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REPORT

 THE NATIONAL ASSEMBLY PAPER NO. 147	
DATE: 03 MAR 2022	DAY: Thurs
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OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
KITUTU CHACHE NORTH CONSTITUENCY**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -
KITUTU CHACHE NORTH CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KITUTU CHACHE NORTH CONSTITUENCY
Reports and Financial Statements
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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KITUTU CHACHE NORTH CONSTITUENCY

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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Core Values

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

(b) Key Management

The NGCDF KITUTU CHACHE NORTH Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Edwin K. Rutto
2.	Sub-County Accountant	Omae Birundu
3.	Chairman NGCDFC	Samwel Ondieki
4.	Member NGCDFC	Mary Kwamboka

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF KITUTU CHACHE NORTH Constituency Headquarters

Kitutu Chache North NG-CDF Office Building
1st Floor
P.o Box 4576
KISII, KENYA

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(f) NGCDF KITUTU CHACHE NORTH Constituency Contacts

Telephone: (254) 720-140-374
E-mail: cdffitutuchachenorth@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF KITUTU CHACHE NORTH Constituency Bankers

Co-operative Bank of Kenya
Kisii Branch
P.O. Box 2469
KISII, KENYA

...

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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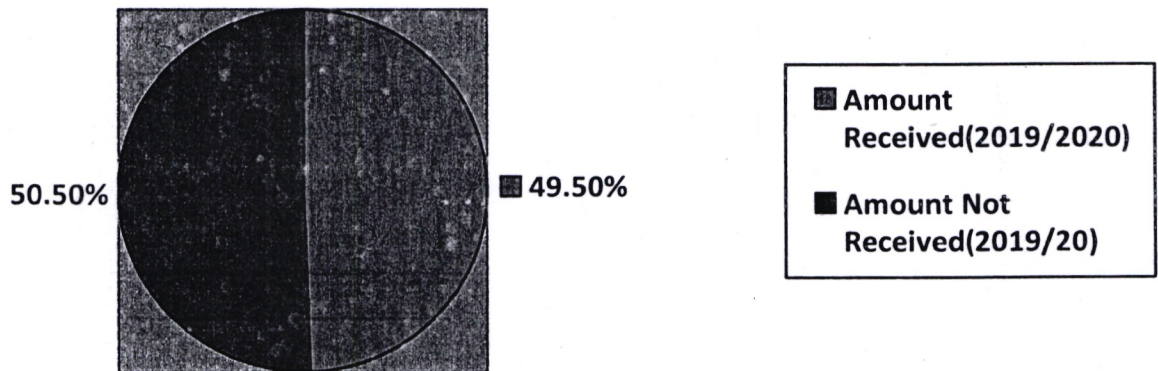
For the year ended June 30, 2020

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

During the financial year 2019/2020 Kitutu Chache North Constituency was allocated a total allocation of Ksh. 137,367,274. The total amount was budgeted for in the proposal for the financial year and it was approved in totality. The constituency received a total of Ksh.123, 040, 875.50 this amount received includes amounts relating to previous year which a not been received. From the current financial Ksh.68,000,000 was received.

On appropriation the constituency utilization was average, the constituency was able to absorb more than 50% of the total available funds. This was somehow lower than previous years, this lower absorption was majorly attributed to COVID 19 Pandemic which caused some institution which are fundable by the fun to be closed delaying disbursement of funds.

About 50% of funds allocated during the financial year was received. The chart below shows a representation of amount received from board the financial year in comparison to the amount not yet received is represented by the pie chart below; This representation is for 2019/2020 funds



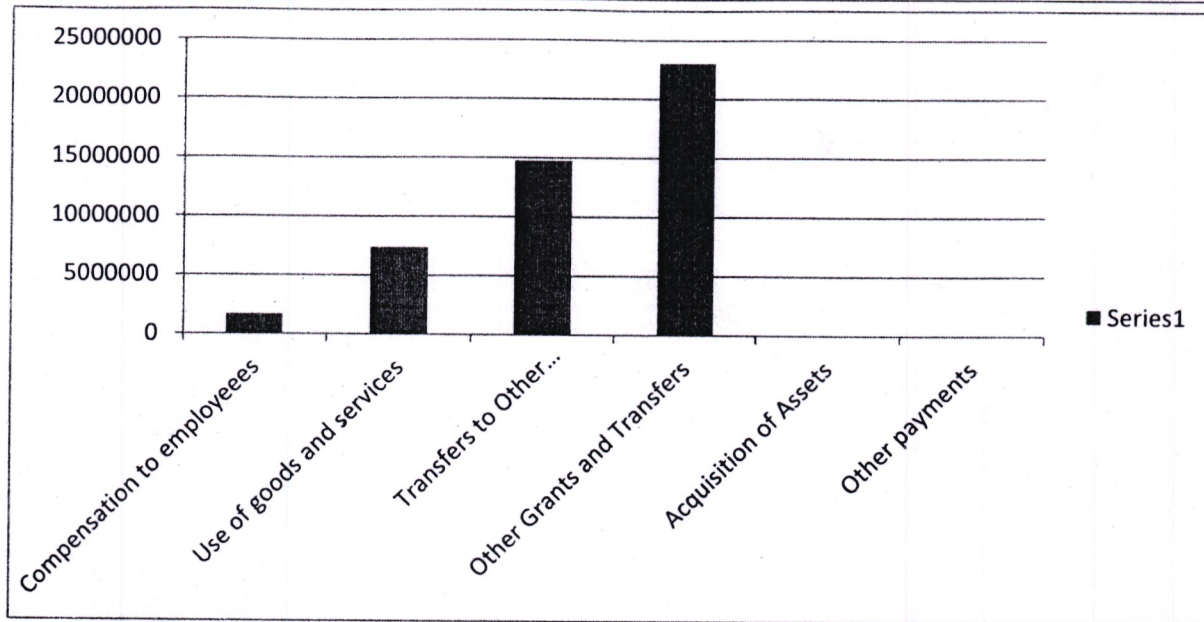
From the chart it can be seen that slightly more than 50% of the 2019/2020 funds were still with the board at the end of the financial year.

The NG-CDF Committee prioritized the funds which were received and gave priority to projects in Other Grants and Transfers and Transfers to other government entities as well as transfers to other government entities. Most of these projects were done to satisfaction. The bulk of funds utilized in the financial were in bursary, education projects and other grants and transfers.

The table below shows the utilization proportion of various votes during the financial year.

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Kitutu Chache North National Government Constituency Development Fund Committee (NGCDF) projects were implemented through Project Management Committees. Some of the projects implemented during the year are represented pictorially below.



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KITUTU CHACHE NORTH NG CDF PROJECT-8 CLASSROOMS RENOVATED BY NG-CDF AT NYANSAKIA PRIMARY SCHOOL

During the course of implementation of projects Constituencies Development Fund Committee noted that Project Management Committees require adequate training to ensure effective implementation of projects.



KITUTU CHACHE NORTH NG CDF PROJECT-3 CLASSROOMS CONSTRUCTED BY NG-CDF AT ERAMBA PRIMARY SCHOOL

The major challenge faced by Kitutu Chache North NG-CDF Committee lack of capacity by Project Management Committees to implement NG-CDF Projects, this led to delay in project implementation lifecycle and sometimes poor workmanship. This challenge has been partially solved by having continuous training of PMC members and regular training by NG-CDF Committee Members.

It is our hope that these challenges will be handled effectively in future through proper planning on priority areas.

Sign

CHAIRMAN NGCDF COMMITTEE

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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

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

The key development objectives of NGCDF-Kitutu Chache North Constituency's 2018-2022 strategic plan are to:

- a) To Improve Access to and Quality of Education in the Constituency
- b) To improve security in the Constituency
- c) To improve, coordinate and facilitate infrastructural development in Constituency
- d) To reduce poverty and inequality in the Constituency
- e) To mobilize Resources for Development in the Constituency
- f) To Build Capacity to Implement Development Projects in the Constituency
- g) To promote sports activities and prevent environmental degradation in the Constituency

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To 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	In FY 19/20 -we increased number of classrooms by 20, dormitories by 1, laboratories by 2 in various schools /institutions
Security	To improve security in the Constituency	Improved security in the constituency	Number of to the nearest unit i. police station or administrative unit	In2019/2020 four administrative offices and two police units were built
Environment	To promote sports activities in the Constituency	Youth participation in sports.	Number of Youth teams participating in football	Organised one youth tournament

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			tournament	
Sports	To prevent environmental degradation in the Constituency	Green and sustainable environment	Reduce distance to access to water spring	In the current financial year four springs were protected.

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. SUSTAINABILITY STRATEGY AND PROFILE

The Constituency Development Fund (CDF) as established by the CDF Act (2003). In January 2013, Parliament enacted CDF Act 2013, hence effectively repealing CDF Act 2003 as amended in 2007. The new law was also aimed to align the operations of the Fund to the new devolved government structure and the attainment of the vision 2030. The NG-CDF Act of 2015 is one of the devolved funds meant to achieve rapid socio-economic development at constituency level through financing of locally prioritized projects and enhanced community participation.

This was to be achieved by dedicating a specific portion of the ordinary Government Revenue to addressing felt needs of the local populations especially those that provide basic education, agricultural services and security.

To address the strategic issues, the overall objective is “*to reduce poverty and ensure equitable distribution of resources in the constituency*”. This will be witnessed in improved living standards for all inhabitants of Kitutu Chache North Constituency through high quality service delivery and accountability.

There are eight strategic objectives with specific strategies:

Strategic Objective	Strategies
Strategic Objective 1: To Improve Access to and Quality of Education the Kitutu Chache North Constituency	<i>Strategy 1.1: Provision of bursaries to needy children in Kitutu Chache North Constituency.</i>
	<i>Strategy 1.2: Improving primary and secondary schools infrastructure in Kitutu Chache North Constituency;</i>
	<i>Strategy 1.3: To improve education outcomes at all levels of learning within the learning in Kitutu Chache North Constituency.</i>
Strategic Objective 2: To improve security in the Kitutu Chache North Constituency	<i>Strategy 2.1: Improving working conditions of security personnel; and</i>
	<i>Strategy 2.2: Enhance security for residents through multi-stakeholder pronged approaches</i>
Strategic Objective 3: To improve, coordinate and facilitate infrastructural development in Kitutu Chache North Constituency	<i>Strategy 3.1: Coordinate development work in the Kitutu Chache North Constituency and network with all development agents.</i>
	<i>Strategy 3.2: Open and improve feeder roads in Kitutu Chache North Constituency.</i>
Strategic Objective 4: To reduce poverty and inequality in Kitutu Chache North Constituency	<i>Strategy 4.1: Provision of employment opportunities that exist in the constituency and applying affirmative action in employment.</i>
	<i>Strategy 4.2: Empowering youth with skills in Kitutu Chache North Constituency</i>
	<i>Strategy 4.3: To harness the potential of youth in combating</i>

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Strategic Objective	Strategies
	<i>unemployment in Kitutu Chache North Constituency.</i>
Strategic Objective 5: To improve health standards in Kitutu Chache North Constituency	<i>Strategy 5.1: Improving existing health facilities in Kitutu Chache North Constituency</i>
	<i>Strategy 5.2: Construction of more evenly distributed health facilities in Kitutu Chache North Constituency</i>
	<i>Strategy 5.3: Improving the working environment of health personnel in Kitutu Chache North Constituency</i>
Strategic Objective 6: To mobilize Resources for Development in Kitutu Chache North Constituency	<i>Strategy 6.1: Mobilizing additional funding from National and County Governments, development partners, NGOs, CBOs, private sector, youth and women funds and other funding programmes in the Kitutu Chache North constituency.</i>
	<i>Strategy 6.2: Formation of Public Private Partnerships (PPP).</i>
Strategic Objective 7: To Build Capacity to Implement Development Projects in Kitutu Chache North Constituency	<i>Strategy 7.1: Providing funds for training CDF members and other stakeholders involved in the implementation of the constituency programmes and projects;</i>
	<i>Strategy 7.2: Improving the Institutional Capacity in Institutions in Kitutu Chache North Constituency;</i>
	<i>Strategy 7.3: Empowering special interest groups and provides safety nets for the vulnerable groups in Kitutu Chache North Constituency;</i>
	<i>Strategy 7.4: Encouraging the effective participation and involvement of the community in in Kitutu Chache North Constituency project identification, implementation, monitoring and evaluation;</i>
	<i>Strategy 7.5: Promoting good governance and accountability through projects/ programme impact analysis, monitoring and evaluation of in Kitutu Chache North Constituency; and</i>
	<i>Strategy 7.6: Enhancing operational excellence in in Kitutu Chache North Constituency</i>
Strategic Objective 8: To promote sports activities and prevent environmental degradation in Kitutu Chache North Constituency	<i>Strategy 8.1: Promoting sports activities in the in Kitutu Chache North Constituency.</i>
	<i>Strategy 8.2: Adopting environmentally friendly practices in Kitutu Chache North Constituency.</i>

Community participation to CDF projects is anchored at the Ward level. The community through open public forums championed by the MP and CDFC Chair Person plans/ identifies and prioritizes development projects and democratically elects persons to represent them at the CDFC. The CDFC on behalf of the communities is mandated by the CDF Act 2013 to appraise, rank, cost and monitor implementation of the projects in accordance to the guidelines provided for by the act. The community through the Project Management Committees sustain the project upon completion by the CDF.

Kitutu Chache North NG - CDF has undertaken a comprehensive analysis of the anticipated risks likely to be faced at strategic, organizational, operational, financial and technological levels while implementing the Strategic Plan. Internal monitoring will be done on basis of a number of indicators, whose details are depicted in the implementation matrix

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Environmental sustainability involves making decisions and taking action that are in the interests of protecting the community, with particular emphasis on preserving the capability of the environment to support human life.

Sustainability means “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” Sustainability is not an end goal, but a journey that the Board and Constituency committees should take to improve the social equity, environmental, and economic conditions in their jurisdiction.

2. ENVIRONMENTAL PERFORMANCE

Public participation in the identification and implementation of environmental projects

The Kenyan Constitution encourages public participation in the management, protection and conservation of the environment. The NGCDF Board and NG-CDFCs are therefore required to involve the public in the identification and implementation of environmental projects to ensure maintenance and sustainability.

Eligible projects under the NG-CDF Environment programme

1. Projects falling within the National Government functions such as;
 - (i) **Fishing, hunting and gathering;**
 - (a) Construction of fishing bays and bandas to ensure cleanliness of the environment and ease of waste management;
 - (b) Construction of Eco-san toilets along the beaches
 - (c) Installation of bee hives for public institutions which helps in pollination and reproduction of plants
 - (d) Training of fisheries community on the best fishing and hunting practices
 - (ii) **Protection of animals and wildlife;**
 - (a) Partnering with relevant Government Departments in fencing national parks and gazetted forests.
 - (b) Partnering with relevant Government departments in sensitizing the community against poaching
 - (iii) **Water protection, securing sufficient residual water, and the safety of dams;**
 - (a) Protection of springs, dams and water reservoirs
 - (b) Building of gabions, training of rivers, desilting of dams, fencing of dams and water catchment areas
 - (iv) **Energy policy;**
 - (a) Installation of biogas and energy saving devices in public institutions *(All NGCDF funded projects should comply with this requirement)*
 - (b) Sensitizing the community on energy saving policies
 - (c) Carrying out energy requirements surveys

During the year Kitutu Chache North Protected four water springs

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3.EMPLOYEES WELFARE TERMS AND CONDITIONS OF SERVICE

This gives the general procedure of employment of NG-CDFC staff.

Kitutu Chache North NG-CDF employs staff on contract of two years renewable subject to performance.

Recruitment Procedure, the Fund Account Manager declares vacancies in the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done

The Advertisement contains the following, Job title, Main purpose of the job, A brief description of the key responsibilities of the job, Education, experience, skills and competencies required for the job.

Appointment of a selection and Interview subcommittee A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria. Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc. Offer of Appointment A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

Letters of Appointment A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

Orientation and Induction of employees: The NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this. Induction and orientation are done within the first three months of employment.

HEALTH, SAFETY AND WELL BEING: This provides guidelines on the health, safety and well-being of the office staff Guidelines to General Safety The office has maintain healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents. All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

HIV/AIDS HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive. HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offence for any person to discriminate another on the ground of actual, perceived or suspected HIV status.

It is the responsibility of the Fund Account Manager in liaison with NG-CDFC to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace. HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling.

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There shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

Drug and Substance Abuse Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NG-CDFC.

Persons Living with Disability An employee with an impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities

The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities

Sexual harassment and other Forms of Harassment Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive. Disciplinary action will be taken against an officer of the Institute for harassing another person. Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

Bullying – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

4. MARKET PLACE PRACTICES NG-CDFC

Fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the

grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level.

a) Responsible competition practice. During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

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b) Responsible Supply chain and supplier relations Payments to suppliers are done promptly upon presentation of requisite supporting documents

c) Responsible marketing and advertisement - outline efforts to maintain ethical marketing practices Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

d) Product stewardship in order to safeguard consumer rights and interests, the Kitutu Chache North NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

5. COMMUNITY ENGAGEMENTS

Public Participation in Project Identification and Implementation and Monitoring The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency-based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

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.

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision-making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognizing that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUTU
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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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


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

The Accounting Officer in charge of the NGCDF-KITUTU CHACHE NORTH Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-KITUTU CHACHE NORTH Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the financial statements

The NGCDF-KITUTU CHACHE NORTH Constituency financial statements were approved and signed by the Accounting Officer on 30.09 2020.



Fund Account Manager
Name: Edwin K. Ruto



Sub-County Accountant
Name: Birundu Omac
ICPAK Member Number: 18248

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUTU
CHACHE NORTH CONSTITUENCY**

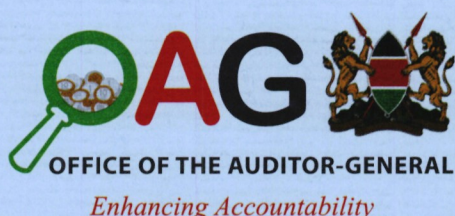
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**VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF- KITUTU CHACHE NORTH
CONSTITUENCY**

REPUBLIC OF KENYA

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kitutu Chache North Constituency set out on pages 18 to 53, which comprise of the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation-recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 the National Government Constituencies Development Fund - Kitutu Chache North Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012

Basis for Qualified Opinion

Unsupported Prior Year Adjustments

As disclosed in Note 14 to the financial statements, the statement of assets and liabilities reflects prior year adjustments of Kshs.1,363,109 which are not supported. A prior year adjustment may arise either as a correction of error in the financial statements reported for a prior period or change in accounting policy/estimate from the previous year in accordance with the provisions of International Public Sector Accounting Standards (IPSAS) 3.

In the circumstances, it was not possible to confirm the nature, accuracy and disclosure of prior year adjustments amounting to Kshs.1,363,109.

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

Development Fund - Kitutu Chache 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-recurrent and development combined reflects final receipts budget and actual on comparable basis totalling to Kshs.197,948,487 and Kshs.126,580,763 respectively, resulting to an underfunding amounting to Kshs.71,367,724 or 36% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.197,948,487 and Kshs.91,926,372 respectively, resulting to under expenditure of Kshs.106,022,115 or 54% of the budget.

The underfunding and under performance affected the planned activities and may have impacted negatively on the delivery of services to the residents of Kitutu Chache North Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter 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

Projects not Branded

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects transfers to other government entities amounting to Kshs.57,400,000 out of which an amount of Kshs.39,000,000 was transferred to Primary schools. Physical verification carried out in the month of January, 2021 showed that four (4) projects totalling Kshs.2,000,000 were complete and in use but had not been branded with the Constituencies Development Fund logo as required by the National Government Constituency Fund Act, 2015.

Failure to brand the projects with the logo of the constituencies Development Fund may result in overlaps especially where there is multi-funding thereby affecting the regularity of the amount of Kshs.2,000,000 spent on the projects.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Fund monitors compliance

with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide

a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 February, 2022

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUTU
CHACHE NORTH CONSTITUENCY**


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For the year ended June 30, 2020

VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2019 – 2020	2018 – 2019
		Kshs	Kshs
	Note	2019 - 2020	2018 - 2019
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	123,040,876	108,784,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3		
TOTAL RECEIPTS		123,040,876	108,784,483
PAYMENTS			
Compensation of employees	4	1,826,640	1,730,340
Use of goods and services	5	9,933,575	7,910,493
Transfers to Other Government Units	6	57,400,000	70,645,000
Other grants and transfers	7	22,766,157	46,622,108
Acquisition of Assets	8	-	716,348
Other Payments	9	-	-
TOTAL PAYMENTS		91,926,372	127,624,289
SURPLUS/DEFICIT		31,114,504	(18,839,806)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUTU CHACHE NORTH Constituency financial statements were approved on 30.09.2020 and signed by:



Fund Account Manager
Name: Edwin K. Rutto



National Sub-County Accountant
Name: Birundu Omae
ICPAK Member Number:18248


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) KITUTU
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VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2020

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	36,017,500	3,539,887
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		36,017,500	3,539,887
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		36,017,500	3,539,887
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A		
Gratuity	12B		
NET FINANCIAL ASSETS		36,017,500	3,539,887
REPRESENTED BY			
Fund balance b/fwd. 1st July...	13	3,539,887	14,708,660
Surplus/Deficit for the year		31,114,504	(18,839,806)
Prior year adjustments	14	1,363,109.00	7,671,033
NET FINANCIAL POSITION		36,017,500	3,539,887

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUTU CHACHE NORTH Constituency financial statements were approved on 30.09.2020 and signed by:


Fund Account Manager
Name: Edwin K. Rutto


National Sub-County Accountant
Name: Birundu Omae
ICPAK Member Number: 18248

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

IX. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2020

		2019 - 2020	2018 - 2019
		Kshs	Kshs
STATEMENT OF CASH FLOW			
		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	123,040,876	108,784,483
Other Receipts	3		-
		123,040,876	108,784,483
Payments for operating expenses			
Compensation of Employees	4	1,826,640	1,730,340
Use of goods and services	5	9,933,575	7,910,493
Transfers to Other Government Units	6	57,400,000	70,645,000
Other grants and transfers	7	22,766,157	46,622,107
Other Payments	9	-	-
Total Payments		91,926,372	126,907,940
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16		
Prior year Adjustments	14	1,363,109.00	7,671,033.00
Net Adjustments		1,363,109	7,671,033
Net cash flow from operating activities		32,477,613	(10,452,424)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	716,348
Net cash flows from Investing Activities		-	(716,348)
NET INCREASE IN CASH AND CASH EQUIVALENT			
Cash and cash equivalent at BEGINNING of the year	10	3,539,887	14,708,660
Cash and cash equivalent at END of the year		36,017,500	3,539,887

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KITUTU CHACHE NORTH Constituency financial statements were approved on 30th June, 2020 and signed by:


Fund Account Manager
Name: Edwin K. Rutto


National Sub-County Accountant
Name: Birundu Omaa
ICPAK Member Number: 18248

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUTU CHACHE NORTH CONSTITUENCY
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X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30TH JUNE 2020

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	60,580,763	197,948,487	126,580,763	71,367,724	63.9%
Proceeds from Sale of Assets				-	-	
Other Receipts						
TOTAL RECEIPTS	137,367,724	60,580,763	197,948,487	126,580,763	71,367,724	63.9%
PAYMENTS						
Compensation of Employees	2,891,305	461,354	3,352,659	1,826,640	1,526,019	54.5%
Use of goods and services	9,471,790	462,333	9,934,123	9,933,575	548	100.0%
Transfers to Other Government Units	75,700,000	39,965,367	115,665,367	57,400,000	58,265,367	49.6%
Other grants and transfers	49,304,629	14,514,682	63,819,311	22,766,157	41,053,154	35.7%
Acquisition of Assets		500,000	500,000	-	500,000	0.0%
Other Payments	0	4,677,027	4,677,027	-	4,677,027	0.0%
TOTAL	137,367,724	60,580,763	197,948,487	91,926,372	106,022,115	46.4%

(a) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- i. Adjustment refers to balances brought forward from 2018/19, receipts from the Board relating to previous financial years
- ii. Compensation to employees is at 54.5% because planned recruitment of staff was not done.
- iii. Transfers to government entities are at 49.60 % because all funds for the year had not been received.


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUTU CHACHE NORTH CONSTITUENCY
Reports and Financial Statements
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- iv. *Other grants and transfers are at 35.6 % because a small portion of bursary allocation had been disbursed before were schools closed.*
- v. *Acquisition of assets is currently ongoing while other payments projects are still at the procurement stage of implementation*

The NGCDF-KITUTU CHACHE NORTH Constituency financial statements were approved on 30.09.2020 and signed by:



Fund Account Manager
Name: Edwin K.Rutto



Sub-County Accountant
Name: Birundu Omae
ICPAK Member Number:18248

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KITUTU CHACHE NORTH CONSTITUENCY
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XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,891,304.82	461,354.00	3,352,658.82	1,826,640	1,526,018.82
1.2 Committee allowances	3,000,000.00	510,863.00	3,510,863.00		3,510,863.00
1.3 Use of goods and services	2,350,758.62	490,117.00	2,840,875.62		2,840,875.62
		0	0.00		0.00
2.0 Monitoring and evaluation		0	0.00		0.00
2.1 Capacity building	1,293,640.00		1,293,640.00		1,293,640.00
2.2 Committee allowances	1,749,805.52		1,749,805.52		1,749,805.52
2.3 Use of goods and services	1,077,586.20		1,077,586.20	933,575.00	144,011.20
			0.00		0.00
3.0 Emergency	7,198,241.38	3,127,616.00	10,325,857.38	9,455,336.00	870,521.38
4.0 Bursary and Social Security			0.00		0.00
4.1 Primary Schools			0.00		0.00
4.2 Secondary Schools	20,000,000.00	23,587.00	20,023,587.00	2748460	17,275,127.00
4.3 Tertiary Institutions	14,341,931.00	7,671,033.00	22,012,964.00	3067516	18,945,448.00
4.4 Universities		129,019.00	129,019.00		129,019.00
4.5 Social Security			0.00		0.00
5.0 Sports	2,747,354.48	2,180,818.00	4,928,172.48	4,876,134.52	52,037.96
5.1			0.00		0.00
5.2			0.00		0.00
5.3			0.00		0.00
6.0 Environment			0.00		0.00
Megogo Water Spring	457,892.41		457,892.41	457,892.41	0.00
Gesiaka Water Spring	457,892.41		457,892.41	457,892.41	0.00

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Rigoma water spring	457,892.41		457,892.41	457,892.41	0.00
Engotogoti Spring Protection	457,892.41		457,892.41	457,892.41	0.00
Megogo Spring Protection	457,892.42		457,892.42	457,892.42	0.00
Kiobonyo Spring Protection	457,892.42		457,892.42	457,892.42	0.00
Environmental Projects		883,020.00	883,020.00	883,020.00	0.00
Marani Springs		434,584.00	434,584.00	434,584.00	0.00
Kegogi Springs		434,584.00	434,584.00	434,584.00	0.00
Monyerero Springs		434,584.00	434,584.00	434,584.00	0.00
Sensi Springs		434,584.00	434,584.00	434,584.00	0.00
7.0 Primary Schools Projects			0.00		0.00
(List all the Projects)			0.00		0.00
			0.00		0.00
TAMBACHA PRIMARY SCHOOL	250,000.00	600000	850,000.00	750,000.00	100,000.00
OMOENGA PRIMARY SCHOOL	500,000.00	1000000	1,500,000.00	1,000,000.00	500,000.00
MESARIA PRIMARY SCHOOL	250,000.00	600000	850,000.00		850,000.00
NYAMOKENYE PRIMARY SCHOOL	500,000.00	500000	1,000,000.00	1,000,000.00	0.00
NYAKEYO PRIMARY SCHOOL	300,000.00	500000	800,000.00	400,000.00	400,000.00
METEMBE PRIMARY SCHOOL	500,000.00	500000	1,000,000.00	900,000.00	100,000.00
RIRAGIA PRIMARY SCHOOL	300,000.00	500000	800,000.00	300,000.00	500,000.00
NYANSAKIA PRIMARY SCHOOL	250,000.00		250,000.00	250,000	0.00
NYANSAKIA SPECIAL PRIMARY SCHOOL	1,000,000.00	1000000	2,000,000.00	500,000.00	1,500,000.00
NYANSAGA PRIMARY SCHOOL	500,000.00	600000	1,100,000.00	750,000.00	350,000.00
NYAKOME SPECIAL SCHOOL	1,000,000.00	400000	1,400,000.00	500,000.00	900,000.00
GESANGORA PRIMARY	500,000.00	600000	1,100,000.00	500,000.00	600,000.00
MAROMA PRIMARY SCHOOL	1,000,000.00	700000	1,700,000.00	1,100,000.00	600,000.00
NYAKOME PRIMARY SCHOOL	500,000.00	100000	600,000.00	600,000.00	0.00
GESABAKWA PRIMARY SCHOOL	300,000.00		300,000.00	300,000.00	0.00
ISANTA PRIMARY SCHOOL	1,000,000.00	100000	1,100,000.00	300,000.00	800,000.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KILIU CHACHE NUKIH CONSTITUENCY
Reports and Financial Statements
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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
ISANTA PRIMARY SCHOOL	300,000.00		300,000.00	300,000.00	0.00
NYAMWANGE PRIMARY SCHOOL	300,000.00	500000	800,000.00	700,000.00	100,000.00
MAAGONGA PRIMARY SCHOOL	300,000.00	500000	800,000.00	800,000.00	0.00
KIAMOGORE PRIMARY SCHOOL	300,000.00	100000	400,000.00	300,000.00	100,000.00
ERAMBA PRIMARY SCHOOL	500,000.00	500000	1,000,000.00	500,000.00	500,000.00
NYASORE PRIMARY SCHOOL	500,000.00	400000	900,000.00	900,000.00	0.00
KIOGE PRIMARY SCHOOL	250,000.00	100000	350,000.00	250,000.00	100,000.00
NYAGITI PRIMARY SCHOOL	300,000.00		300,000.00	300,000.00	0.00
MANYANSI PRIMARY SCHOOL	300,000.00	100000	400,000.00	300,000.00	100,000.00
NGENYI PRIMARY SCHOOL	300,000.00		300,000.00	300,000.00	0.00
ITIBO BOYS BOARDING SCHOOL	1,000,000.00	500000	1,500,000.00	500,000.00	1,000,000.00
SAMOGARA PRIMARY SCHOOL	300,000.00	600000	900,000.00	800,000.00	100,000.00
ITIBO PRIMARY SCHOOL	250,000.00		250,000.00	500,000.00	-250,000.00
MONYERERO PRIMARY SCHOOL	500,000.00	1000000	1,500,000.00	500,000.00	1,000,000.00
ERONGE PRIMARY SCHOOL	250,000.00	600000	850,000.00	750,000.00	100,000.00
ENTANDA PRIMARY SCHOOL	250,000.00	400000	650,000.00	400,000.00	250,000.00
ENTANDA GIRLS BOARDING	400,000.00	800000	1,200,000.00	800,000.00	400,000.00
MOTONTO PRIMARY SCHOOL	250,000.00	500000	750,000.00	250,000.00	500,000.00
RAGOGO PRIMARY SCHOOL	500,000.00	600000	1,100,000.00	1,000,000.00	100,000.00
OMOGUMO PRIMARY SCHOOL	500,000.00	100000	600,000.00	500,000.00	100,000.00
MOSOCHO PAG PRIMARY	500,000.00	600000	1,100,000.00	1,100,000.00	0.00
MOSOCHO PAG PRIMARY	300,000.00		300,000.00	300,000.00	0.00
GETIONKO I PRIMARY SCHOOL	500,000.00		500,000.00	500,000.00	0.00
GETURI PRIMARY SCHOOL	250,000.00		250,000.00	400,000.00	-150,000.00
KIONG'ANYO PRIMARY SCHOOL	300,000.00		300,000.00	300,000.00	0.00
ENGOTO GOTTI PRIMARY SCHOOL	250,000.00		250,000.00		250,000.00
SENSI PRIMARY SCHOOL	300,000.00	500000	800,000.00	300,000.00	500,000.00
MAGENA PRIMARY SCHOOL	500,000.00	500000	1,000,000.00	1,000,000.00	0.00

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
NYABWORоба PRIMARY SCHOOL	250,000.00	500000	750,000.00	250,000.00	500,000.00
MEKONGE PRIMARY SCHOOL	300,000.00		300,000.00	300,000.00	0.00
MASAKWE PRIMARY SCHOOL	300,000.00	400000	700,000.00		700,000.00
MASAKWE PRIMARY SCHOOL	1,000,000.00	500000	1,500,000.00	400,000.00	1,100,000.00
NYANDIBA PRIMARY SCHOOL	300,000.00	500000	800,000.00	800,000.00	0.00
RIAKERONGO PRIMARY SCHOOL	500,000.00	500000	1,000,000.00	1,000,000.00	0.00
NYAKENOGO PRIMARY SCHOOL	250,000.00	500000	750,000.00	250,000.00	500,000.00
NYAKEIRI PRIMARY SCHOOL	500,000.00		500,000.00	500,000.00	0.00
NYAKEIRI PRIMARY SCHOOL	300,000.00	500000	800,000.00	500,000.00	300,000.00
NYAGOTO PRIMARY SCHOOL	250,000.00		250,000.00	250,000.00	0.00
NYABIKONDO PRIMARY SCHOOL	500,000.00	500000	1,000,000.00	1,000,000.00	0.00
RIOMA PRIMARY SCHOOL	250,000.00		250,000.00	250,000.00	0.00
ST ANNES GETARE	250,000.00		250,000.00	250,000.00	0.00
ENGOTO PRIMARY SCHOOL	500,000.00		500,000.00	500,000.00	0.00
MEKONGE PRIMARY SCHOOL	300,000.00		300,000.00	300,000.00	0.00
NYANKANDA PRIMARY SCHOOL	300,000.00	200000	500,000.00	300,000.00	200,000.00
NYANKANDA PRIMARY SCHOOL	450,000.00	300000	750,000.00		750,000.00
RIKENYE PRIMARY SCHOOL	300,000.00	600000	900,000.00	800,000.00	100,000.00
ENGOTO PRIMARY SCHOOL	300,000.00		300,000.00		300,000.00
KENYORO PRIMARY SCHOOL	500,000.00	100000	600,000.00	500,000.00	100,000.00
Nyagonyi Primary School		600000	600,000.00	500,000.00	100,000.00
Nyagesenda Primary School		100000	100,000.00		100,000.00
Getionko II PRIMARY SCHOOL		600000	600,000.00	500,000.00	100,000.00
Itumbe Primary School		500000	500,000.00	500,000.00	0.00
Ngokoro Primary School		100000	100,000.00		100,000.00
Engotogoti Primary School		400000	400,000.00	400,000.00	0.00
Maaganga Resource Centre		500000	500,000.00		500,000.00
Gesangero primary School		500000	500,000.00	500,000.00	0.00

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Nyakoora Primary School		500000	500,000.00	500,000.00	0.00
Marani Primary School		500000	500,000.00	500,000.00	0.00
8.0 Secondary Schools Projects (List all the Projects)			0.00		0.00
ITIBO BOYS SECONDARY SCHOOL	500,000.00	100000	600,000.00	500,000.00	100,000.00
MESARIA SECONDARY SCHOOL	300,000.00	500000	800,000.00	500,000.00	300,000.00
NYAKEYO SECONDARY SCHOOL	1,000,000.00	200000	1,200,000.00	500,000.00	700,000.00
NYAKOORA SECONDARY SCHOOL	500,000.00	502500	1,002,500.00	500,000.00	502,500.00
NYANSAKIA SECONDARY SCHOOL	300,000.00	500000	800,000.00	500,000.00	300,000.00
NYAGONYI SECONDARY SCHOOL	500,000.00	500000	1,000,000.00	1,000,000.00	0.00
MARANI SECONDARY SCHOOL	300,000.00	450000	750,000.00	300,000.00	450,000.00
KIARENI SECONDARY SCHOOL	500,000.00	600000	1,500,000.00	500,000.00	0.00
NYASORE SECONDARY SCHOOL	900,000.00	300000	600,000.00	1,500,000.00	0.00
ERAMBA SECONDARY SCHOOL	300,000.00	1100000	1,600,000.00	600,000.00	0.00
ST MARYS GIRLS SECONDARY SCHOOL	500,000.00	1000000	1,500,000.00	1,500,000.00	100,000.00
ITIBO GIRLS SECONDARY SHOOOL	500,000.00	100000	600,000.00	500,000.00	100,000.00
ITIBO BOYS SECONDARY SCHOOL	500,000.00	100000	600,000.00	500,000.00	100,000.00
ENTANDA SECONDARY SCHOOL	500,000.00	500000	1,000,000.00	800,000.00	0.00
MOTONTO SECONDARY SCHOOL	300,000.00	1100000	2,100,000.00	500,000.00	1,600,000.00
KENYORO SECONDARY SCHOOL	1,000,000.00	300,000.00	800,000.00	300,000.00	300,000.00
KENYORO SECONDARY SCHOOL	300,000.00	500000	800,000.00	300,000.00	500,000.00
NYAGOTO SECONDARY SCHOOL	700,000.00	500000	1,200,000.00	1,200,000.00	0.00
NYABWORROBA SECONDARY SCHOOL	300,000.00	600000	900,000.00	900,000.00	0.00
GETURI SECONDARY SCHOOL	500,000.00	600000	1,100,000.00	500,000.00	600,000.00
Metembe Secondary school	1,500,000.00	500000	2,000,000.00	500,000.00	1,500,000.00
RIOMA SECONDARY SCHOOL	7,400,000.00	500000	7,900,000.00	7,900,000.00	0.00
MANYANSI SECONDARY SCHOOL					

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
GAMBA SECONDARY SCHOOL	7,400,000.00	300000	7,700,000.00	300,000.00	7,400,000.00
TAMBACHA SECONDARY SCHOOL	7,400,000.00	600000	8,000,000.00	600,000.00	7,400,000.00
GETURI SECONDARY SCHOOL	7,400,000.00	60000	7,460,000.00		7,460,000.00
NYAKOME SECONDARY SCHOOL	7,400,000.00	600000	8,000,000.00	600,000.00	7,400,000.00
Nyankanda Secondary School		600000	600,000.00	600,000.00	0.00
Engoto Secondary School		600000	600,000.00	600,000.00	0.00
Nyakeiri Secondary School		600000	600,000.00		600,000.00
Nyagesenda Primary School		502500	502,500.00	400,000.00	102,500.00
SECURITY PROJECTS			0.00		0.00
MWAKIBAGENDI CHIEFS' OFFICE	300,000.00	300000	600,000.00	300,000.00	300,000.00
MWAGICHANA CHIEFS' OFFICE	300,000.00	300000	600,000.00		600,000.00
GESIAKA A.P LINE	400,000.00	400000	800,000.00	400,000.00	400,000.00
MEGOGO CHIEFS' OFFICE	300,000.00		300,000.00		300,000.00
KIOBONYO ADMINISTRATION POLICE LINE	269,747.64		269,747.64		269,747.64
NGENY CHIEFS' OFFICE	300,000.00	450000	750,000.00		750,000.00
BUMBURIA ADMINISTRATION POLICE LINE	400,000.00	500,000.00	900,000.00		900,000.00
MWAKIBAGENDI WEST CHIEFS' OFFICE		300000	300,000.00	300000	0.00
MWAMONARI CHIEFS' OFFICE		200000	200,000.00	200000	0.00
KIONGAYO CHIEFS' OFFICE		300000	300,000.00		300,000.00
11.0 Acquisition of assets			0.00		0.00
11.1 Motor Vehicles (including motorbikes)			0.00		0.00
11.2 Construction of CDF office			0.00		0.00
11.3 Purchase of furniture and equipment			0.00		0.00
11.4 Purchase of computers			0.00		0.00
11.5 Purchase of land			0.00		0.00

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
12.0 Others					
12.1 Strategic Plan			0.00		0.00
12.2 Innovation Hub			0.00		0.00
12.2	137,367,724.14	60,580,763.00	197,948,487.14	91,926,372.00	106,022,115.14

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

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-KITUTU CHACHE 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.

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2015.

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO. B005168	1		54,784,483
AIE NO. B030260	2		10,000,000
AIE NO. B030459	3		15,000,000
AIE NO. B006405	1		6,000,000
AIE NO. A0699144	2		11,000,000
AIE NO. B042921	3		12,000,000
AIE NO. B 041045	1	53,040,876	
AIE NO. B 047487	2	4,000,000	
AIE NO. B 041489	3	20,000,000	
AIE NO. B 047710	4	6,000,000	
AIE NO. B 049297	5	14,000,000	
AIE NO. B 104322	6	24,000,000	
AIE NO. B 096578	7	2,000,000	
TOTAL		123,040,876	108,784,483

2. PROCEEDS FROM SALE OF ASSETS

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

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

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,728,000	1,730,440
Personal allowances paid as part of salary	-	-
Pension and other social security contributions (Gratuity)	-	-
Employer Contributions Compulsory national social security schemes	98,640	-
Total	1,826,640	1,730,440

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	4,122,000	3,689,137
Utilities, supplies and services	2,061,575	1,750,000
Communication, supplies and services	500,000	300,000
Domestic travel and subsistence	340,000	50,000
Printing, advertising and information supplies & services	430,000	210,000
Rentals of produced assets	0	-
Training expenses	640,000	756,000
Hospitality supplies and services	160,000	100,000
Insurance costs	0	-
Specialized materials and services	150,000	200,021
Office and general supplies and services	650,000	425,335
Other operating expenses	230,000	230,000
Routine maintenance – vehicles and other transport equipment	350,000	200,000
Routine maintenance – other assets	300,000	
Total	9,933,575	7,910,493

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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	39,000,000	20,500,000
Transfers to secondary schools (see attached list)	18,400,000	50,145,000
Transfers to tertiary institutions (see attached list)		-
Transfers to health institutions (see attached list)		-
TOTAL	57,400,000	70,645,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	2,748,460	14,261,563
Bursary – tertiary institutions (see attached list)	2,272,800	17,745,800
Bursary – special schools (see attached list)		-
Mock & CAT (see attached list)		-
Security projects (see attached list)	1,300,000	5,800,000
Sports projects (see attached list)	4,904,320	1,574,000
Environment projects (see attached list)	2,085,241	1,818,254
Emergency projects (see attached list)	9,455,336	6,992,490
Total	22,766,157	46,622,107

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

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Co-operative Bank Account No. 01141423029200</i>	36,017,500	3,539,887
		-
		-
Total	36,017,500	3,539,887
10B: CASH IN HAND		
Location 1		-
Location 2		-
Location 3		-
Other Locations (<i>specify</i>)		-
Total		

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

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy		0	0
<i>Name of Officer or Institution</i>	dd/mm/yy		0	0
<i>Name of Officer or Institution</i>	dd/mm/yy		0	0
<i>Name of Officer or Institution</i>	dd/mm/yy		0	0
<i>Name of Officer or Institution</i>	dd/mm/yy		0	0
<i>Name of Officer or Institution</i>	dd/mm/yy		0	0

Total

12A. RETENTION

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

12B. GRATUITY DEPOSITS

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

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13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	3,539,887	14,708,660
Cash in hand		
Imprest		
Total	3,539,887	14,708,660

14. PRIOR YEAR ADJUSTMENTS

Description of the error	Balance b/f	Adjustments	Adjusted Balance
	FY 2018/2019 as per Financial statements		b/f FY 2018/2019
	Kshs	Kshs	Kshs
Bank account Balances		1,363,109.00	-
Cash in hand			-
Accounts Payables			-
Receivables			-
Others (<i>specify</i>)			-
		1,363,109.00	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

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

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,526,019	461,354
Use of goods and services	548	979
Amounts due to other Government entities (see attached list)	58,265,367	36,755,888
Amounts due to other grants and other transfers (see attached list)	41,053,154	10,514,682
Acquisition of assets	500,000	500,000
Others (<i>specify</i>)	4,677,027	4,677,027
	106,022,115	52,909,730

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17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	KShs	KShs
PMC account Balances (see attached list)	923,360.63	295,391.60
	923,360.63	295,391.60

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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	Job Group	Original Amount A	Date Payable Contracted B	Amount Paid To-Date C	Outstanding Balance 2020 d=a-c	Comments
Senior Management						
1.						
2.						
3.						
Sub-Total						
Middle Management						
4.						
5.						
6.						
Sub-Total						
Unionsable Employees						
7.						
8.						
9.						
Sub-Total						
Others (specify)						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land				
Buildings and structures	15,816,348.00	-		15,816,348.00
Transport equipment	6,150,000.00	-	-	6,150,000.00
Office equipment, furniture and fittings	3,293,130.00	-	-	3,293,130.00
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	25,259,478.00	-	-	25,259,478.00

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/20
Engoto PAG Mixed Sec. Sch	Co-operative Bank	01141018453200	3,195.00
Engotogoti DOK Pri. Sch	Co-operative Bank	01139017521202	3,772.50
Eramba Mixed Sec. Sch	Co-operative Bank	01141019667700	2,645.00
Eronge DEB Primary Sch	Co-operative Bank	01117671429200	2,340.00
Gesangero DOK Pri Sch	Co-operative Bank	01141017082700	2,195.00
Gesieka AP Line	Co-operative Bank	01109671377900	1,275.00
Getionko I DEB Primary Sch	Co-operative Bank	01141017519700	55.50
Joram Asanyo Mixed Sec. Sch	Co-operative Bank	01141018012000	2,150.00
Kenyoro Sec. Sch	Co-operative Bank	01100423997900	499,561.60
Magena DEB Primary Sch	Co-operative Bank	01117017070201	1,266.00
Marani DOK Primary Sch	Co-operative Bank	01117017522300	2,656.50
Masakwe Primary Sch	Co-operative Bank	01141477215200	1,605.00
Megogo Chief's Office	Co-operative Bank	01109808540100	3,850.00
Mesaria Mixed Sec. Sch	Co-operative Bank	01100296797100	855.00
Mesaria Primary School	Co-operative Bank	01117017073600	1,508.00
Monyerero PAG Primary Sch	Co-operative Bank	01141423995600	1,725.00
Mwakibagendi West Chief's Office	Co-operative Bank	01109671146600	1,000.00
Nyabworoba Secondary Sch	Co-operative Bank	01141017800800	218,770.00
Nyamokenye DEB Primary Sch	Co-operative Bank	01117017075401	840.00

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PMC	Bank	Account number	Bank Balance 2019/20
Nyamwanga DOK Pri. Sch	Co-operative Bank	01117018195900	28,025.50
Nyandiba DEB Primary Sch	Co-operative Bank	01117017075101	4,920.00
Nyangonyi ELCK Sec Sch	Co-operative Bank	01100019097601	68,130.36
Nyankanda DOK Primary Sch	Co-operative Bank	01117423532000	2,140.00
Nyansakia PAG Mixed Sec Sch	Co-operative Bank	01117018527200	1,302.67
Nyasore SDA Primary Sch	Co-operative Bank	01117017522002	1,240.00
Omoenga Primary Sch	Co-operative Bank	01141670765300	1,966.00
Ragogo DEB Primary Sch	Co-operative Bank	01117017519801	1,000.00
Rikenye DOK Primary Sch	Co-operative Bank	01117017519501	4,650.00
Rioma Mixed Sec Sch	Co-operative Bank	01139017848803	20,090.00
Sensi SDA Primary Sch	Co-operative Bank	0114107521100	-
St. Paul's Nyankanda Sec. Sch	Co-operative Bank	01100017265100	471.00
Tambacha COG Sec Sch	Co-operative Bank	01139017466105	38,160.00
Total			923,360.63

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
I. Cash and cash equivalent	Bank balance as at 30 th June 2017 amounted Kshs.20,829, 385.50 as at 30 th June 2017 However, a review of bank reconciliation statements reflects a cash book balance of Kshs.15,783,015.95 leading to un reconciled difference of Kshs. 5,046,369.55. Further, the reconciliation statement includes several unrepresented stale cheques amounting to Kshs.2,129,499 that were issued in the financial year under review and prior years that had not been reversed in the cashbook.	The Cash Book balance at the end of the 2016/2017 financial year was Ksh. Kshs.20,829,385.50 as reported in the Financial Statements, this is supported by both Cash Book and June 2017 Bank Reconciliation Statement. We noted that Bank Reconciliation initially submitted was erroneous. We hereby	Fund Manager and Accountant	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>forward the correct Bank Reconciliation as at 30th June 2017. On the issue of unrepresented cheques, we would like to state that most of them relate to bursary issued to various institution but had not been presented, since these cheques are now stale the committee has directed the Sub County Accountant to reverse the cheques for new allocation and payments. The committee has made a minute resolution to reverse all stale</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.Payment Not Adequately Supported	Included in the use of goods and services balance of Ksh.8,608, 829 is amount of Kshs. 1500,000 other committee allowances out of which Kshs.940,000 was spent in various activities which were not adequately supported by necessary reports	cheques immediately. The management usually keeps all reports and minutes in files at their respective file in office. Bulky reports these are in most cases not attached to the voucher but reference is made to the respective files kept in which they are kept. The respective minutes were delivered to auditor for verification	Fund Account Manager	Resolved	
3.Project Expenditure Returns	The Constituency Development Committee disbursed a total of Kshs.44, 229, 312 being transfers to other Government units in the year under review. However disbursement	We are following up with the schools to account for Kshs.376, 230 and since head	Fund Account Manager	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>totaling Kshs.1, 300, 000 to two primary schools and a secondary school did not agree with schedules submitted for audit review totaling Kshs.923,770.The resultant variance of Kshs.376,230 has not been reconciled or explained.</p>	<p>teachers are currently in Mombasa for the annual (Kenya Primary Schools Heads Association) KEPSHA meeting they have now promised to provide the documents once they arrive. Once we receive the documents we will avail them to your office.</p>			