

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 21 FEB 2023

DAY

TUESDAY

REPORT

BY:

DEPUTY

LEADER OF MAJORITY
PARTY

CLERK-AT
THE-TABLE:

INZOFU

MWALE

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND - GATUNDU NORTH
CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2021



GATUNDU NORTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

*Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Mr Joseph K.N Rotich.
2.	Sub-County Accountant	Mr Boniface Mugambi
3.	Chairman NGCDFC	Mr John Kirori Ngaruiya
4.	Member NGCDFC	Mrs Jane Wanjiru Mwangi

(d) Fiduciary Oversight Arrangements

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

(e) Gatundu North Constituency NGCDF Headquarters

P.O. Box 201- 01004 Kanjuku
GATUNDU NORTH NG-CDF OFFICE,
GATUNDU NORTH DCC COMPOUND
KAMWANGI, KENYA

(f) NGCDF Gatundu North Constituency Contacts

Telephone: (254)0722-864244
E-mail: cdfgatundunorth@ngcdf.go.ke
Website: www.ngcdfgo.ke

(g) NG-CDF Gatundu North Constituency Bankers

Kenya Commercial Bank
Branch-Gatundu
Account Name-GATUNDU NORTH NG-CDF
Account Number-1102763853
Address -518 Gatundu.

(h) Independent Auditors

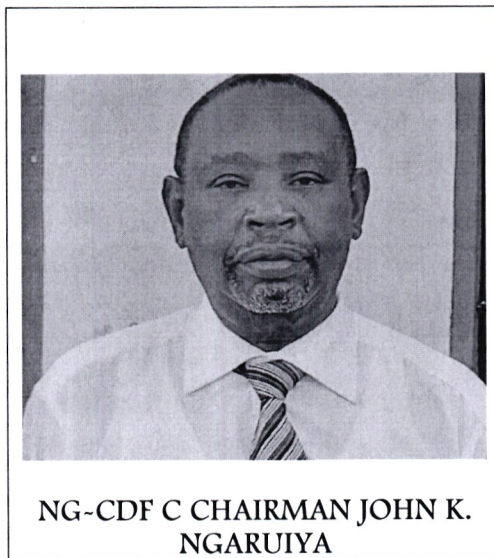
Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

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

II. NG-CDFC CHAIRMAN S REPORT

Include among others the following:



Financial Year Budget.

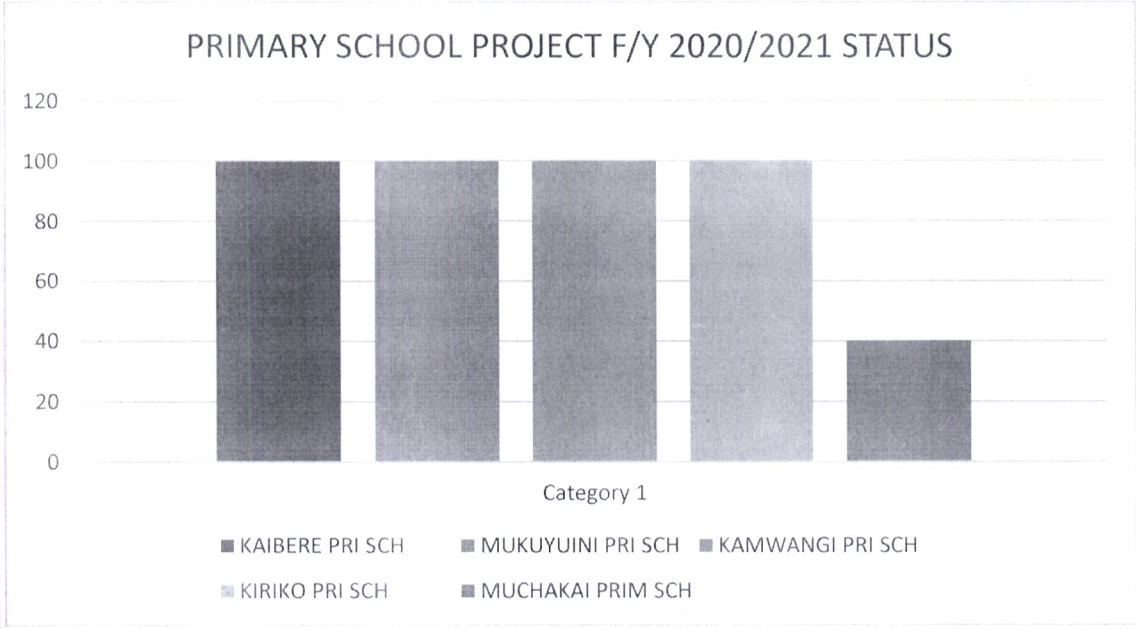
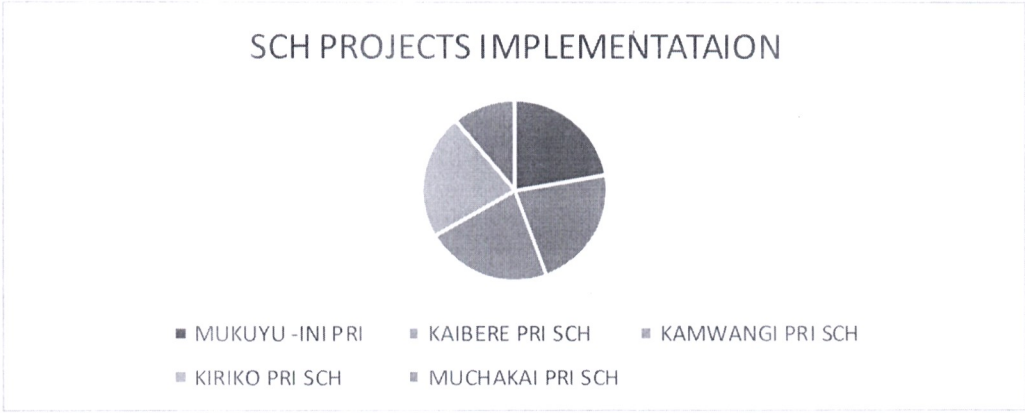
In the financial year 2019/20 the NG-CDF GATUNDU NORTH Constituency was allocated Kshs. 136,040,872.01 and we have received over 99% of the allocation for the financial year 2019/2020 and its utilization has gone well with over 99% of the funds have been utilized effectively. In the Financial year 2020/2021 the Ng-Cdf Gatundu North Constituency was allocated Kshs. 137,088,879 the constituency has received 90% of the total funds allocation. Due the bulk of the project brought forward from 2019/20 and delay occasion by long procurement procedures and the processing of BQs, the NG-CDF-Gatundu North were able to do 70% of the projects that fall under 2020/21 financial year.

Table summary of Budget Performance for Projects under Financial year 2020/2021

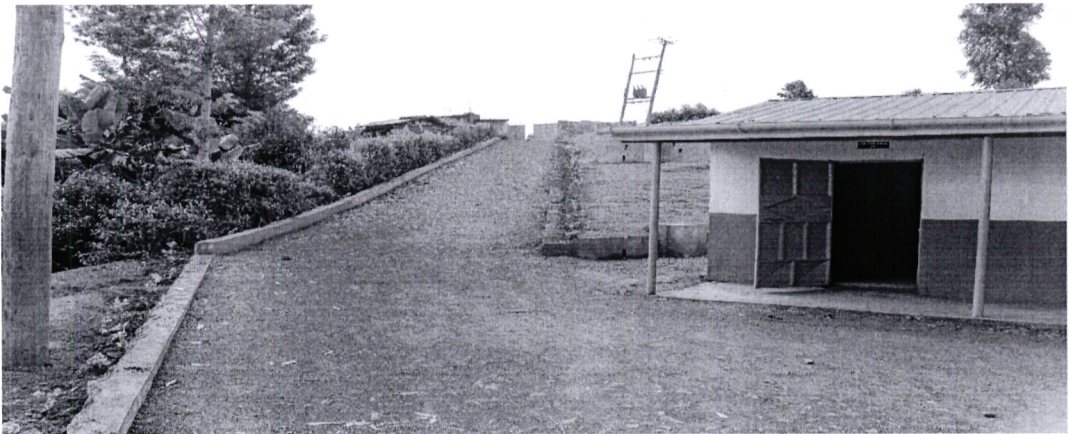
PROJECT	STATUS IN %
Mukuyu Ini Primary School	100%
Kaibere Primary School	100%
Kamwangi Primary School	100%
Kiriko Primary School	100%
Muchakai Primary School	40%

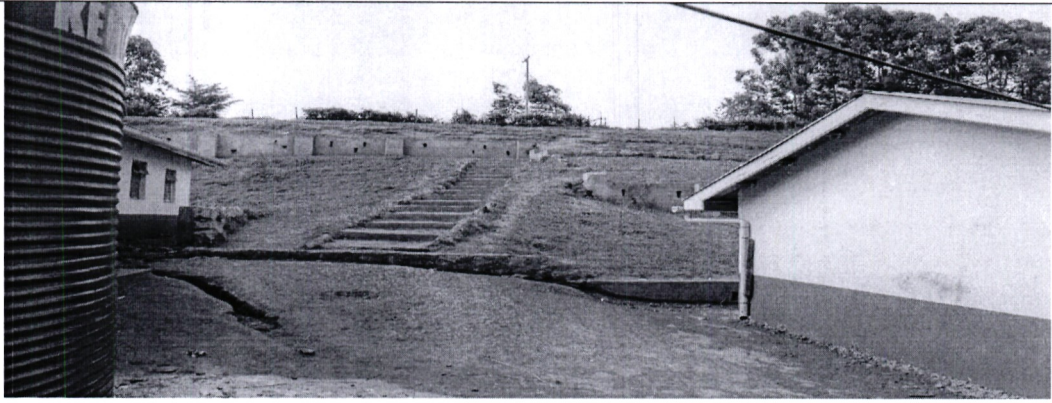
Key Achievements.

Due the bulk of the project brought forward from 2019/20 and delay occasion by long procurement procedures and the processing of BQs, the NG-CDF-Gatundu North were able to do the following project Kiriko primary school, Kamwangi primary school, and Mukuyu-ini, Kaibere Primary just but to list a few primary schools, the projects that fall under 2020/21 financial year are 70% complete.



We have completed all projects brought forward from the previous financial year 2019/20



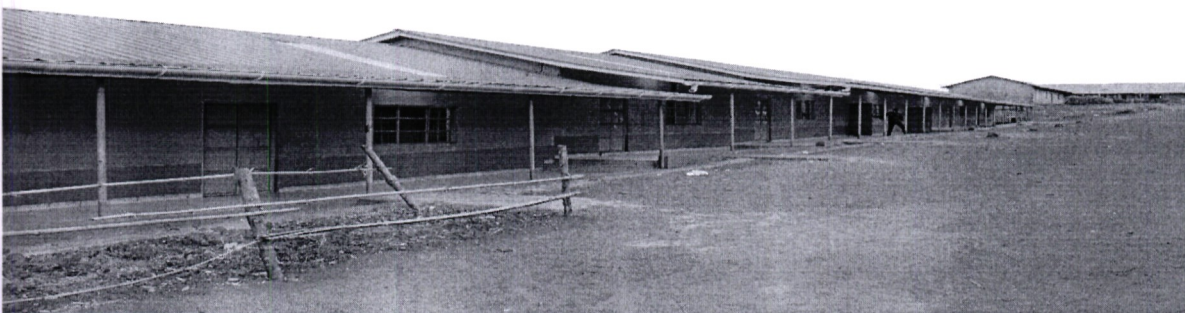


Githobokoni ward: construction of retaining wall MIIRI PRIMARY SCHOOL F/Y 2019/2020

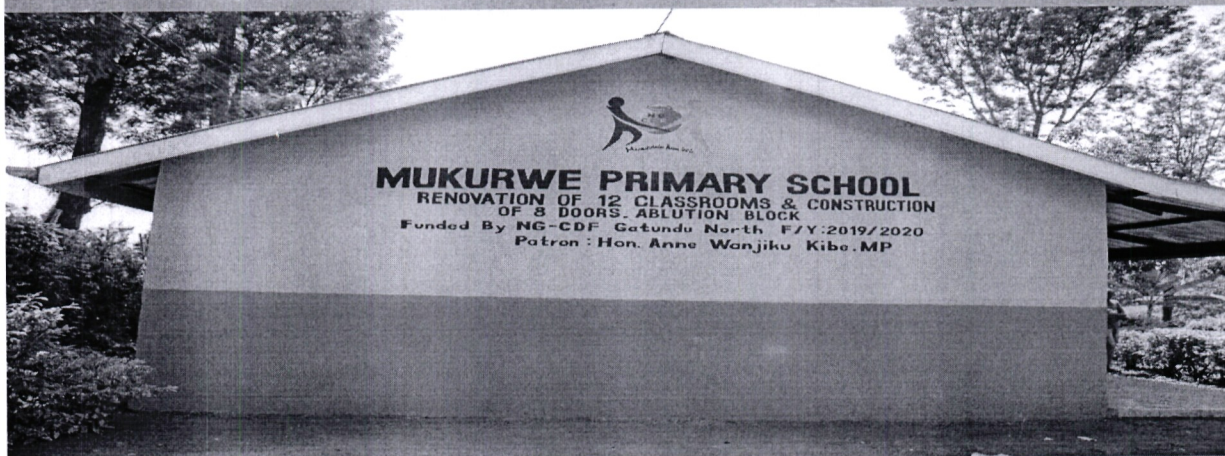


CHANIA WARD: KAMWANGI PRIMARY SCHOOL. F/Y 2020/2021

RENOVATION OF 8NO CLASSROOMS TO COMPLETION



GITHOBOKONI WARD, GAKOE PRIMARY SCHOOL: RENOVATION OF 9NO CLASSROOMS TO COMPLETION. F/Y 2020/2021



MANGU WARD: MUKURWE PRIMARY SCHOOL: RENOVATION OF 12NO CLASSROOMS TO COMPLETION. F/Y 2020/2021

Challenges and Emerging Issues.

Gatundu North constituency has many old schools and scarce land to build new schools. Much of what NG-CDF can do is always overhaul renovations in most of the schools. The preferred mode of expansion is to build upwards. This method of construction is very expensive.

The other challenge in Education sector is a huge population of needy students from very humble families, who are in need of support through the inadequate bursary fund which is never enough due very low percentage budget allocation

Solution:

The challenge of long procurement procedures and processing of BQs is a problem that is long overdue. The government should consider employing more of these staffs so that delivery of their services is enhance and projects executed on a timely basis. NG-CDF is currently depending on the county government works officers who are only available when they are free from the county works.

Signature

CHAIRMAN NGCDF COMMITTEE

John Kirori Ngaruiya

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 *Gatundu North Constituency 2018-2022* plan are to:

- a) Promotion of education and training
- b) Promotion of sports and creative talents
- c) Enhance administration and security
- d) Protection of the environment
- e) Institutional strengthening
- f) Enhance administration of services to the society

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions Number of bursary's beneficiaries at all levels	In FY 20/21 -we increased number of classrooms, laboratories etc schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	To have Police Post within each ward. This will enhance high level of surveillance thereby resulting to security of Pupils and community.	Increased enhanced law and order and investment	Expansion of Business enterprises	In FY 20/21 more police post have been launched. 1.) Kamwangi Police Station 2.) Mukurwe Police Post 3.) Mataara Police Post.
Environment	To ensure we provide enabling	We have been able to	We have built pit latrines in various	We have built Retaining Wall and

	conducive environment for the pupils, teachers and the society	accomplish as resulting to more enrolment in public schools	schools and retaining walls to curb Soil erosion.e. g Muchakai Primary School,Munyaka Primary School, Miiri Primary School,Igamba Primary School	pit latrines in various schools e.g. 1) Muchakai Primary School 2) Muirigo Primary 8NO Doors Etc 3) Miiri Primary School Retaining Wall and Landscaping. Planting Grass
Emergency	To Ensure we provide conducive and safe environment of study for pupils and staff.	We have been able to have clean safe sanitation facilities as per public health regulations.	Decline in sickness in schools as the pupils have maintained clean compound.	We have facilitated provision of ablution block for pupils as theirs had collapsed at Muirigo Primary school

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Gatundu North NG-CDF exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on social sector, namely, Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile -

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

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

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

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

- *NG-CDF Gatundu north have participated often on support of our environment by facilitating planting of tree through corroboration with our local institutions and financial institutions within our locality. Moreso we supported the Kamwangi DCC compound where our offices are located to provide dustbin Cans to facilitate clean environment.*
- *NG-CDF Gatundu north through community participation meeting the Youth and Entire community have been sensitized on ways of curbing drug abuse. They have often recommended our support on construction of police Post within the affected areas whereby we have built Mataara Police Post, Kamwangi Police Station*
- *NG-CDF have often supported sports activities within the Constituency however we have been delayed to effect for a tournament due to prolonged covid -19.*
- *NG-CDF Gatundu North have currently sensitized on soil conservation by construction of Retaining wall to reduce soil erosion, this have been affected at Muchakai Primary School, Miiri Primary School etc.*

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Gatundu North NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

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

Public Awareness

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

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

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

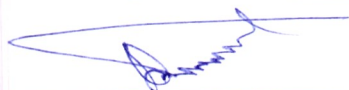
The Accounting Officer in charge of the NGCDF-Gatundu North Constituency is responsible for the preparation and presentation of the constituency financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Gatundu North Constituency accepts responsibility for the Constituency's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Gatundu North Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF Gatundu North Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF Gatundu North Constituency financial statements were approved and signed by the Accounting Officer on _____ 2021.



Chairman NGCDF Committee
Name: John Kirori Ngaruiya



Fund Account Manager
Name: Joseph K.N. Rotich

FUND ACCOUNT MANAGER
NGCDF GATUNDU NORTH
P. O. BOX 201, 01004,
KANJUKU

REPUBLIC OF KENYA



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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GATUNDU NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Gatundu North Constituency set out on pages

14 to 46, which comprise the statement of assets and liabilities as at 30 June, 2021, and the summary statement of appropriation, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Gatundu North Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

The statement of receipts and payments reflects use of goods and services expenditure amounting to Kshs.6,727,815 as disclosed in Note 5 to the financial statements which differs with the amount of Kshs.6,813,910 reflected in the ledger resulting to an unreconciled variance of Kshs.86,095. Further, the recomputed totals in the note amounts to Kshs.6,564,025 resulting to a casting error of Kshs.163,790.

In addition, the statement of cashflows reflects net cash flows from investing activities for 2019/2020 financial year of Kshs.49,933,470. However, re-computation of the statement balances reveals Nil balances for net cash flows from investing activities.

In the circumstances, the accuracy and completeness of the statement of cash flows could not be confirmed.

2. Unsupported Pending Staff Payables

Note 17.2 under other important disclosures reflects pending staff payables amounting to Kshs.977,835 which relates to staff gratuity. However, payment vouchers in support of the expenditure were not provided for audit.

In the circumstances, the accuracy and completeness of pending staff payables amounting to Kshs.977,835 could not be confirmed.

3. Inaccuracies in Transfers from NG-CDF Board

The statement of receipts and payments reflects transfers from the Board amounting to Kshs.153,367,724 as disclosed in Note 1 to the financial statements. However, review of bank statement records provided for audit showed that an authority to incur expenditure

amounting to Kshs.15,000,000 which was received on 16 June, 2021 was not included in the financial statements as a receipt during the year under review, hence understating the receipts by the same amount.

In the circumstances, the accuracy and completeness of the transfers from other government entities amounting to Kshs.153,367,724 could not be confirmed.

4. Unsupported Bursary Expenditure

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.39,168,475 as disclosed in Note 7 to the financial statements which includes an amount of Kshs.32,108,625 spent on bursaries to secondary schools, tertiary institutions and Special Schools. Included in the bursary expenditure is an amount of Kshs.3,691,500 which was not supported by payment vouchers with appropriate authority and documentation.

In the circumstances, the accuracy and completeness of the other grants and transfers amounting to Kshs.39,210,825 could not be confirmed.

5. Unposted Transactions for Other Grants and Transfers

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.39,210,825 as disclosed in Note 7 to the financial statements which includes an amount of Kshs.32,108,625 spent on bursaries to secondary schools, tertiary institutions and special schools. However, review of documents provided for audit showed that transactions amounting to Kshs.5,399,000 relating to other grants and other payments paid during the year, were not posted to the ledgers.

In the circumstances, the accuracy and completeness of the other grants and transfers amounting to Kshs.39,210,825 could not be confirmed.

6. Unreconciled and Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflects cash and cash equivalents balance of Kshs.27,958,972 as disclosed in Note 10A to the financial statements. However, the balance was not supported by a board of survey report and the Management did not provide explanation for the omission. Further, review of the bank reconciliation statements revealed payments in cash book not recorded in the bank statement in the month of June, 2021 included statutory deductions amounting to Kshs.34,461 that had not been submitted to the relevant bodies.

In addition, payments amounting to Kshs.46,891 were not included in the bank reconciliation while cheques amounting to Kshs.791,281 that were unrepresented since June, 2019 were reversed in the cash book in the month of April, 2021 which included statutory deductions amounting to Kshs.138,725 that were not replaced and remitted to the respective authorities to avoid further interests and penalties. No explanation was

given as to why the cheques were not reversed for a long time and supporting minutes approving the reversal were not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.27,958,972 could not be confirmed.

7. Unconfirmed Project Management Committee Balances

Annex 5 to the Financial Statements reflects Project Management Committee unutilized fund balances of Kshs. 4,254,438 which includes fifty-five (55) Project Management Committee (PMC) accounts balances held in equity bank as at 30 June, 2021. However, the certificates of bank balances, cash books and bank reconciliation statements for the PMC accounts were not provided for audit and the Management provided only ten (10) PMC account bank statements. Review of the ten (10) PMC Account bank statements provided for audit showed a variance of Kshs.660,278 between the amounts reported in the financial statements and the bank statement balances as at 30 June, 2021.

Consequently, the accuracy and completeness of the PMC balances of Kshs.4,254,438 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis totalling to Kshs.277,581,568 and Kshs.222,492,689 respectively, resulting to an underfunding amounting to Kshs.55,088,879 or approximately 20% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.277,581,568 and Kshs.194,533,717 respectively, resulting to an under expenditure of Kshs.83,047,851 or approximately 30% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public

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. Unauthorized Expenditure on Compensation of Employees

The statement of receipts and payments reflects compensation of employees' expenditure amounting to Kshs.2,137,428 as disclosed in Note 4 to the financial statements. Review of payment vouchers and other supporting records provided for audit showed that the salary payments were approved by the committee through minutes dated 4 November, 2019 which were outdated and relate to a prior financial year. Further, one payment voucher for June, 2021 amounting to Kshs.154,940 was not authorized by the Accounting Officer. No explanation was provided why the Management operated and allowed payments to be executed without the approvals as required under law.

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

2. Irregular Payment of Committee Allowances

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.6,727,815 as disclosed in Note 5 to the financial statements which includes committee allowances and other committee allowances amounting to Kshs.3,320,000. However, an approved work plan for the year was not provided for audit which is contrary to Regulation 25(1)(2) of the National Government Constituencies Development Fund Regulation, 2016.

Further, payment vouchers were not supported by approval via minutes of a resolution of a meeting of the Constituency Committee contrary to Section 12(5) of the National Government Constituencies Development Fund Act, 2015. In addition, the minutes attached in support of the payments did not state specifically the dates the meetings were held and the actual amounts to be paid.

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

3. Irregular Procurement of Fuel, Oil and Lubricants

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.6,727,815 as disclosed in Note 5 to the financial statements which includes fuel,

oil and lubricants expenditure amounting to Kshs.600,000. Review of the payment vouchers and other supporting records provided for audit showed that fuel and lubricants were procured from a supplier. However, it was not possible to confirm whether the supplier was legally and competitively awarded the tender in the absence of the procurement documents. Further, the contract agreement and fuel register were not provided for audit.

Consequently, Management was in breach of the law.

4. Unconfirmed Reporting on Emergency Expenses

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.39,168,475 which includes emergency expenditure amounting to Kshs.4,859,850 as disclosed in Note 7 to the financial statements. However, no documentary evidence was provided showing that the Management had reported the emergency expenditure to the Board using the prescribed format.

Consequently, Management was in breach of the law.

5. Irregularities in the Awarding of Bursaries

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.39,168,475 as disclosed in Note 7 to the financial statements which includes an amount of Kshs.32,108,625 spent on bursaries to secondary schools, tertiary institutions and special schools. However, there was no evidence of formation of the education bursary committees to carry out vetting of applicants.

Further, it was not possible to confirm how much the successful applicants were awarded since the awarded amounts were not indicated on the application form. In addition, the minutes of the vetting committee and the details of the successful applicants were not provided for audit.

Consequently, Management was in breach of the law.

6.0 Irregularities in Implementation of Primary and Secondary Schools

The statement of receipts and payments reflects transfer to government entities amounting to Kshs.146,500,000 as disclosed in Note 6 to the financial statements which includes transfers to secondary schools amounting to Kshs.12,400,000 and transfers to primary schools amounting to Kshs.134,100,000. Review of the project files provided for audit and physical verification of the projects revealed the following anomalies:

6.1 Unconfirmed Purchase of Land for Igamba Primary School

The Management disbursed a total of Kshs.3,000,000 to the PMC for purchase of land for Igamba Primary School. However, review of the PMC bank statements for Igamba Primary School reflects that, although an amount of Kshs.3,000,000 was transferred to

the account, the payment to the owner of the land was not traced in the bank statement, yet all the monies in the PMC account had been utilized apart from the remaining balance of Kshs.108,908 by 30 June, 2021.

In the circumstances, the value for money on Kshs.3,000,000 incurred in the purchase of the land could not be confirmed.

6.2 Anomalies in Renovations of Ndekei Primary School

The Management disbursed a total of Kshs.4,000,000 to the PMC for renovation of 9 classrooms at Ndekei Primary School and an office at Igamba Primary School.

Review of documents provided for audit reflects that the contract was awarded to a contractor on 15 February, 2021 at a contract sum of Kshs.4,000,830. However, the contractor was notified of the award on 15 February, 2021 which shows that the contract was signed the same day after the notification of the award which was before the lapse of the recommended 14 days contrary to Section 135(3) of the Public Procurement and Asset Disposal Act, 2015.

A regret letter was sent to the awarded bidder on 23 February, 2021 citing the bid was unsuccessful due to lack of proof of the National Construction Authority certificates. It was not clear how the contract was signed on 15 February, 2021 and awarded to the same contractor who received a regret letter a few days later. Further, the contractor sent a letter on 2 March, 2021 after obtaining the NCA certificates.

In addition, the tender opening minutes were not provided for audit, hence it was not possible to confirm when the tenders were opened and the bidders who responded which is contrary to Section 78 (10) of the Public Procurement and Disposal Act, 2015. It was further noted that the tender evaluation minutes and the criteria used to select the successful bidder were not provided which is contrary to Section 85 of the Public Procurement and Assets Disposal Act, 2015.

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

6.3 Anomalies in Construction of Retaining Wall of Muchakai Primary School

The Management disbursed a total of Kshs.3,000,000 to the PMC for Muchakai Primary School for construction of retaining wall plus storm water drainage. The contract was awarded on 5 October, 2020 at a contract sum of Kshs.2,999,795.

Physical verification carried out on 7 April, 2022 showed that the storm water drainage of 60 metres had not been done and the project was not labelled. Further, in the absence of the bill of quantities, site instructions, works progress reports, completion certificates and site meeting minutes, the audit could not ascertain the scope of works and whether the works were carried out in accordance to the requirements.

In the circumstances, the value for money on Kshs.3,000,000 incurred in the construction of retaining wall could not be confirmed.

6.4 Unconfirmed Construction of a Science Laboratory at Gakoe Mixed Secondary School

The Management disbursed a total of Kshs.2,400,000 to the PMC for Gakoe Mixed Secondary School for construction of a science laboratory.

Physical verification carried out on 7 April, 2022 showed that the project was labelled to have been done in the financial year 2019/2020 hence the project might not have been implemented in the year under review. Further, site instructions, works progress reports, completion certificates and site meeting minutes were not provided for review.

In the circumstances, the value for money on Kshs.2,400,000 incurred in the construction of a science laboratory could not be confirmed.

6.5 Anomalies in renovation of Twin Laboratory at Mataara Secondary School

The Management disbursed a total of Kshs.3,000,000 to the PMC for Mataara Secondary School for renovation of twin laboratory. The contract was awarded to a contractor on 23 April, 2021 at a contract sum of Kshs.2,995,980. However, as per the site inspection reports dated 7 June, 2021, the school requested the verandah to be fitted with tiles instead of red oxide finish which was factored in the extra works undertaken by the contractor. Physical verification carried out on 7 April, 2022 showed that the verandah was not fitted with tiles and the window panes were not painted. Further, manholes were not well done and the labelling of the project had not been done.

In the circumstances, the value for money on Kshs.3,000,000 incurred in the renovation of twin laboratories could not be confirmed.

6.6 Un-Utilized Ablution Block at Matara Police Station

The Management disbursed a total of Kshs.1,400,000 to the PMC for Mataara Police Station for construction of ablution block and office electrical works.

Physical verification carried out on 7 April, 2022 showed that the constructed police station was complete but not in use hence value for money might not have been realized from the unutilized project.

In the circumstances, the value for money on Kshs.1,400,000 incurred in the construction of ablution block could not be confirmed.

7. Unutilized Project Management Committee Balances

Annex 5 to the Financial Statements reflects Project Management Committee unutilized fund balances of Kshs.4,254,438 as at 30 June, 2021 which were not returned to the

constituency account contrary to Section 12 (8) of the National Government Constituencies Development Fund Act, 2015.

Consequently, Management was in breach of the law.

8. Under-allocation of Bursary Funds

The summary statement reflects total allocation of Kshs.277,581,568 while Note 7 indicates issuance of bursaries of Kshs.32,108,625 which translates to about 12% of the total allocations. This is contrary to Regulation 21(5) of the National Constituencies Development Fund (County Governments) Regulations, 2016 which provides that a Constituency Committee shall allocate not less than 25% of the funds allocated to a constituency for bursaries.

Consequently, Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

16 August, 2022

**Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

VI STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	153,367,724	120,040,875
Proceeds from Sale of Assets	2	0.00	0.00
Other Receipts	3	0.00	0.00
TOTAL RECEIPTS		153,367,724	120,040,875
PAYMENTS			
Compensation of employees	4	2,137,428	1,657,238
Use of goods and services	5	6,727,815	3,988,843
Transfers to Other Government Units	6	146,500,000	39,957,336
Other grants and transfers	7	39,168,475	24,503,988
Acquisition of Assets	8	0.00	0.00
Other Payments	9	0.00	0.00
TOTAL PAYMENTS		194,533,717	70,107,405
SURPLUS/ (DEFICIT)		(41,165,993)	49,933,470

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Gatundu North Constituency financial statements were approved on _____ 2021 and signed by:



Fund Account Manager
Name: Joseph K.N Rotich



National Sub-County
Accountant
Name: *B.M. Nyagambi*
ICPAK M/No: *17392*



Chairman NG-CDF Committee
Name: John Kirori Nyaruiya

FUND ACCOUNT MANAGER
NGCDF GATUNDU NORTH
P. O. BOX 201, 01004.
KANJUKU

VII STATEMENT OF ASSETS AND LIABILITIES

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	27,958,972	69,124,965.00
Cash Balances (cash at hand)	10B	0.00	
Total Cash and Cash Equivalents		27,958,972	69,124,965.00
Accounts Receivable			
Outstanding Imprests	11	0.00	0.00
TOTAL FINANCIAL ASSETS		27,958,972	69,124,965.00
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	0.00	-
Gratuity	12B	0.00	-
TOTAL FINANCIAL LIABILITES		0.00	-
NET FINANCIAL ASSETS		27,958,972	69,124,965
REPRESENTED BY			
Fund balance b/fwd	13	69,124,965	19,191,495.00
Prior year adjustments	14	0.00	0.00
Surplus/Deficit for the year		(41,165,993)	49,933,470
NET FINANCIAL POSITION		27,958,972	69,124,965.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Gatundu North Constituency financial statements were approved on _____ 2021 and signed by:

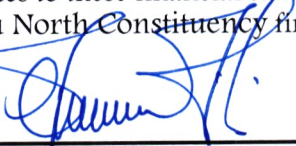


Fund Account Manager
Name: Joseph K.N Rotich

FUND ACCOUNT MANAGER
NGCDF GATUNDU NORTH
P. O BOX 201 - 01004.
KANJUKU


National Sub-County

Accountant

Name:  B.M. Mygambi

ICPAK M/No:

17392


Chairman NG-CDF Committee

Name: John Kirori Ngaruiya

**Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

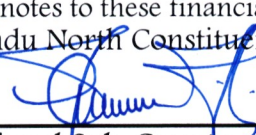
VIII STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	153,367,724	120,040,874
Other Receipts	3	0.00	
Total receipts		153,367,724	120,040,874
Payments for operating activities			
Compensation of Employees	4	2,137,428	1,657,238
Use of goods and services	5	6,727,815	3,988,843
Transfers to Other Government Units	6	146,500,000	39,957,336
Other grants and transfers	7	39,168,475	24,503,988
Other Payments	9		0
Total payments		194,533,717	70,107,405.00
Total Receipts Less Total Payments		(41,165,993).00	49,933,470
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (Outstanding imprest)	15	0.00	
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	0.00	
Prior year adjustments	14	0.00	
Net cash flow from operating activities		(41,165,993)	49,933,470.00
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0.00	
Acquisition of Assets	9	0.00	
Net cash flows from Investing Activities		0.00	49,933,470.00
NET INCREASE IN CASH AND CASH EQUIVALENT		(41,165,993)	49,933,470
Cash and cash equivalent at BEGINNING of the year	10	69,124,965	19,191,495.00
Cash and cash equivalent at END of the year		27,958,972	69,124,965

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Gatundu North Constituency financial statements were approved on 2021 and signed by:



Fund Account Manager
Name: Josua K. N. Njiru
FUND ACCOUNT MANAGER
NGCDF GATUNDU NORTH
P. O. BOX 201, 01004
KANJUKU


National Sub-County
Accountant

Name: B. M. Mugambi
ICPAK M/No: 17392


Chairman NG-CDF Committee

Name:

*Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

IX SUMMARY STATEMENT OF APPROPRIATION

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a		b					
RECEIPTS	2020/2021		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021		
Transfers from NGCDF Board	137,088,879	Kshs	69,124,965	71,367,724	277,581,568	222,492,689	Kshs	80.2%
Proceeds from Sale of Assets								
Other Receipts								
TOTALS	137,088,879		69,124,965	71,367,724	277,581,568	222,492,689	55,088,879	80.2%
PAYMENTS								
Compensation of Employees	3,040,150		1,447,156	1,440,000	5,927,306	2,137,428	3,789,608	36.1%
Use of goods and services	9,297,848		5,732,004	5,940,198	20,970,050	6,727,814	14,242,236	32.1%
Transfers to Other Government Units	103,333,983		54,900,000	43,300,000	201,533,983	146,500,000	55,033,983	72.7%
Other grants and transfers	19,866,898		7,045,805	19,687,526	46,600,229	39,168,475	7,431,754	84.1%
Acquisition of Assets								
Other Payments								
Funds pending approval**	1,550,000			1,000,000	2,550,000	0	2,550,000	0.0%
TOTALS	137,088,879		69,124,965	71,367,724	277,581,568	194,533,717	83,047,851	70.1%

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

**Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)

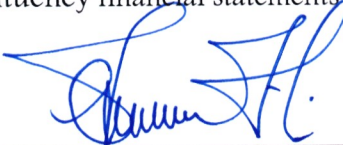
- I. On the transfer of and Other Grants, there have been high demand on application of Bursary from Needy Students resulting to efficient utilisation of the allocation.
- II. The challenge here is underutilization of funds which was occasion by long time take by processing of BQs by works officer who in most cases are engaged with county work and also lengthy procurement process.
- III. Gatundu North started the financial year with the bulk of projects carried forward from the previous financial year 2019/20
- IV. Delay of funds from the NG -CDF board has also attributed to some extend the underutilization of funds

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	83,047,851
Less undisbursed funds receivable from the Board as at 30 th June 2021	55,088,879
	27,958,972
Add Accounts payable	0.00
Less Accounts Receivable	0.00
Add/Less Prior Year Adjustments	0.00
Cash and Cash Equivalents at the end of the FY 2020/2021	27,958,972


The NGCDF-Gatundu North Constituency financial statements were approved on _____ 2021 and signed by:



Fund Account Manager
Name: Joseph.K.N.Rotich
FUND ACCOUNT MANAGER
NGCDF GATUNDU NORTH
P. O. BOX 201, 01004.
KANJUKU



National Sub-County
Accountant
Name: B.M. Nygambi
ICPAK M/No: 17392



Chairman NG-CDF Committee
Name: John Kirori Ngaruiya

**Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget 2020/2021 Kshs	Adjustments		Final Budget 2020/2021 Kshs	Actual on comparable basis 30/06/2021 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,040,150	1,447,156	1,440,000	5,927,306	2,137,698	3,789,608
1.2 Committee allowances	2,704,302	2,564,385	2,319,166	7,587,853	2,485,000	5,102,853
1.3 Use of goods and services	2,480,880	821,106	500,000	3,801,986	1,230,135	2,571,851
	8,225,332	4,832,647	4,259,166	17,317,145	5,852,833	11,464,312
2.0 Monitoring and evaluation						
2.1 Capacity building	1,870,000	1,364,000	1,300,000	4,534,000	1,256,000	3,278,000
2.2 Committee allowances	1,492,666	867,031	1,021,032	3,380,729	985,000	2,395,729
2.3 Use of goods and services	750,000	115,482	800,000	1,665,482	771,679	893,803
	4,112,666	2,346,513	3,121,032	9,580,211	3,012,679	6,567,532
3.0 Emergency	7,192,206	5,581,334	1,798,241	14,571,781	4,859,850	9,711,931
3.1 Primary Schools						
3.2 Secondary schools						
3.3 Tertiary institutions						
3.4 Security projects						
	7,192,206	5,581,334	1,798,241	14,571,781	4,859,850	9,711,931
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	12,300,000	7,000	10,000,000	22,307,000	21,755,855	551,145
4.3 Tertiary Institutions	7,000,000	695,678	7,100,000	14,795,678	9,240,500	5,555,178
4.4 Universities				-		
4.5 Social Security	566,898	3,171	541,931	1,112,000	1,112,000	-

**Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.6 Special School	566,898	3,171	541,931	1,112,000	1,112,000	-
Total	19,866,898	705,849	17,641,931	38,214,678	32,108,355	6,106,323
5.0 Sports	2,741,777	758,622	247,354	3,747,753	-	3,747,753
5.1				-		
Total	2,741,777	758,622	247,354	3,747,753	-	3,747,753
6.0 Environment						
6.1						
6.2						
6.3						
7.0 Primary Schools Projects (List all the Projects)						
Mukuyu ini Primary school	4,500,000			4,500,000	4,500,000	-
Kiriko Primary School	5,500,000			5,500,000	5,500,000	-
South Kanyoni Primary School	4,600,000			4,600,000		4,600,000
Kiangunu Primary School	4,500,000			4,500,000	4,500,000	-
Munyaka Primary School	4,500,000			4,500,000	4,500,000	-
Mukurwe Primary School	5,500,000			5,500,000	5,500,000	-
Karure Primary School	6,500,000			6,500,000		6,500,000
Njathaini Primary School	4,200,000			4,200,000		4,200,000
Iruri Primary School	3,500,000			3,500,000	3,500,000	-
Kamwangi Primary School	4,500,000			4,500,000	4,500,000	-
Kaibere Primary School	3,100,000			3,100,000	3,100,000	-
Ndiko Primary School	4,500,000			4,500,000	4,500,000	-
Muchakai Primary School	6,500,000			6,500,000		6,500,000

**Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Mukurwe Primary School	1,200,000			1,200,000	1,200,000	-
Mukurwe Primary School	2,000,000			2,000,000	2,000,000	-
Gakoe Primary School	3,600,000			3,600,000	3,600,000	-
Igamaba Primary School	4,000,000			4,000,000		4,000,000
Mangu Social Hall	500,000			500,000		500,000
Ngorongo Social Hall	500,000			500,000		500,000
Mwimuto Primary School	2,400,000			2,400,000		2,400,000
Mbichi Primary School	2,700,000			2,700,000	2,700,000	-
St Francis Primary School	2,950,000			2,950,000		2,950,000
Gichuka Primary School	2,400,000			2,400,000		2,400,000
						-
						-
						-
Miiri Primary School		3,000,000		3,000,000	3,000,000	
Kawira Primary School		3,600,000		3,600,000	3,600,000	
Makohoko Primary School		3,600,000		3,600,000	3,600,000	
Igamba Primary School		3,600,000		3,600,000	3,600,000	
Igamba Primary School		1,400,000		1,400,000	1,400,000	
Miugu Primary School		4,500,000		4,500,000	4,500,000	
Gacege Primary School		4,000,000		4,000,000	4,000,000	
Mukurwe Primary school			4,500,000	4,500,000	4,500,000	-
Ihiga ini primary school			6,000,000	6,000,000	6,000,000	-
Ngethu primary school			4,400,000	4,400,000	4,400,000	-
Kiriko Primary School		1,000,000		1,000,000	1,000,000	-

**Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Igamba Primary School		1,700,000		1,700,000	1,700,000	-
Gichuka primary school			300,000	300,000	300,000	-
Miiri primary school			1,700,000	1,700,000	1,700,000	-
Ndekei Primary School			4,000,000	4,000,000	4,000,000	-
Kangaita Primary School			2,400,000	2,400,000	2,400,000	-
Muchakai Primary School		3,000,000		3,000,000	3,000,000	-
Kamwirigi Primary School		3,000,000		3,000,000	3,000,000	-
Iruri Primary School		1,400,000		1,400,000	1,400,000	-
St. Gabriel Kahata Primary School		3,000,000		3,000,000	3,000,000	-
Nyamathumbi Primary School		3,000,000		3,000,000	3,000,000	-
Gatei Primary School		3,000,000		3,000,000	3,000,000	-
Muhindi Primary School		6,000,000		6,000,000	6,000,000	-
Murata wa Twana Primary School		4,500,000		4,500,000	4,500,000	-
Igamba Primary School			3,000,000	3,000,000	3,000,000	-
Kiriko Special School		1,600,000		1,600,000	1,600,000	-
Nguna primary school		3,000,000	3,000,000	3,000,000	3,000,000	-
St Annes Maria-ini primary school			4,800,000	4,800,000	4,800,000	-
TOTAL AMOUNT	84,150,000	54,900,000	34,100,000	173,150,000	134,100,000	39,050,000
8.0 Secondary Schools Projects (List all the Projects)						
Mataara Secondary School					3,000,000	(3,000,000)
Gakoe Secondary School			600,000	600,000	3,000,000	(2,400,000)

**Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
St Joseph The Worker Sec School			2,400,000	2,400,000	2,400,000	-
Kiangunu secondary school			4,000,000	4,000,000	4,000,000	
Mukurwe Secondary School	3,650,000			3,650,000		3,650,000
Kaibere Secondary School	2,400,000			2,400,000		2,400,000
	6,050,000		7,000,000	13,050,000	12,400,000	650,000
9.0 Tertiary institutions Projects (List all the Projects)						
9.1						
9.2						
9.3						
9.4						
10.0 Security Projects						
10.1 Mataara police post				1,400,000	1,400,000	0.00
10.2 Mukurwe police post				400,000	400,000	0.00
10.3 Kamwangi Police Station				400,000	400,000	0.00
Total			2,200,000	2,200,000	2,200,000	0.00
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office(Renovation)	3,200,000		-	3,200,000	-	3,200,000
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						

**Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
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Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
12.1 Strategic Plan						
12.2 Innovation Hub						
12.2						
Funds pending approval**	1,550,000		1,000,000	2,550,000		2,550,000
Total	137,088,879	69,124,965	71,367,724	277,581,568	194,533,717	83,047,851

XI SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-Gatundu North 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.

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

14. Errors

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

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

15. Related Party Transactions

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

**Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

XII NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board	NO	AMOUNT	
Bal b/f			
AIE NO. B 096883	1.	3,000,000.00	
AIE NO. B 104938	2.	68,367,724.10	
AIE NO. B 124765	3.	2,000,000.00	
AIE NO. B 124937	4.	10,000,000.00	
AIE NO. B 119792	5.	13,000,000.00	
AIE NO. B 128082	6.	6,900,000.00	
AIE NO. B 128392	7.	10,000,000.00	
AIE NO. B 132136	8.	6,000,000.00	
AIE NO. B 138805	9.	12,000,000.00	
AIE NO. B 126390	10.	14,100,000.00	
AIE NO. B 126100	11.	8,000,000.00	
AIE NO B 041083	1.		52,040,875.00
AIE NO B 047413	2.		4,000,000.00
AIE NO B 047884	3.		6,000,000.00
AIE NO B 041456	4.		20,000,000.00
AIE NO B 049263	5.		15,000,000.00
AIE NO B 104285	6.		23,000,000.00
TOTAL		153,367,724	120,040,875

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	0.00	0.00
Receipts from the Sale of Vehicles and Transport Equipment	0.00	0.00
Receipts from sale of office and general equipment	0.00	0.00
Receipts from the Sale Plant Machinery and Equipment	0.00	0.00
	0.00	0.00
Total	0.00	0.00

**Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	0.00	0.00
Rents	0.00	0.00
Receipts from sale of tender documents	0.00	0.00
Hire of plant/equipment/facilities	0.00	0.00
Unutilized funds from PMCs	0.00	0.00
Other Receipts Not Classified Elsewhere	0.00	0.00
	0.00	0.00
Total	0.00	0.00

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,767,555.00	1,624,514.00
Personal allowances paid as part of salary		
Social Security (NHIF)	42,350	0.00
Transport Allowance	0.00	0.00
Leave allowance	0.00	0.00
Gratuity to contractual employees	292,963.00	0.00
Employer Contributions Compulsory national social security schemes	34,560.00	32,724.00
Total	2,137,428.00	1,657,238.00

**Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	2,435,000	1,612,883.00
Utilities, supplies and services	0.00	0.00
Communication, supplies and services	150,000	180,110.00
Domestic travel and subsistence	0.00	0.00
Printing, advertising and information supplies & services	414,600	600,000.00
Rentals of produced assets	0.00	0.00
Training expenses	1,256,000	0.00
Hospitality supplies and services	0.00	150,000.00
Other committee expenses	0.00	0.00
Committee allowance	885,000	0.00
Insurance costs	0.00	0.00
Specialized materials and services	0.00	35,250.00
Office and general supplies and services	166,050	136,020.00
Other operating expenses	600,000	650,000.00
	86,096	
Routine maintenance – vehicles and other transport equipment	571,279	300,000.00
Routine maintenance – other assets	0.00	90,000.00
Total	6,727,815	3,988,843.00

Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	134,100,000	38,157,336.00
Transfers to secondary schools (see attached list)	12,400,000	1,800,000.00
Transfers to tertiary institutions (see attached list)	0.00	0.00
TOTAL	146,500,000	39,957,336.00

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	21,756,125	2,843,000.00
Bursary – tertiary institutions (see attached list)	9,235,500	4,002,420.00
Bursary – special schools (see attached list)	1,117,000	184,000.00
Mock & CAT (see attached list)	0.00	0.00
Social Security programmes (NHIF)	0.00	0.00
Security projects (see attached list)	2,200,000	0.00
Sports projects (see attached list)	0.00	0.00
Environment projects (see attached list)	0.00	0.00
Emergency projects (see attached list)	4,859,850	4,950,000.00
Total	39,168,475	24,503,988.00

**Gatundu North Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	0.00	0.00
Construction of Buildings	0.00	0.00
Refurbishment of Buildings	0.00	0.00
Purchase of Vehicles and Other Transport Equipment	0.00	0.00
Overhaul of Vehicles and Other Transport Equipment	0.00	0.00
Purchase of Household Furniture and Institutional Equipment	0.00	0.00
Purchase of Office Furniture and General Equipment	0.00	0.00
Purchase of ICT Equipment, Software and Other ICT Assets	0.00	0.00
Purchase of Specialized Plant, Equipment and Machinery	0.00	0.00
Rehabilitation and Renovation of Plant, Machinery and Equip.	0.00	0.00
Acquisition of Land	0.00	0.00
Acquisition of Intangible Assets	0.00	0.00
	0.00	0.00
Total	0.00	0.00

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	0.00	0.00
ICT Hub	0.00	0.00
	0.00	0.00

**Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
<i>Kenya Commercial Bank Branch-Gatundu Account Name-GATUNDU NORTH NG-CDF Account Number-1102763853</i>	27,958,972	69,124,965
Total	27,958,972	69,124,965
10B: CASH IN HAND		
Location 1	27,958,972	69,124,965
Location 2	0.00	0.00
Location 3	0.00	0.00
Other Locations (<i>specify</i>)	0.00	0.00
Total	27,958,972	69,124,965

**Gatundu North Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

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>
<i>Nil</i>	<i>dd/mm/yy</i>	0.00	0.00	0.00
<i>Nil</i>	<i>dd/mm/yy</i>	0.00	0.00	0.00
<i>Nil</i>	<i>dd/mm/yy</i>	0.00	0.00	0.00

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	0.00	0.00
Retention held during the year (B)	0.00	0.00
Retention paid during the Year (C)	0.00	0.00
Closing Retention as at 30 th June D= A+B-C	0.00	0.00

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	0.00	0.00
Gratuity held during the year (B)	292,963	0.00
Gratuity paid during the Year (C)	292,963	0.00
Closing Gratuity as at 30 th June D= A+B-C	0.00	0.00

13 BALANCES BROUGHT FORWARD

Gatundu North Constituency
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	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	69,124,965	19,191,495
Cash in hand	0.00	0.00
Imprest	0.00	0.00
Total	69,124,965	19,191,495

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0.00	0.00	0.00
Cash in hand	0.00	0.00	0.00
Accounts Payables	0.00	0.00	0.00
Receivables	0.00	0.00	0.00
Others (<i>specify</i>)	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00

**** The adjusted balances are not carried down on the face of the financial statement.**
(Entity to provide disclosure on the adjusted amounts) NIL

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1 st July (A)	0.00	0.00
Imprest issued during the year (B)	0.00	0.00
Imprest surrendered during the Year (C)	0.00	0.00
closing accounts in account receivables D= A+B-C	0.00	0.00

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2019	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July (A)	0.00	0.00
Deposit and Retentions held during the year (B)	0.00	0.00
Deposit and Retentions paid during the Year (C)	0.00	0.00
closing account payables D= A+B-C	0.00	0.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	0.00	0.00
Construction of civil works	0.00	0.00
Supply of goods	0.00	0.00
Supply of services	0.00	0.00
	0.00	0.00

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	977,835	824,398
Others (<i>specify</i>)	0.00	0.00
	977,835	824,398

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	3,832,229	1,447,156
Use of goods and services	10,446,819	1,936,588
Amounts due to other Government entities (see attached list)	65,775,957	58,196,379
Amounts due to other grants and other transfers (see attached list)	1,442,846	6,544,842
Acquisition of assets	0.00	0.00
Others (<i>specify</i>)	0.00	0.00
Funds pending approval	1,550,000	1,000,000
	83,047,851	69,124,965

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	4,254,438.57	18,126,463.04
	4,254,438.57	18,126,463.04

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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.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1. Allan Kabiru Ngugi	Accountant	2019 Oct	312,480	Gratuity unpaid
2. Salome Wanjiku Nganga	Secretary	2019 Oct	312,480	Gratuity unpaid
3. Joseph Kinyanjui	Driver	2018 Nov	352,875	Gratuity unpaid
4. Pauline Muthoni Njuguna	Reception	2018 May	Nil	
	Sub-Total			
	Grand Total		977,835	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land		0.00		
Buildings and structures	5,762,239	0.00	0.00	5,762,239
Transport equipment	13,057,402	0.00	0.00	13,057,402
Office equipment, furniture and fittings	1,209,171	0.00	0.00	1,209,171
ICT Equipment, Software and Other ICT Assets	1,126,634	0.00	0.00	1,126,634
Other Machinery and Equipment	20,880,000	0.00	0.00	20,880,000
Heritage and cultural assets	0	0.00	0.00	0
Intangible assets	0	0.00	0.00	0
Total	42,035,446	0.00	0.00	42,035,446

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
MWEA PRIMARY PMC ACCOUNT	Equity	0660279593505	0.00	314,711.50
JAMES NJENGA PRIMARY SCHOOL	Equity	0660279018948	184,067.00	2,422,172.00
IGAMBA PRIMARY SCHOOL	Equity	0660279819777	72,340.00	1,002,590.00
KANGAITA PRIMARY SCHOOL	Equity	0660278680846	119,450.00	263,348.30
GICHUKA PRIMARY SCHOOL	Equity	0660173209327	0.00	1,199,780.00
KANYONI POLICE POST	Equity	0660279819909	0.00	29,571.50
GAKOE PRIMARY SCHOOL	Equity	0660177778376	175,690.00	160.00
MIIRI PRIMARY SCHOOL	Equity	0660278495571	0.00	13,827.50
IGEGANIA PRIMARY SCHOOL	Equity	0660177713264	0.00	227,172.00
MAKWA PRIMARY SCHOOL	Equity	0660279110182	0.00	186,223.50
ST FRANCIS PRIMARY SCHOOL	Equity	0660279499385	0.00	303,085.25
MANGU PRIMARY SCHOOL	Equity	0066177789236	78.51	78.51
NGOROGO SOCIAL HALL	Equity	0660278711000	0.00	177,419.50
KANJABI PRIMARY SCHOOL	Equity	0660279711756	0.00	461,841.01
MUNGAI PRIMARY SCHOOL	Equity	0660279322759	0.00	261,797.61
MUKURWE SECONDARY SCHOOL	Equity	0660278654796	0.00	850,702.50
MARIA INI SECONDARY SCHOOL	Equity	0660278487897	0.00	180,306.50
NYAMANGARA PRIMARY SCHOOL	Equity	0660278910379	0.00	75,652.00
MWEA PRIMARY SCHOOL	Equity	0660177804075	0.00	258,009.23
CHANIA PRIMARY SCHOOL	Equity	0660278487808	0.00	1,466,230.00
MANGU RESOURCES CENTER COMMUNITY	Equity	0660279116323	0.00	574,741.40
MIUGU PRIMARY SCHOOL	Equity	0660278488022	0.00	15,132.50
KAMWANGI POLICE STATION	K.C.B	1273770862	356,300.00	6,995,300.00
MITERO POLICE POST	K.C.B	1273162714	0.00	29,571.50
NYAMANGARA CHIEF OFFICE	Equity	0660173209327	500,000.00	500,000.00

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WANDUI PRIMARY SCHOOL	Equity	0660278458291	0.00	0.00
NJATHA INI PRIMARY SCHOOL	Equity	0660278462276	0.00	0.00
MUTUMA PRIMARY SCHOOL	Equity	0660278494926	0.00	0.00
MUNYAKA PRIMARY SCHOOL	Equity	0660278477461	0.00	0.00
MUKUYU INI PRIMARY SCHOOL	Equity	0660278603745	0.00	0.00
KANJUKU SECONDARY SCHOOL	Equity	0660278535294	0.00	0.00
GACEGE PRIMARY SCHOOL	Equity	0660278597206	0.00	0.00
GATEI MIXED SEC SCHOOL	Equity	0660278489406	0.00	0.00
MUCHAKAI PRIMARY SCHOOL	Equity	0660278582468	0.00	0.00
MAKOHOKOHO PRIMARY SCHOOL	Equity	0660278488208	0.00	0.00
KIRIKO PRIMARY SCHOOL	Equity	0660177793145	0.00	0.00
KAMWIRIGI PRIMARY SCHOOL	Equity	0660278488583	0.00	0.00
MUIRIGO PRIMARY SCHOOL	Equity	0660278488743	0.00	0.00
NGETHU SECONDARY	Equity	0660177723942	0.00	0.00
MUKURWE POLICE POST	Equity	1273162714	59,030.00	59,030.00
KAMWIRIGI PRIMARY SCHOOL PMC ACCOUNT	Equity	066027848853	149,000	0.00
NGETHU PRIMARY SCHOOL PMC ACCOUNT	Equity	0660280595653	229,843	0.00
KANGAITA PRIMARY SCHOOL PMC ACCOUNT	Equity	0660278680846	140,000	0.00
NDEKEI PRIMARY SCHOOL PMC ACCOUNT	Equity	0660280198680	200,041	0.00
NGUNA PRIMARY SCHOOL PMC ACCOUNT	Equity	0660280756038	149,996	0.00
MUCHAKAI PRIMARY SCHOOL PMC ACCOUNT	Equity	0660278582468	149,990	0.00
KIRIKO PRIMARY SCHOOL PMC ACCOUNT	Equity	0660279112987	325,000	0.00
ST ANNES MARIA -INI PRIMARY SCHOOL	Equity	0660280570745	239,802	0.00
KAMWANGI PRIMARY SCHOOL PMC ACCOUNT	Equity	0660280877771	224,840	0.00
KAIBERE PRIMARY SCHOOL PMC ACCOUNT	Equity	0660280950214	150,278	0.00
KIRIKO SPECIAL SCHOOL PMC ACCOUNT	Equity	0660279112987	80,710	0.00
MUHINDI PRIMARY SCHOOL	Equity	0660280051857	300,000	0.00

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GATEI PRIMARY SCHOOL PMC ACCOUNT	Equity	0660279962864	58,899	0.00
IHIGA INI PRIMARY SCHOOL PMC ACCOUNT	Equity	0660280146802	298,314	0.00
GAKOE MIXED SECONDARY SCHOOL PMC ACCOUNT	Equity	0660280120639	149,800	0.00
MWEA SECONDARY SCHOOL	Equity	0660177804075	0.00	258,009.23
TOTAL			4,254,438.57	18,126,463.04

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Ref: CEN/HUB/KBU.C /GATUDU NORTH CDF/12/1B/4	Budget Performance and Analysis- budget underutilisation.	No explanation was availed as to why there was significant underutilization of the budget.	Resolved	Resolved
	Variance between the Statement of Receipts and Payments and Summary Statement of Appropriation	Inaccurate financial statements.	Resolved	Resolved
	Doubtful Bursary Beneficiaries Vetting Procedure and Lack of acknowledgement from some institutions	The NG-CDF office should ensure that a bursary policy is formulated to guide in the award of bursaries. Also, the NG-CDF office, with the assistance of the monitoring and evaluation committee, should seek complete supporting documents (acknowledgements) for the amount awarded and disbursed to confirm accountability on individual beneficiaries	Resolved	Resolved

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

