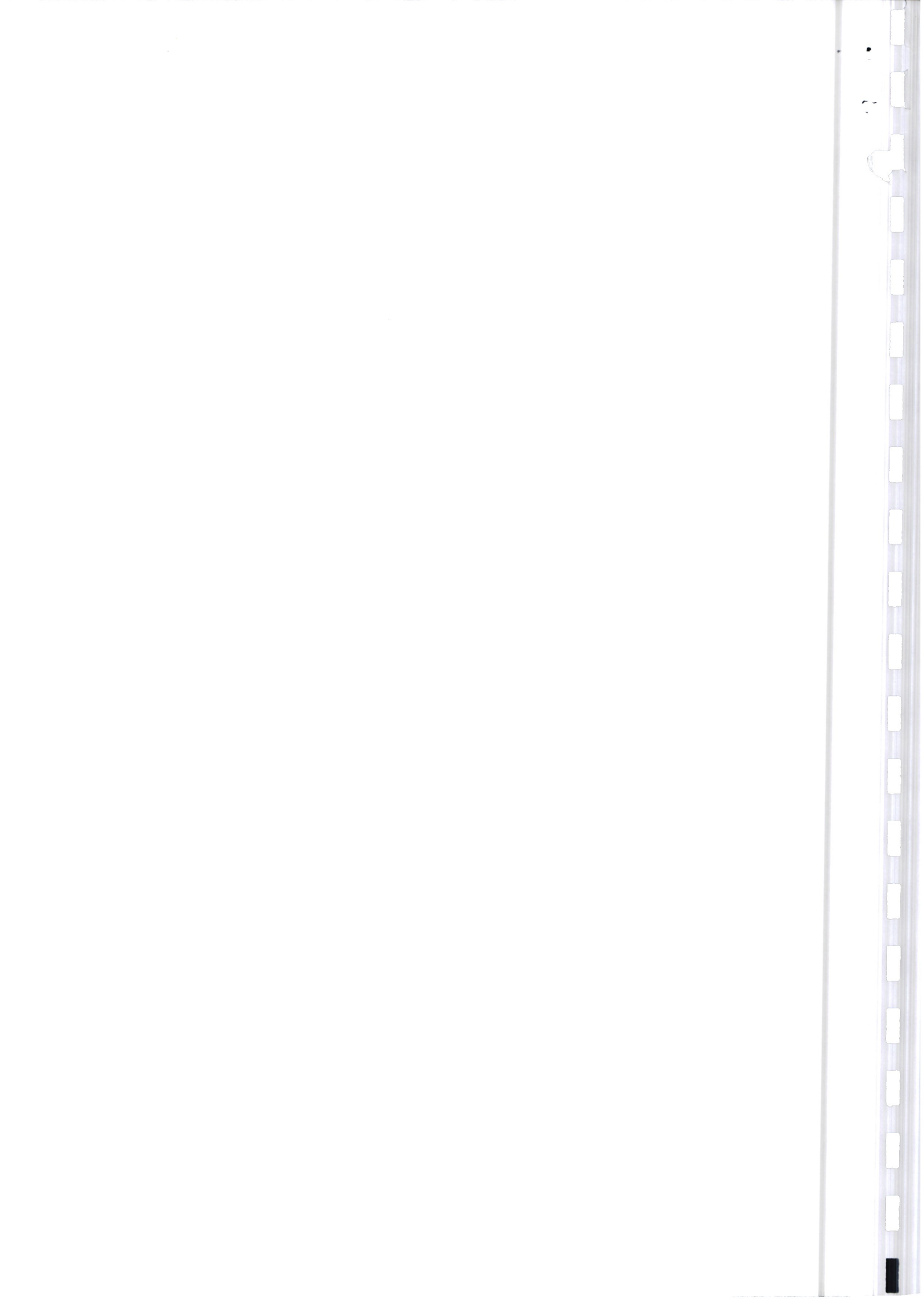
Use of Goods and Services

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

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. When 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.



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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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



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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 on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

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

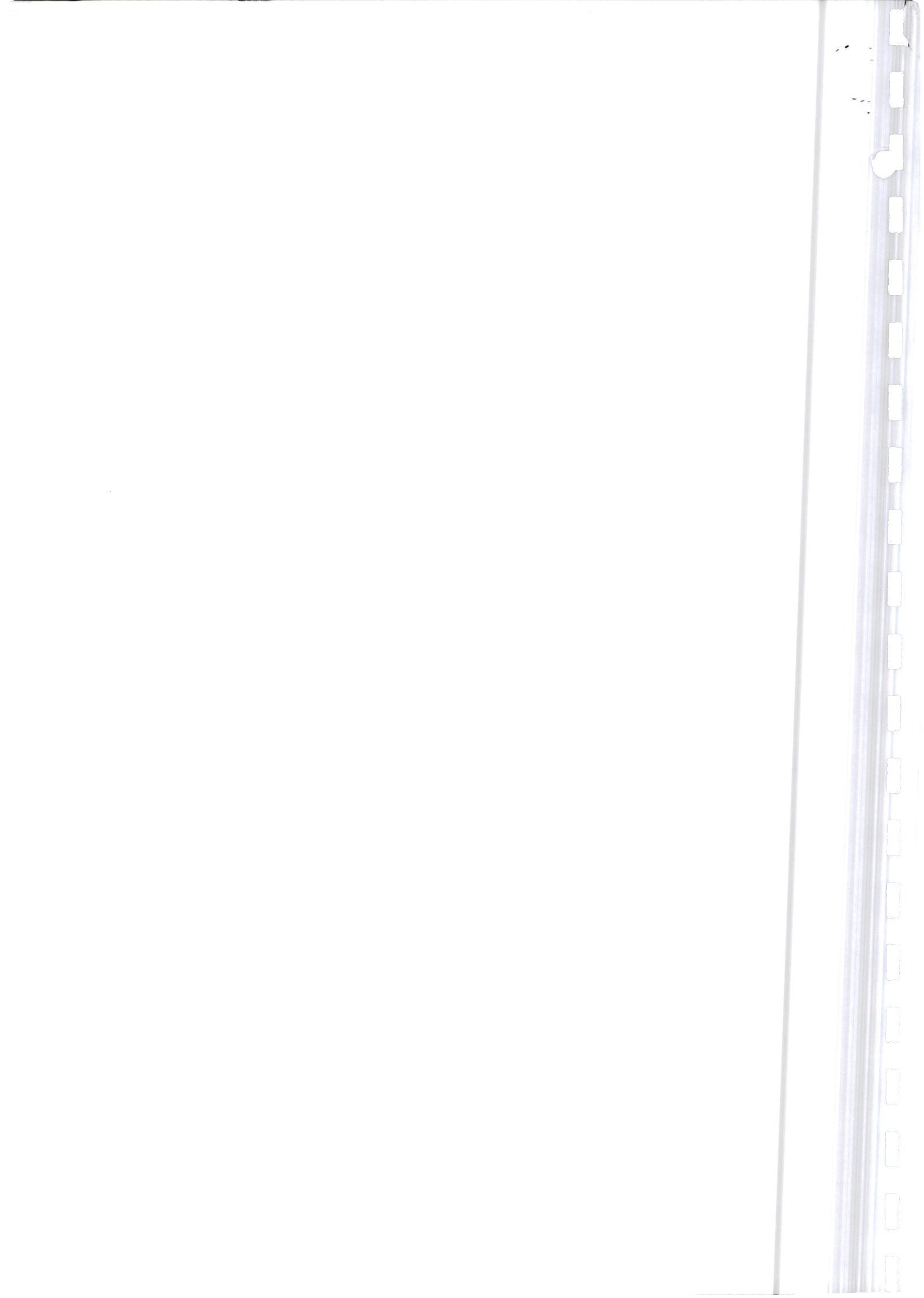
14. Errors

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.



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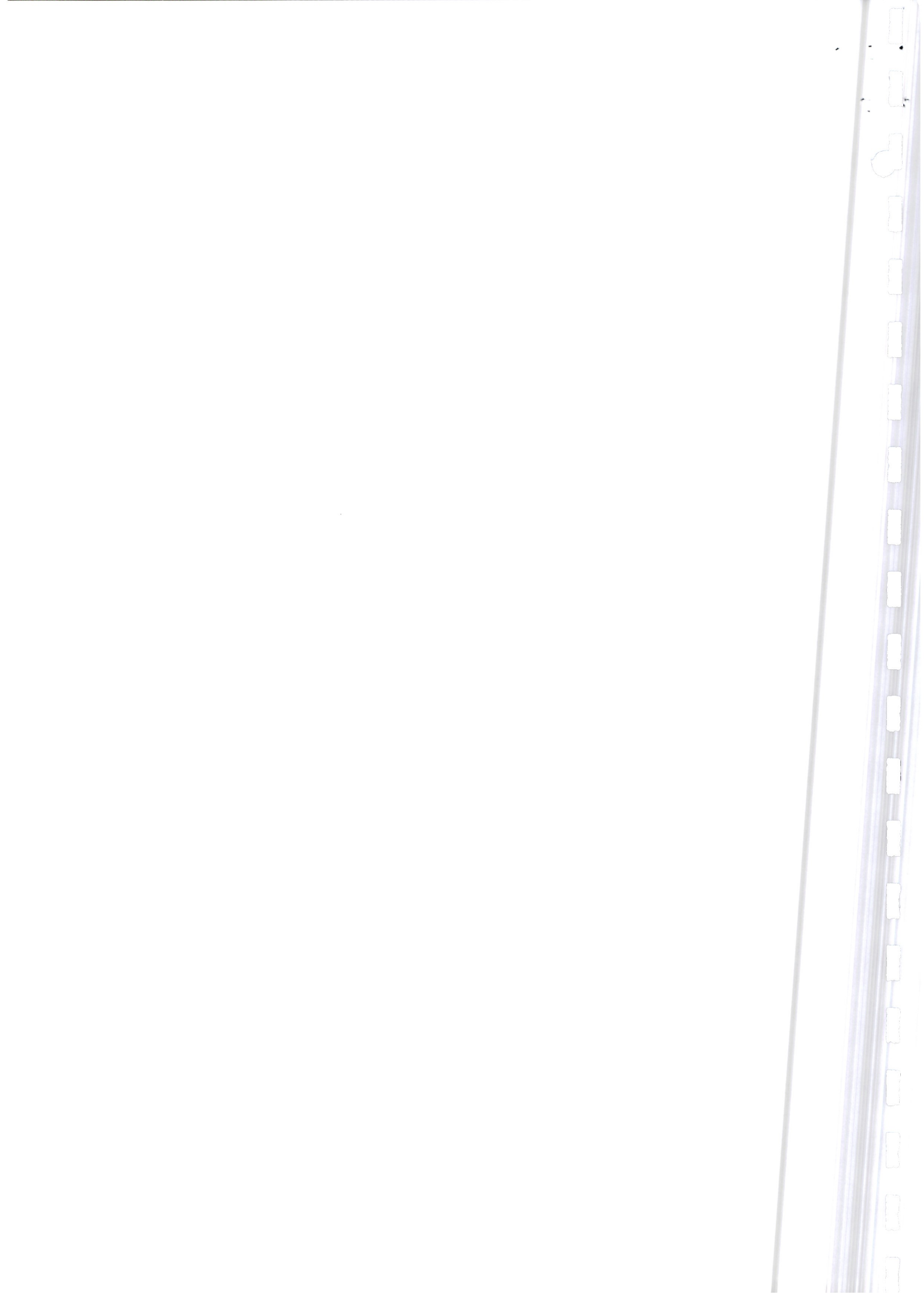
XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO B005123	1		31,551,124
AIE NO B030036	2		3,233,359
AIE NO B030281	3		10,000,000
AIE NO B005420	4		12,000,000
AIE NO B006467	5		8,000,000
AIE NO A724486	6		11,000,000
AIE NO B042950	7		13,000,000
AIE NO B041097	1	33,040,058	
AIE NO B041150	2	4,000,000	
AIE NO B047622	3	20,000,000	
AIE NO B104131	4	20,000,000	
AIE NO B049395	5	15,000,000	
AIE NO B096624	6	14,000,000	
AIE NO B104420	7	15,000,000	
AIE NO B096811	8	18,502,848	
TOTAL		139,542,906	88,784,483

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	0	0
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0



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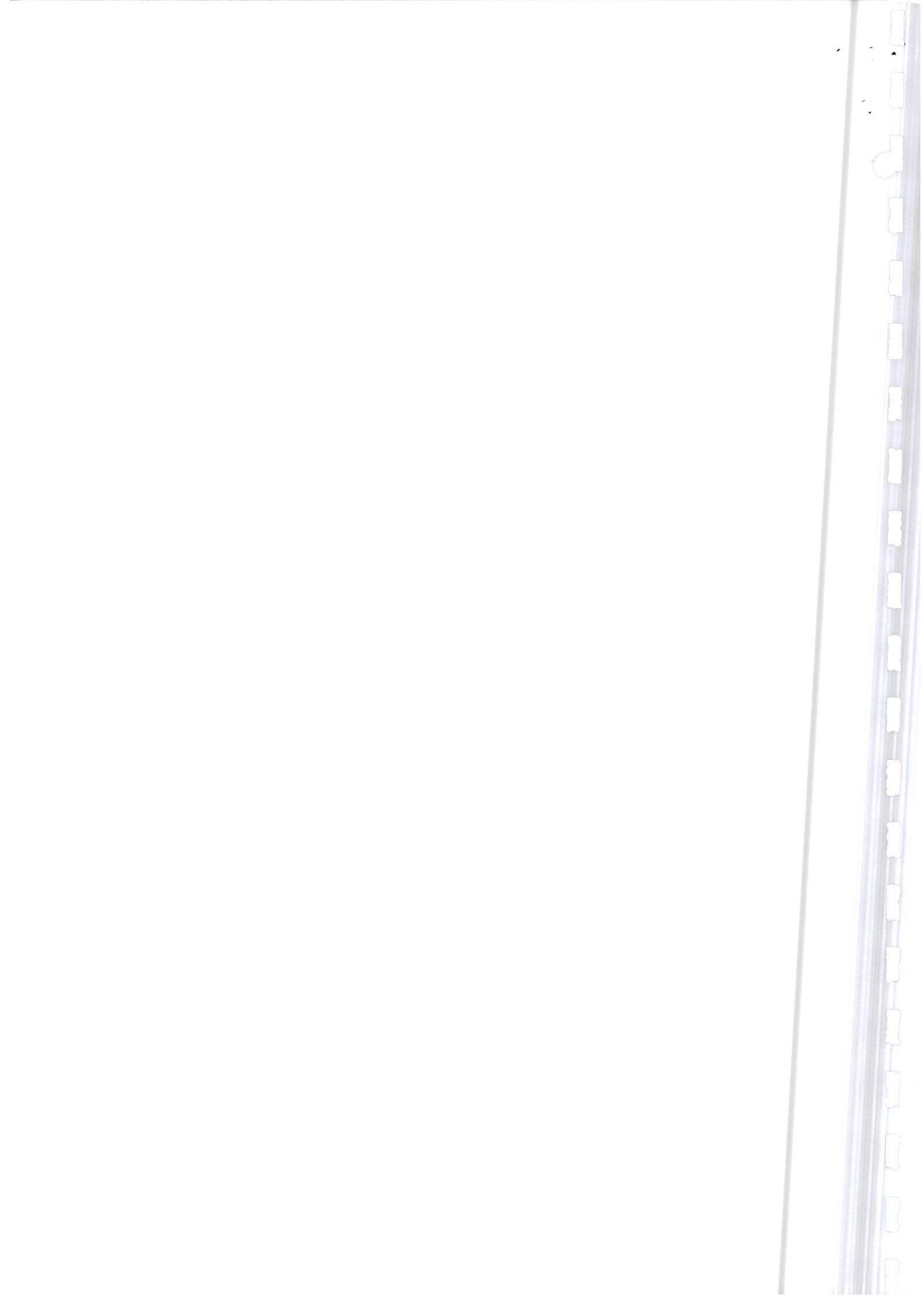
NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	723,329	1,251,848
Total	723,329	1,251,848

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,477,572	2,255,462
Personal allowances paid as part of salary	0	0
Pension and other social security contributions (Gratuity)-Paid	275,228	275,228
Pension and other social security contributions (Gratuity)-Provision	539,389	539,389
Employer Contributions Compulsory national social security schemes	190,680	147,660
Total	3,482,869	3,217,739

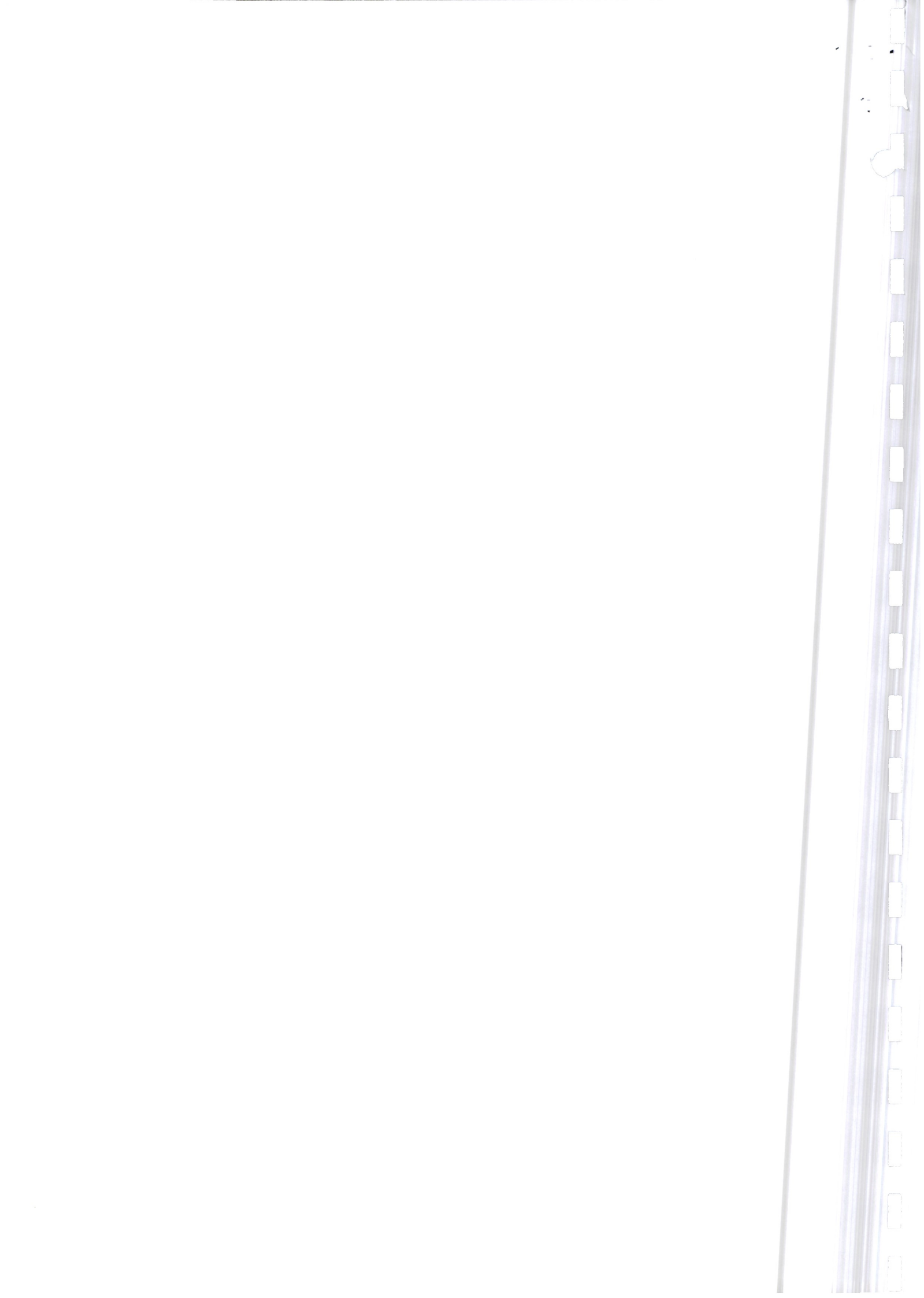


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	9,396,600	7,234,000
Utilities, supplies and services	120,000	130,565
Communication, supplies and services	140,000	41,000
Domestic travel and subsistence	190,750	35,400
Printing, advertising and information supplies & services	131,100	68,440
Rentals of produced assets	850,000	600,000
Training expenses	0	0
Hospitality supplies and services	0	0
Insurance costs	0	0
Specialized materials and services	0	17,423
Office and general supplies and services	599,950	1,678,940
Other operating expenses	214,320	9,450
Routine maintenance – vehicles and other transport equipment	376,500	675,156
Routine maintenance – other assets	13,810	0
Other committee expenses	11,145,500	8,953,000
Total	23,178,530	19,443,374



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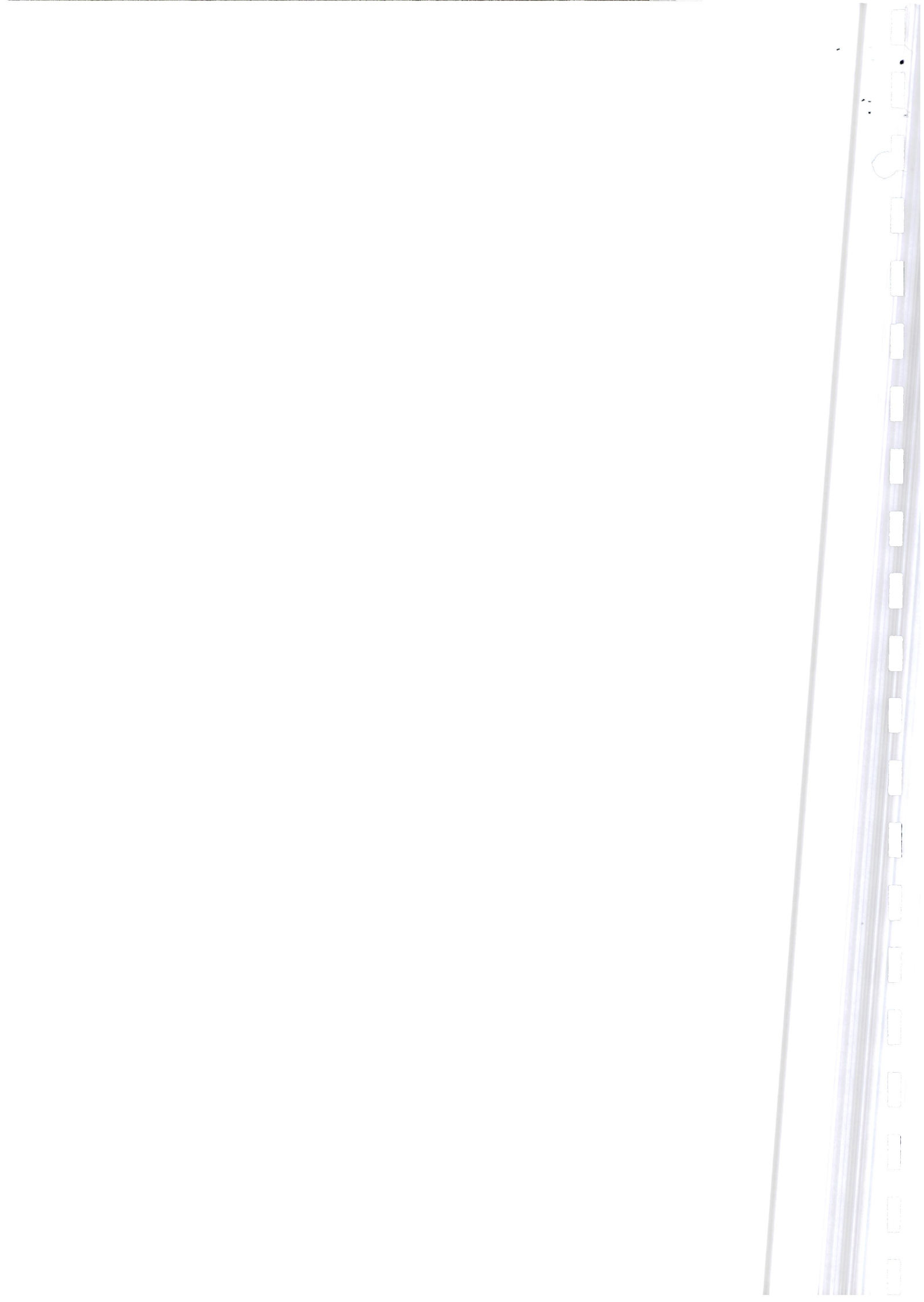
NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	0	0
Transfers to primary schools (see attached list)	10,398,818	3,301,517
Transfers to secondary schools (see attached list)	11,574,612	7,650,000
Transfers to tertiary institutions (see attached list)	0	0
Transfers to health institutions (see attached list)	0	0
TOTAL	21,973,430	10,951,517

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	13,123,464	17,906,947
Bursary – tertiary institutions (see attached list)		10,666,438
Bursary – special schools (see attached list)	0	0
Mock & CAT (see attached list)	2,497,988	1,999,989
Security projects (see attached list)		8,272,354
Sports projects (see attached list)	3,850,000	5,213,793
Environment projects (see attached list)	5,300,000	5,463,796
Emergency projects (see attached list)	1,131,000	1,531,880
Total	36,822,015	51,055,197



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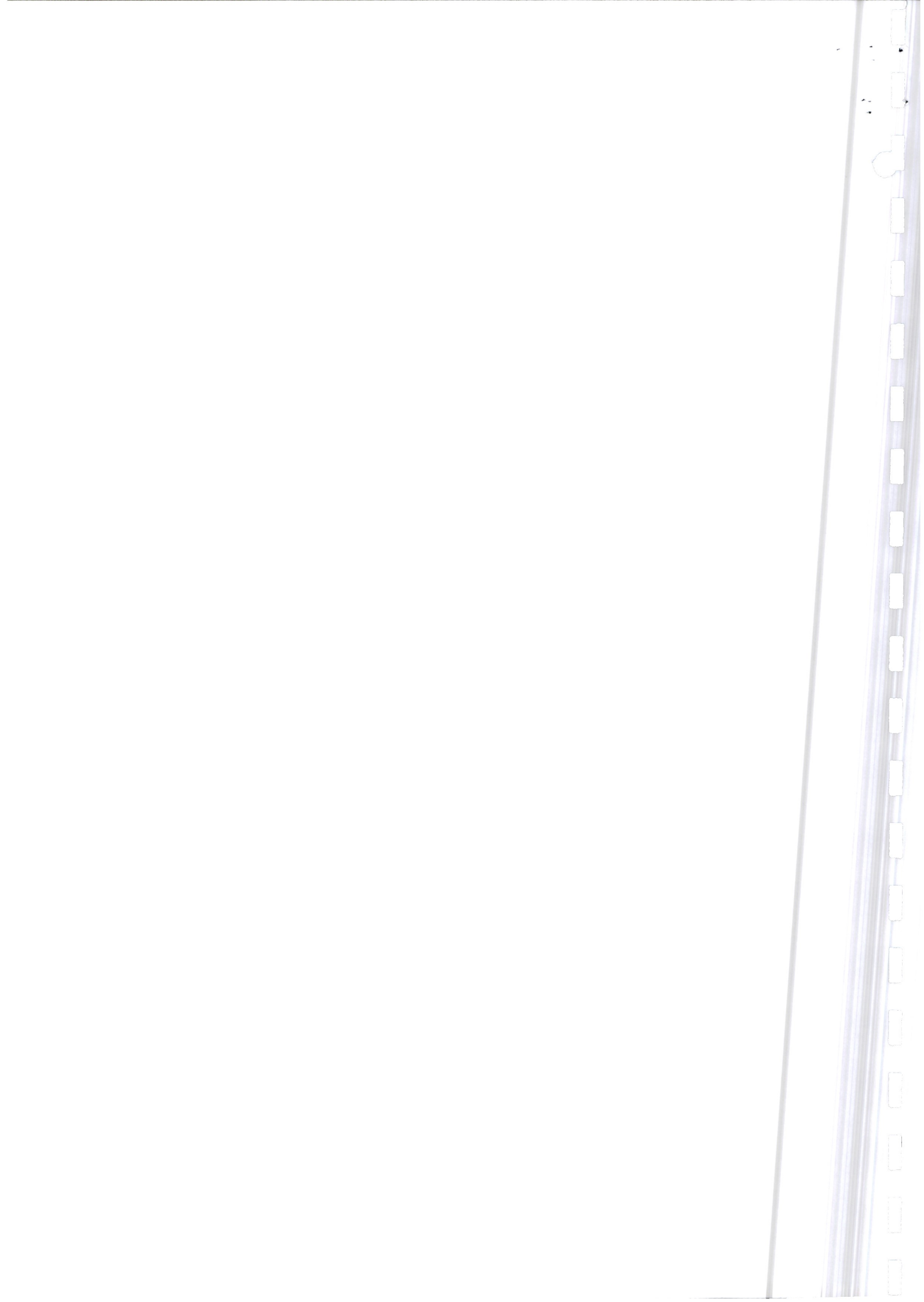
NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	178,000	999,600
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	178,000	1,085,763

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	0	3,500,000
ICT Hub	0	4,677,027
	0	8,177,027



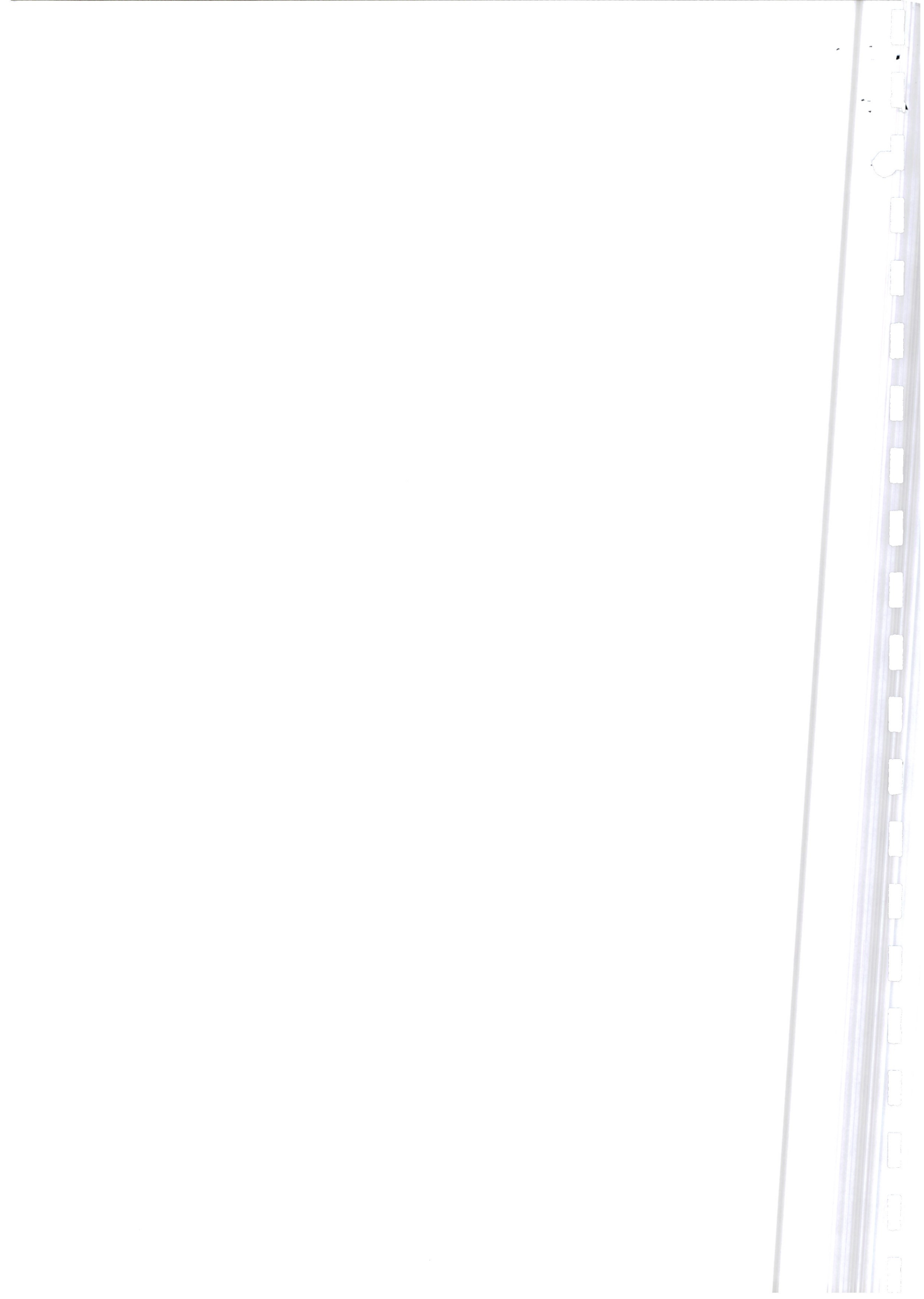
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank Mukurwe-ini 0830297514775</i>	57,739,995	2,779,203
Total	57,739,995	2,779,203
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations	0	0
Total	0	0



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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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>
N/A	0	0	0	0
<i>Total</i>				0

12A. RETENTION

	2019 - 2020	2018-2019
	Kshs	Kshs
N/A	0	209,988
Total	0	209,988

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	Kshs	Kshs
Gratuity provided	1,078,778	539,389
Total	1,078,778	539,389

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	2,779,203	5,924,112
Cash in hand	0	0
Imprest	0	0
Total	2,779,203	5,924,112

14. PRIOR YEAR ADJUSTMENTS

Description of the error	Balance b/f FY 2018/2019 as per Financial statements Kshs	Adjustments Kshs	Adjusted Balance b/f FY 2018/2019 Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others	0	0	0

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
Net changes in account receivables D= A+B-C	0	0

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	0	0
Deposit and Retentions held during the year (B)	539,389	749,377
Deposit and Retentions paid during the Year (C)	209,988	0
Net changes in account receivables D= A+B-C	329,401	749,377



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	0	0
Others	0	0
	0	0

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	527,435	599,225
Use of goods and services	708,520	0
Amounts due to other Government entities (see attached	47,471,272	63,170,322
Amounts due to other grants and other transfers (see attached list)	57,011,834	25,857,984
Acquisition of assets	372,000	660,400
Others	2,450,000	1,175,000
	108,541,061	91,462,932



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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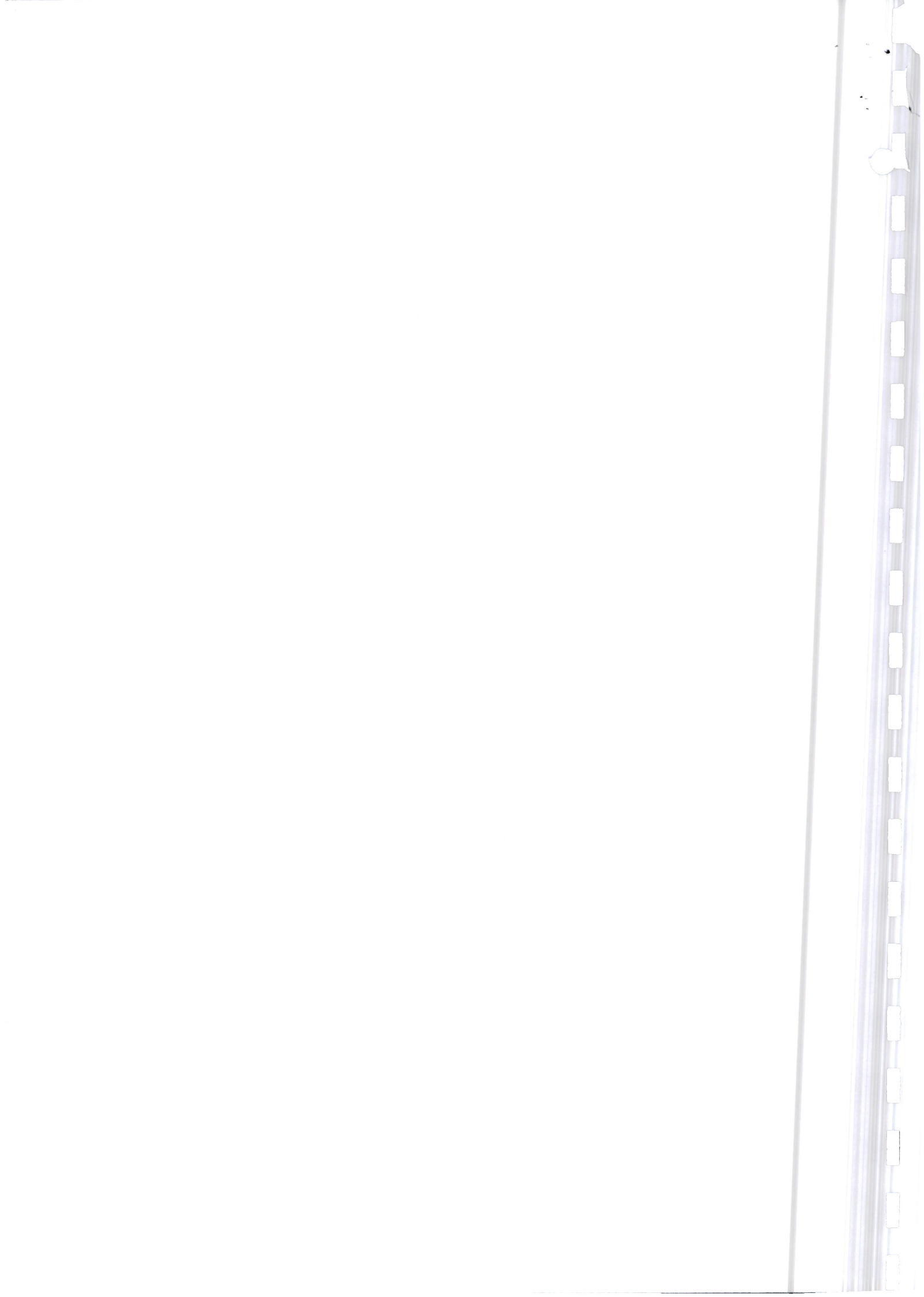
Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

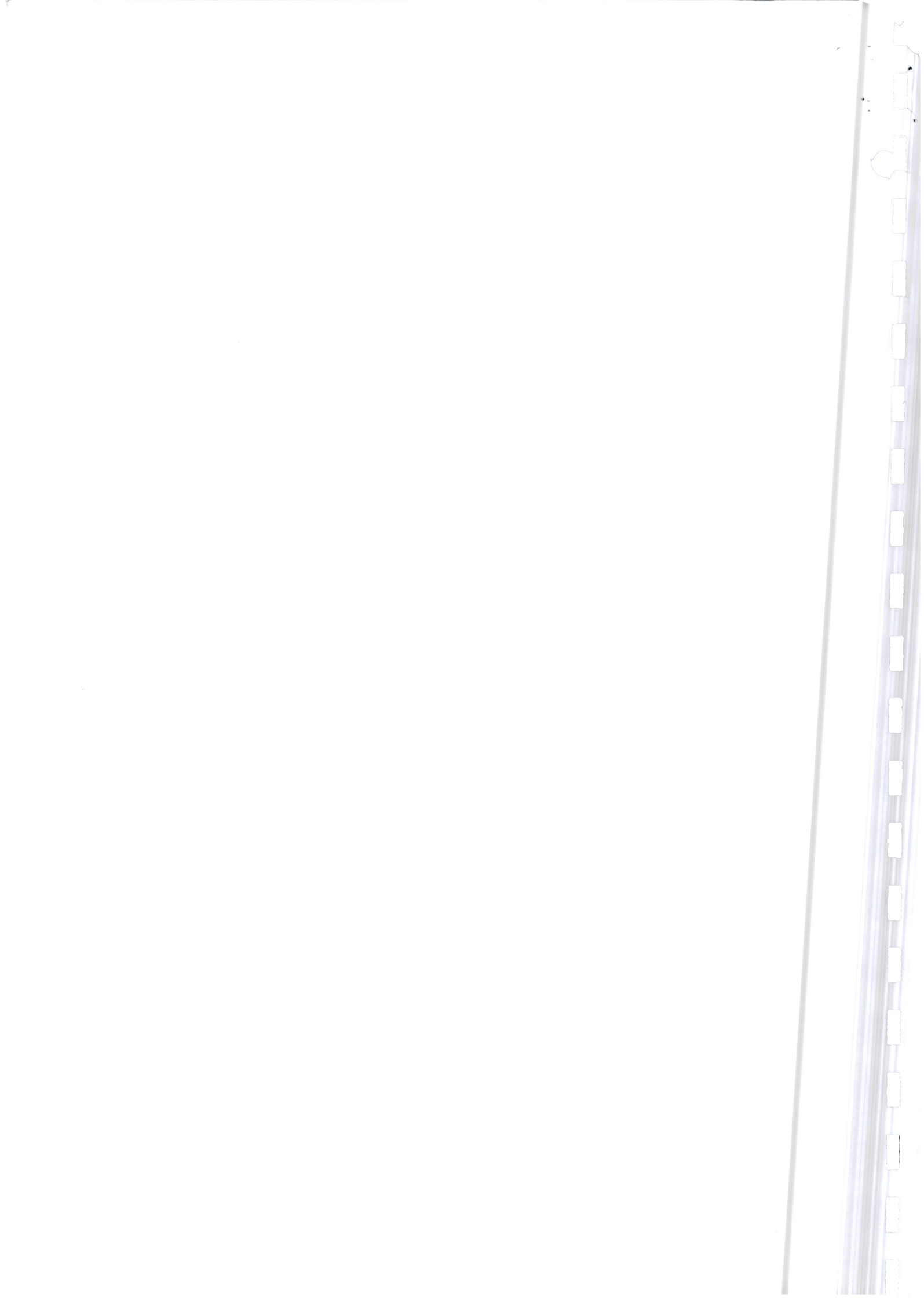
	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	10,832,187	14,056,551
	10,832,187	14,056,551



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUKURWE-INI 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	Comments
	a	b	c	d=a-c	
Construction of buildings					
1. N/A	0	0	0	0	
2.					
3.					
Sub-Total	0	0	0	0	
Construction of civil works					
4. N/A	0	0	0	0	
5.					
6.					
Sub-Total	0	0	0	0	
Supply of goods					
7. N/A	0	0	0	0	
8.					
9.					
Sub-Total	0	0	0	0	
Supply of services					
10.N/A	0	0	0	0	
11.					
12.					
Sub-Total	0	0	0	0	
Grand Total	0	0	0	0	

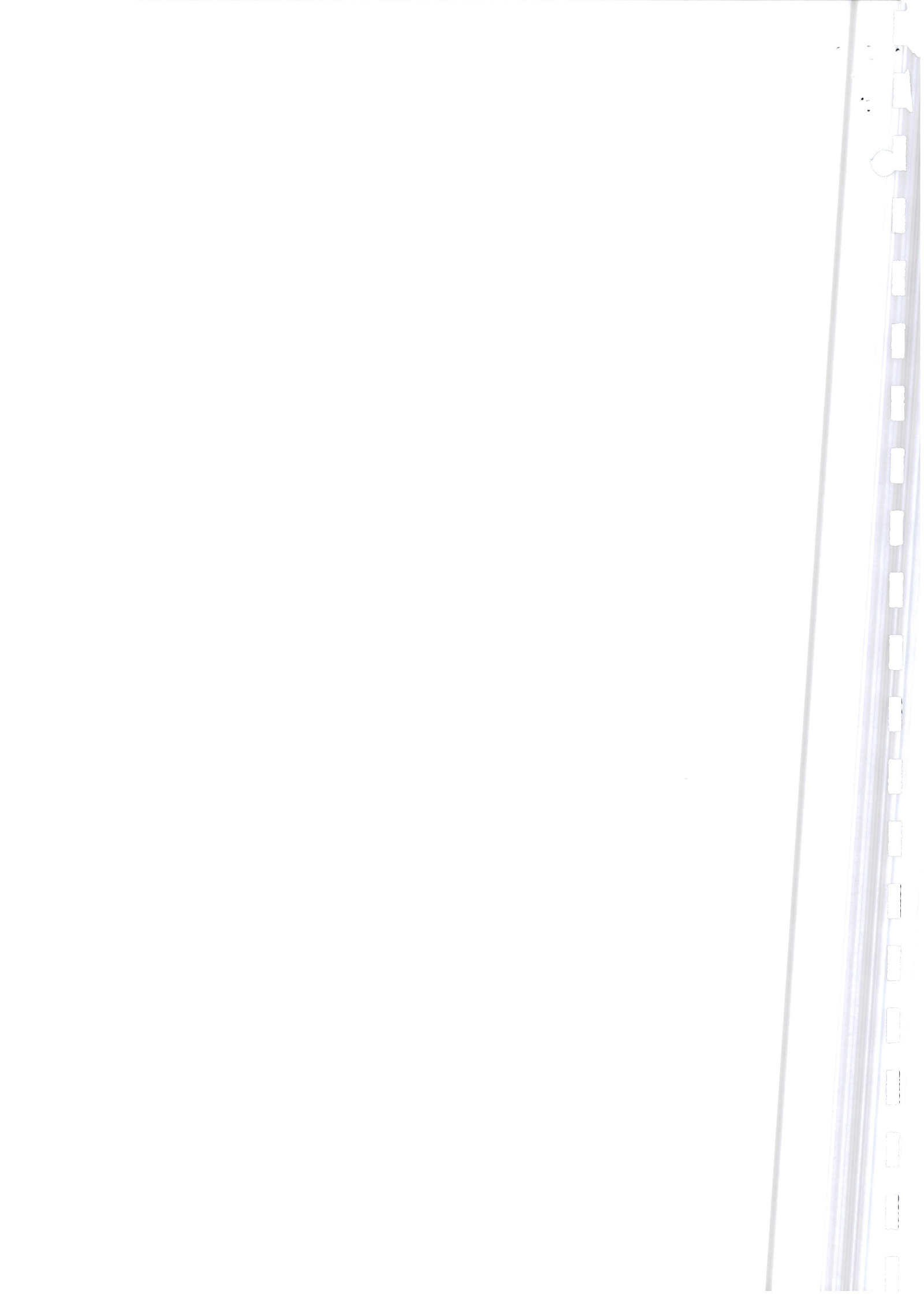


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUKURWE-INI CONSTITUENCY

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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	Comments
		a	b	c	d=a-c	
Senior Management						
1. N/A	0	0	0	0	0	
2.						
3.						
	Sub-Total	0	0	0	0	
Middle Management						
4. N/A	0	0	0	0	0	
5.						
6.						
	Sub-Total	0	0	0	0	
Unionisable Employees						
7. N/A	0	0	0	0	0	
8.						
9.						
	Sub-Total	0	0	0	0	
Others (specify)						
10. N/A	0	0	0	0	0	
11.						
12.						
	Sub-Total	0	0	0	0	
	Grand Total	0	0	0	0	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUKURWE-INI CONSTITUENCY

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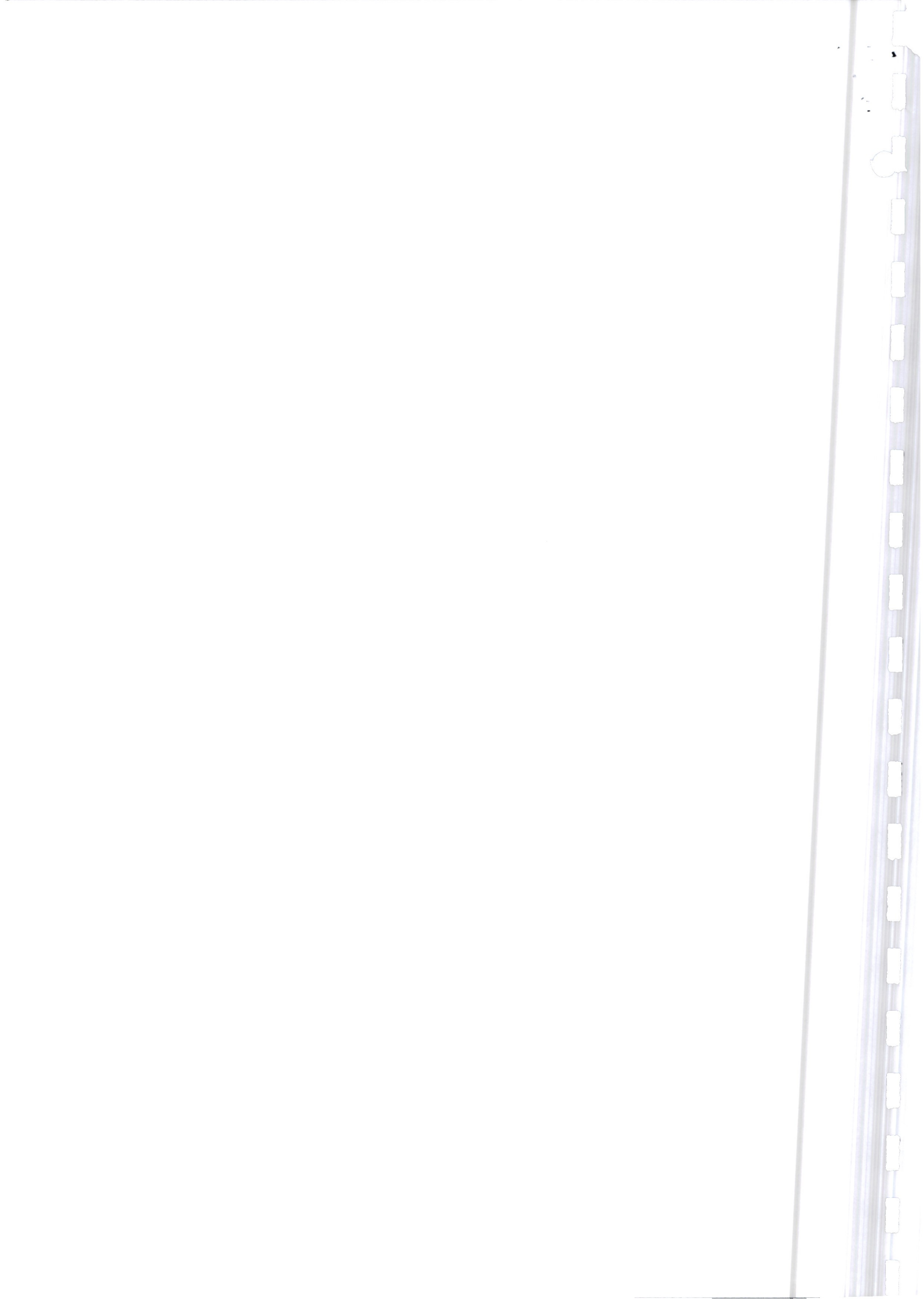
ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		527,435	599,225	
Use of goods & services		708,520	-	
Amounts due to other Government entities				
Ningaini Primary School		-	325,000	
Gathiriti Primary School		-	800,000	
Karindi Primary School		-	1,145,507	
Githunguri Primary School		-	2,871,892	
Ichamara Primary School		-	1,200,000	
Kangurwe Primary School		-	1,145,508	
Karaguririo Primary School		-	1,478,286	
Kiamurathe Primary School		-	2,429,517	
Kinuri Primary School		-	200,000	
St. John Thunguri Secondary School		-	812,691	
ACK Kiiuu secondary school		-	1,025,000	
St. Anne Githunguri Girls Sec Sch		-	2,280,350	
Gathungururu Girls Secondary School		-	2,956,572	
Ngoru Orthodox Secondary School		-	1,000,000	
Gathiriti Secondary School		-	3,500,000	
Mukurwe-ini KMTC		13,000,000	40,000,000	
Gikondi Primary School		200,000.00	-	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUKURWE-INI CONSTITUENCY
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Mukui Primary School		500,000.00	-
Kariara Primary School		450,000.00	-
Mutonga Primary School		100,000.00	-
Thukuma Primary School		2,000,000.00	-
Ithanjji Primary School		2,200,000.00	-
Maganjo Primary School		1,000,000.00	-
Gatura Primary School		200,000.00	-
Wanjithi Primary School		1,021,272.17	-
Gakira Primary School		1,000,000.00	-
St. Thomas Gatura Secondary School		2,000,000	-
Ack Kiuu Secondary School		2,500,000	-
Kibutio Secondary School		3,500,000	-
Rev. Muhoro Secondary School		2,300,000	-
Karindi Secondary School		4,500,000	-
Giathugu Secondary School		3,000,000	-
Kihuti Secondary School		2,000,000	-
Tambaya Secondary School		3,500,000	-
Karaba Secondary School		1,500,000	-
Karundu Secondary School		1,000,000	-
Sub-Total		47,471,272	63,170,323
Amounts due to other grants and other transfers			
Emergency		6,032,253	8,960,677
Bursary		24,529,581	13,805,414
Sports		-	-



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUKURWE-INI CONSTITUENCY

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

Environment		-	-
Security			3,091,893
Bohero, Kibutio, Wamachatha and Gatiki	6,000,000	-	
Kariara Asst. Chief's Office	1,000,000	-	
Gikondi Chief's Office	2,000,000	-	
Mutonga Asst. Chief's Office	2,000,000	-	
Kabuta Police Post	2,200,000	-	
Mukurwe-ini East Acc Office	4,000,000	-	
Mukurwe-ini South Acc Office	4,000,000	-	
Mukurwe-ini Police Headquarter	3,750,000	-	
Gaikundo AP Post	1,500,000	-	
Sub-Total	57,011,834		25,857,984
Sub-Total	105,719,061		89,627,532
Acquisition of assets		372,000	660,400
			-
Others			-
Furniture	2,450,000		1,175,000
Total	108,541,061		91,462,932



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUKURWE-INI CONSTITUENCY

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For the year ended June 30, 2020

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

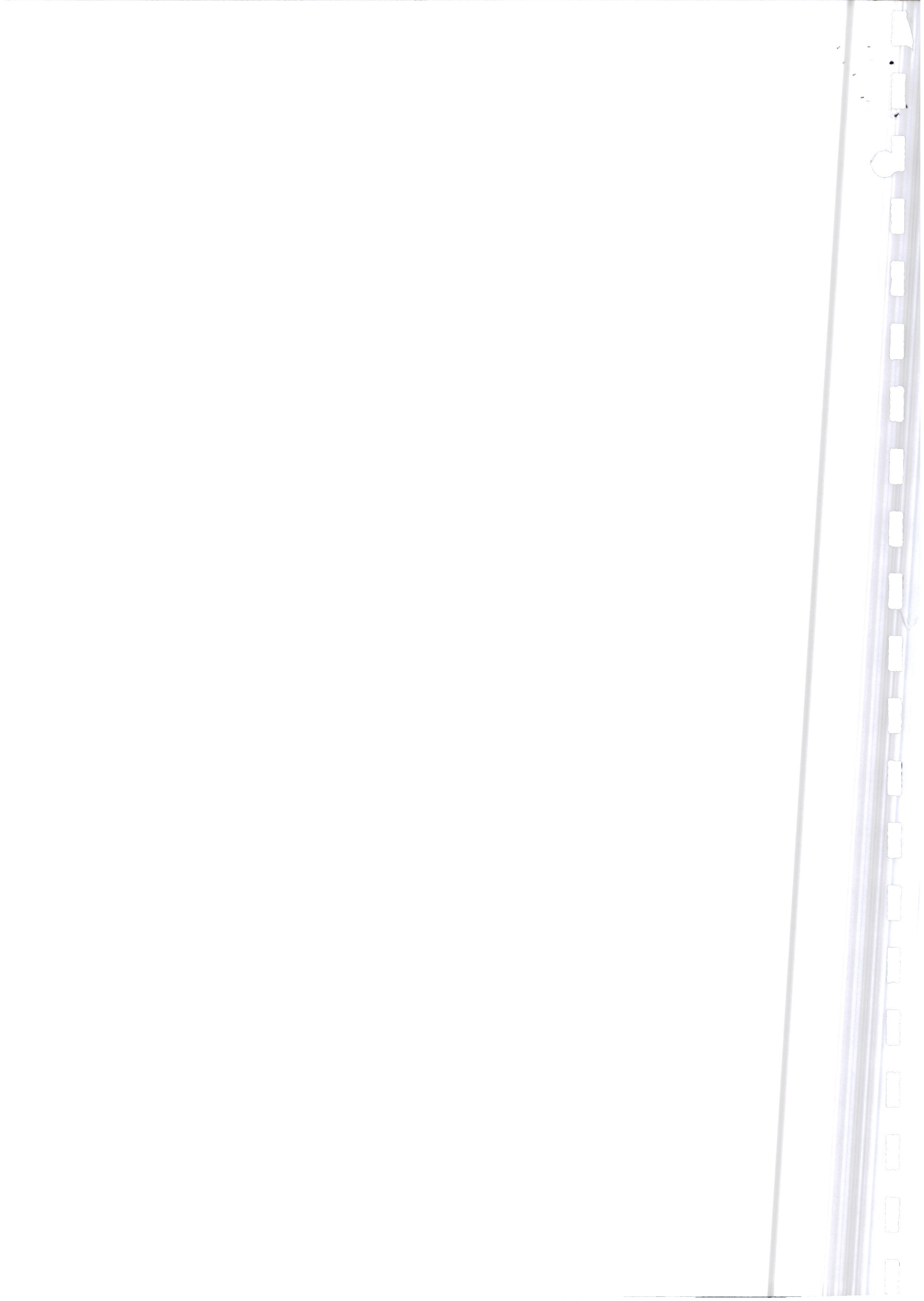
Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land	-	0	0	-
Buildings and structures	24,272,409	0	0	24,272,409
Transport equipment	21,581,182	0	0	21,581,182
Office equipment, furniture and fittings	4,371,714	0	0	4,371,714
ICT Equipment, Software and Other ICT Assets	2,101,650	178,000	0	2,279,650
Other Machinery and Equipment	-	0	0	-
Heritage and cultural assets	-	0	0	-
Intangible assets	-	0	0	-
Total	52,326,955	178,000	0	52,504,955



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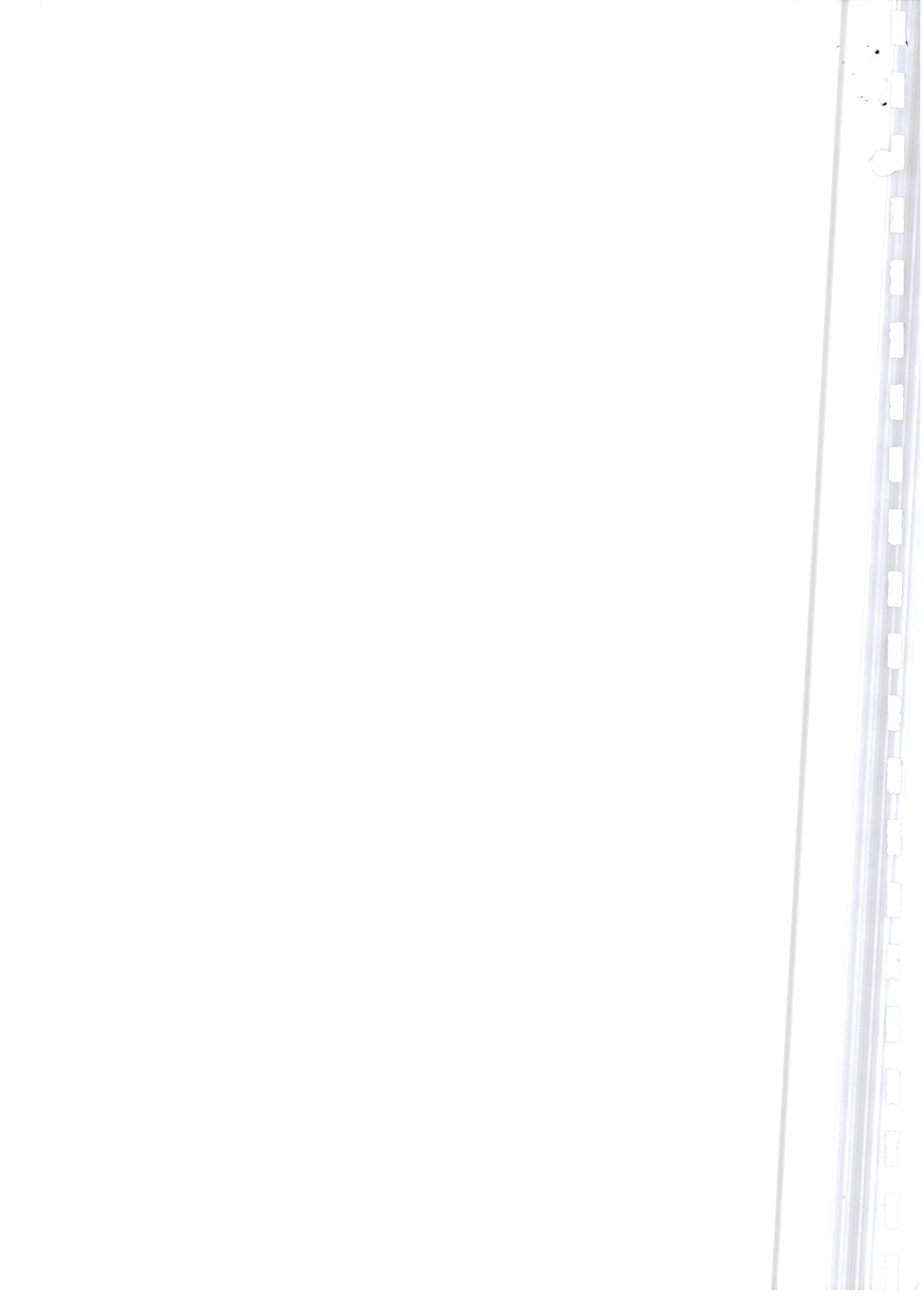
ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Mukurwe-ini sports tournament NG-CDF PMC	Equity Bank	0830170946920	4,778	4,898
Mukurwe-ini Environment NG-CDF	Equity Bank	0830173286249	28786	29,266
Ningaini Primary School NG-CDF PMC	Equity Bank	0830176850849	1,471	75,041
Gikondi Primary School NG-CDF	Equity Bank	0830177172745	5,130	103,385
Kariara Primary School NG-CDF PMC	Equity Bank	0830176904778	45	35,482
St. John Thunguri Secondary School NG-CDF PMC	Equity Bank	0830177325501	964,521	151,831
St. Augustine Gikondi Secondary School NG-CDF PMC	Equity Bank	0830177159257	14,748	120,096
Rutune Secondary School NG-CDF PMC	Equity Bank	0830177325501	1,380	1,380
Ack Kiuu Secondary School NG-CDF PMC	Equity Bank	0830177223051	102,585	22,710
St Anne Githunguri Secondary School NG-CDF PMC	Equity Bank	0830176984205	1,033,874	221,518
Mweru Secondary School NG-CDF PMC	Equity Bank	0830176984507	662	662
Gikondi AP Post NG-CDF PMC	Equity Bank	0830178452846	456545	2,254,190
Rev Muhoro Secondary School NG-CDF PMC	Equity Bank	0830171870637	265,418	265,418
Mukui Primary School NG-CDF PMC	Equity Bank	0830171738704	232794	2,301,194
Karaguririo Primary School NG-CDF PMC	Equity Bank	0830177687679	470,084	154,458
Kariara Assistant Chief Office NG-CDF PMC	Equity Bank	0830177804396	63,574	160,409
Ngamwa Primary School NG-CDF PMC	Equity Bank	0830177361177	0	30
Kaheti Boys High School NG-CDF PMC	Equity Bank	0830177304276	361673	3,150,016
Kiang'ondu Primary NG-CDF PMC	Equity Bank	0830177709308	540	196,850
Tambaya AP Post NG-CDF PMC	Equity Bank	0830177830843	87837	156,219
South Tetu Girls High School NG-CDF PMC	Equity Bank	0830168569503	1,171,083	3,502,890
Thangathi AP Post NG-CDF PMC	KCB Bank	1228738238	13,571	95,692
Kirerema Assistant Chief's office NG-CDF PMC	KCB Bank	1228739315	2,614	621



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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Reports and Financial Statements
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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Mihuti Assistant Chief's office NG-CDF PMC	KCB Bank	1230072764	83,022	15,093
Karaba AP Post NG-CDF PMC	KCB Bank	1228737975	228,565	216,465
Kaharo Ap post NG-CDF PMC	KCB Bank	1228738858	78,398	79,463
Wanjithi Chief's office NG-CDF PMC	KCB Bank	1230070982	193,751	87,982
Gakindu Chief's office NG-CDF PMC	KCB Bank	1228737371	113,592	268,924
DCC Official Residence NG-CDF PMC	KCB Bank	1253636281	0	384,367
ICHAMARA AP POST NG-CDF PMC	Equity Bank	0830279531603	435,237	0
GATHUNGURURU GIRLS SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830279557032	240,482	0
GATHIRITI SECONDARY SCHOOL NG-CDF PMC	Equity Bank	0830279557349	871,241	0
KIAMURATHE PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830279560142	323,360	0
GATHIRITI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830279571093	222,420	0
ICHAMARA PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830279575834	222,008	0
KARINDI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830279588994	182,245	0
KINURI PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830178885082	815	0
KANGURWE PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830179522563	266,063	0
NGORU ORTHODOX SECONDARY SCHOOL - CDF PROJECT	Equity Bank	0830179842241	1,000,000	0
KARUNDU PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830179880165	154,895	0
GAIKUNDO PRIMARY SCHOOL NG-CDF PMC	Equity Bank	0830179898499	932,380	0
Total			10,832,187	14,056,551



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUKURWE-INI CONSTITUENCY

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For the year ended June 30, 2020

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	Status:	Timeframe:
4.1	Note 8 to the financial statements shows that the NGCDF spent a total of Kshs.1,085,763 on acquisition of assets. Annex 4 to the financial statements however reports assets additions of Kshs.849,600 during financial year 2018/2019 leaving a variance of Kshs.236,163. A review of the supporting documentation revealed that actual expenditure on acquisition of assets for the financial year 2018/2019 is Kshs.1,085,763.	<i>The actual acquisition of assets for financial year 2018/2019 was 1,085,763. The financial statement has been amended and it is now tallying in both notes.</i>	OAG	Resolved	
4.2	Note 15.3 to the financial statements reports unutilized fund balances totaling Kshs.91,462,932 as at 30 th June 2019. Annex 3 to the financial statement however reflects unutilized balances of	<i>Both Note 15.3 and Annex 3 in the financial statement have been amended as attached.</i>	OAG	Resolved	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUKURWE-INI CONSTITUENCY

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For the year ended June 30, 2020**

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
4.3	<p>Kshs.56,358,243 leaving unexplained variance of Kshs.35,104,689. Under the circumstances, the accuracy of unutilized fund balances as at 30th June 2019 could not be confirmed</p> <p>Included in the audited financial statements for financial year 2017/2018 are prior year adjustments of Kshs.86,163 under the statement of assets and liabilities. However, this balance was not included as part of the comparative figures for financial year 2018/2019. In addition, no journal vouchers were provided to support the exclusion of the prior adjustment from the financial statements for financial year 2018/2019</p>	<p><i>The financial statement has been amended as attached</i></p>	OAG	Resolved	
4.4	<p>During the financial year, Mukurwe-ini NGCDF disbursed bursaries totaling to Kshs.28,573,385 to both Secondary Schools and tertiary institutions. However, no beneficiary schedules and acknowledgement receipts were provided to support bursary amounting to Kshs.4,975,608.</p>	<p><i>Disbursement schedules for Kshs 28,573,385 have been attached. However, we have streamlined by engaging Posta Kenya to deliver cheques to intended institutions and bring back acknowledgment letters and receipts to us</i></p>	OAG	Resolved	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUKURWE-INI CONSTITUENCY

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
4.5	Note 7 to the financial statements reflects bursaries totaling to Kshs.28,573,385 to both Secondary Schools and tertiary institutions. Included in this amount is an expenditure of Kshs.471,200 incurred on purchase of success cards and charged under administration costs budget but posted under bursary	<i>The total expenditure for bursary vote is Kshs.28,573,385, However, Kshs. 471,200 is properly charged under goods and services as per the attached schedule.</i>	OAG	Resolved	
4.6	The financial statements under note 15(4) reflect Project Management Committee account balances of Kshs.14,056,551 for the year ended 30 June 2019. Included in the KShs.14,056,551 are unutilized balances of Kshs.2,160,113 relating to projects which had been completed as at 30 th June 2019	<i>Unutilized balances of Kshs.2,160,113 relating to projects which had been completed as at 30th June 2019 included retention money which were not due for payment. The retention money is tabulated as follows;</i>	OAG	Resolved	

Project Bank Account Name	Account number	Bank Balance 30th June 2019 (Kshs.)	Retention money
AckKiuu Secondary School NG-CDF PMC	8301772230 51	22,710.00	-
Gikondi Primary School	8301771727 45	103,385.00	92,295.00



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUKURWE-INI CONSTITUENCY

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments				Focal Point person to resolve the issue	Status:	Timeframe:
		NG-CDF PMC	1228738858		30,926.00			
		KaharoAp post NG-CDF PMC		79,463.00				
		Karaba AP Post NG-CDF PMC	1228737975	216,465.00	103,598.40			
		Karaguririo Primary School NG-CDF PMC	8301776876	154,458.00	88,270.00			
		Kariara Assistant Chief Office NG-CDF PMC	8301778043	160,409.00	86,595.00			
		Kariara Primary School NG-CDF PMC	8301769047	35,482.00	79,961.00			
		Kiang'ondu Primary NG-CDF PMC	8301777093	196,850.00	-			
		Kirerema Assistant Chief's office NG-CDF PMC	1228739315	621.00	-			
		Mihuti Assistant Chief's office NG-CDF PMC	1230072764	15,093.00	-			
		Ningaini Primary School	8301768508	75,041.00	-			



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUKURWE-INI CONSTITUENCY

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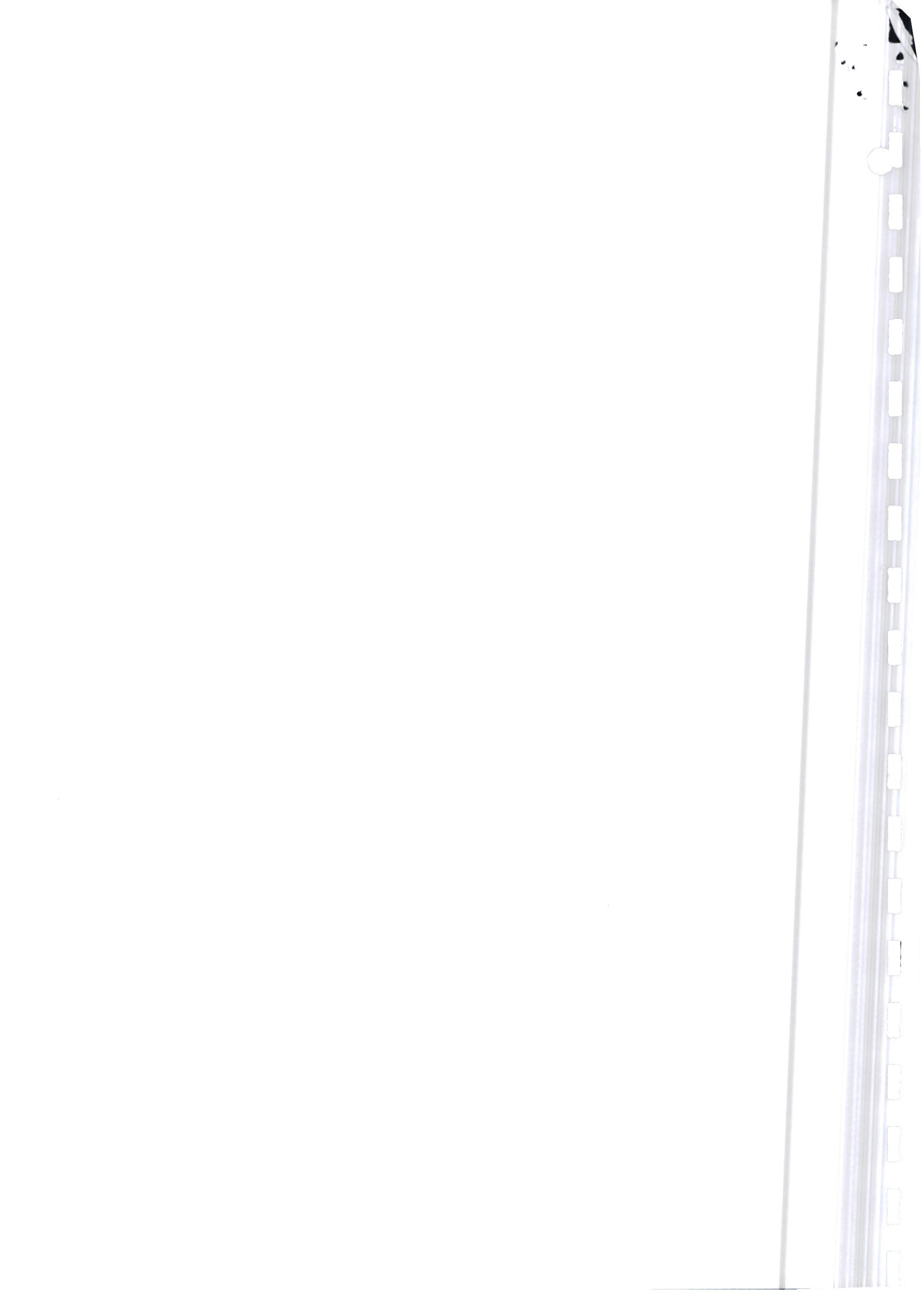
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:																																																
		<table border="1"> <tr> <td>NG-CDF PMC</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Rev. Muhoro Secondary School NG-CDF PMC</td> <td>8301718706 37</td> <td></td> <td>265,418.00</td> <td>-</td> <td></td> </tr> <tr> <td>Rufume Secondary School NG-CDF PMC</td> <td>8301773255 01</td> <td></td> <td>1,380.00</td> <td>-</td> <td></td> </tr> <tr> <td>St. Anne Githunguri Secondary School NG-CDF PMC</td> <td>8301769842 05</td> <td></td> <td>221,518.00</td> <td>193,448.00</td> <td></td> </tr> <tr> <td>St. Augustine Gikondi Secondary School NG-CDF PMC</td> <td>8301771592 57</td> <td></td> <td>120,096.00</td> <td>91,108.00</td> <td></td> </tr> <tr> <td>St. John Thunguri Secondary School NG-CDF PMC</td> <td>8301773255 01</td> <td></td> <td>151,831.00</td> <td>863,310.00</td> <td></td> </tr> <tr> <td>Tambaya AP Post NG-CDF PMC</td> <td>8301778308 43</td> <td></td> <td>156,219.00</td> <td>62,662.00</td> <td></td> </tr> <tr> <td>Thangathi AP Post NG-CDF</td> <td>1228738238</td> <td></td> <td>95,692.00</td> <td>71,056.00</td> <td></td> </tr> </table>	NG-CDF PMC						Rev. Muhoro Secondary School NG-CDF PMC	8301718706 37		265,418.00	-		Rufume Secondary School NG-CDF PMC	8301773255 01		1,380.00	-		St. Anne Githunguri Secondary School NG-CDF PMC	8301769842 05		221,518.00	193,448.00		St. Augustine Gikondi Secondary School NG-CDF PMC	8301771592 57		120,096.00	91,108.00		St. John Thunguri Secondary School NG-CDF PMC	8301773255 01		151,831.00	863,310.00		Tambaya AP Post NG-CDF PMC	8301778308 43		156,219.00	62,662.00		Thangathi AP Post NG-CDF	1228738238		95,692.00	71,056.00				
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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUKURWE-INI CONSTITUENCY

Reports and Financial Statements
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:												
4.7	<p>During the financial year 2018/2019, the NGCDF transferred a total of Kshs.8,272,354 to security projects against a budget of Kshs.11,364,247. Out of this amount Kshs.2,300,000 was transferred to Gikondi AP Post for the construction of four (4) units staff houses. The tender for the construction of the houses was awarded to MoonvaultLtd at a contract sum of Kshs.2,191,894 on 15th March, 2019. The contract period for the project was 6 months. Therefore, the project ought to have been completed by 15th September 2019.</p> <p>As at the time of the audit in December, 2019, the total certified works amounted to Kshs.1,019,534 representing 46.5% of the contract amount. However, no payment had been made to the contractor.</p>	<table border="1"> <tr> <td>PMC</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Wanjithi Chief's office NG-CDF/PMC</td> <td>1230070982</td> <td>87,982.00</td> <td>80,058.00</td> </tr> <tr> <td>TOTAL</td> <td>2,160,113.00</td> <td>1,843,287.40</td> <td></td> </tr> </table>	PMC				Wanjithi Chief's office NG-CDF/PMC	1230070982	87,982.00	80,058.00	TOTAL	2,160,113.00	1,843,287.40		OAG	Resolved	
PMC																	
Wanjithi Chief's office NG-CDF/PMC	1230070982	87,982.00	80,058.00														
TOTAL	2,160,113.00	1,843,287.40															



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUKURWE-INI CONSTITUENCY

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
4.9	<p>Physical verification carried out on December 2019 revealed that the foundation and walling had been completed with doors fixed but no roofing had been done. It was further observed that the contractor had abandoned the site. With the contract period having elapsed and the project being 46.5% complete, no contract extension had been granted to the contractor. In addition, no evidence was provided that there was commitment from management and the contractor to ensure that the project is completed.</p> <p>Mukurweini NGCDF had budgeted for receipts totaling to kshs.149,749,471 to finance projects during financial year 2018/2019. However, total receipts during the financial year 2018/2019 including balance brought forward from financial year 2017/2018 amount to Kshs.94,708,595 representing 63% of the budgeted amount. Further, out of the total expenditure budget for financial year 2018/2019 of Kshs.149,749,471, the</p>				
		<p><i>The over expenditure was due to balances brought forward from the previous year. The adjustments in the financial statement have been amended</i></p>			



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MUKURWE-INI CONSTITUENCY

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
4.10	<p>constituency had incurred an expenditure of Kshs.93,391,228, as at 30th June 2019. This translates to an absorption rate of 62%.</p> <p>Mukurweini NGCDF had an approved expenditure budget of Kshs.149,749,471, comprising of both recurrent and development expenditure of Kshs.11,164,639 (7%) and Kshs.138,584,842 (93%) respectively for the year under review. During the financial year 2018/2019, the NG CDF had planned to implement a total of 42 projects excluding emergency projects and bursary at an estimated cost of Kshs.83,713,498. As at 30th June 2019, Kshs.39,164,250 had been disbursed to the projects, representing 47% of the budget for the projects. Out of the 42 projects budgeted for, 12 had been completed, 8 were ongoing while 22 had not started. Therefore, the overall level of completion for the projects budgeted for in year 2018/2019 is 29% as at 30th June.</p>	<p>Untimely release of funds from the NG-CDF Board is the cause of delay of project completion</p>			

