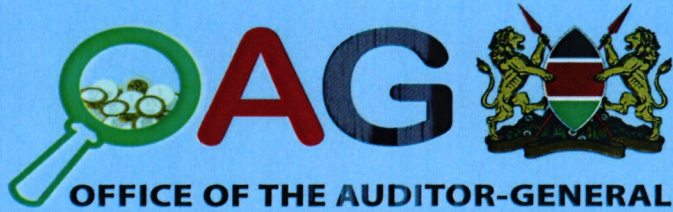


REPUBLIC OF KENYA



*Enhancing Accountability*

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 23 FEB 2022	DAY: Wed
TABLED BY:	The majority Whip Hon E. Wangwe MP
OF THE TABLE:	Benson Inzofu.

**THE AUDITOR-GENERAL**

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

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



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT  
FUND –DAGORETTI SOUTH CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
DAGORETI SOUTH 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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 Dagoretti South 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 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Job N. Tuta
2.	Sub-County Accountant	Conelius O. Kimori
3.	Chairman NGCDFC	Joseph Chege
4.	Member NGCDFC	Patrick Wambiri

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF –Dagoretti South 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 Dagoretti South Constituency Headquarters**

P.O. Box 19879-00202 K.N.H Nairobi  
NGCDF Office Building.  
Along Naivasha road  
Kawangware, Kenya.

**(f) NGCDF DAGORETTI SOUTH Constituency Contacts**

Telephone: (254)

E-mail: [cdfdagorettisouth@ngcdf.go.ke](mailto:cdfdagorettisouth@ngcdf.go.ke)

Website: [www.dagorettisouthconstituency.go.ke](http://www.dagorettisouthconstituency.go.ke)

**(g) NGCDF DAGORETTI SOUTH Constituency Bankers**

Equity Bank LTD

Bank Name

Equity bank

Branch

Kawangware

Account Name

Dagoretti South NG-CDF

Account Number

0630262089069

Address

P.O Box 19879-00202 Kawangware

**(h) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

**(i) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112

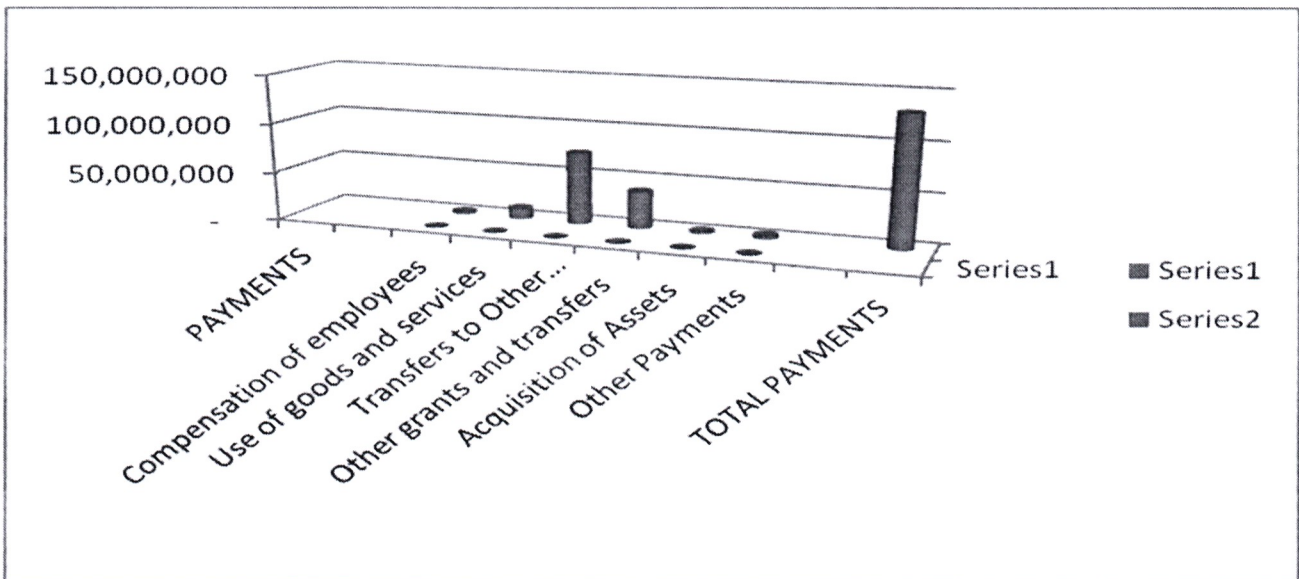
City Square 00200

Nairobi, Kenya

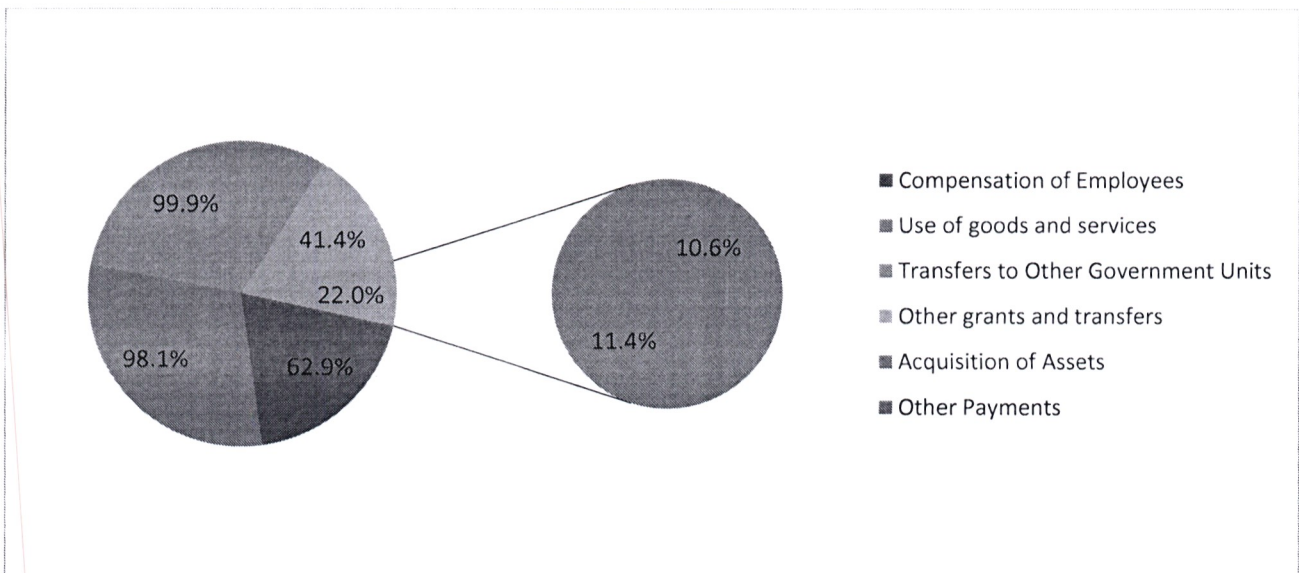
**II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

I am pleased to present to you the annual report and financial statements for the financial year 2019-2020 for Dagoretti South Constituency. In the year under review, the constituency received Kshs. 99,695,399 from the board in that FYR 2019-2020 and an opening cash book balance of Kshs. **34,657,980.35**. The Constituency spent Kshs **131,518,039.59** and closed with a cashbook balance of Ksh. **2,911,339.26** which was **57%**.

**Fig 1. Bar Graph of Payment analysis for FYR 2019/2020**



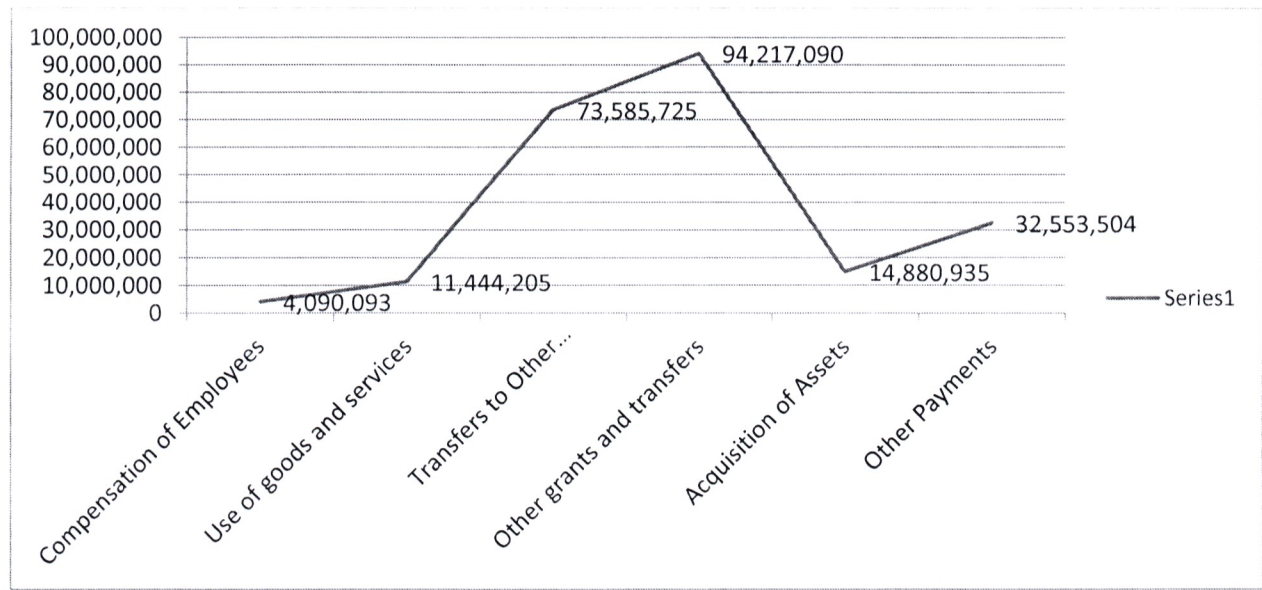
**Fig 2. Bar Chart of Utilization of Funds Fyr 2019/2020**



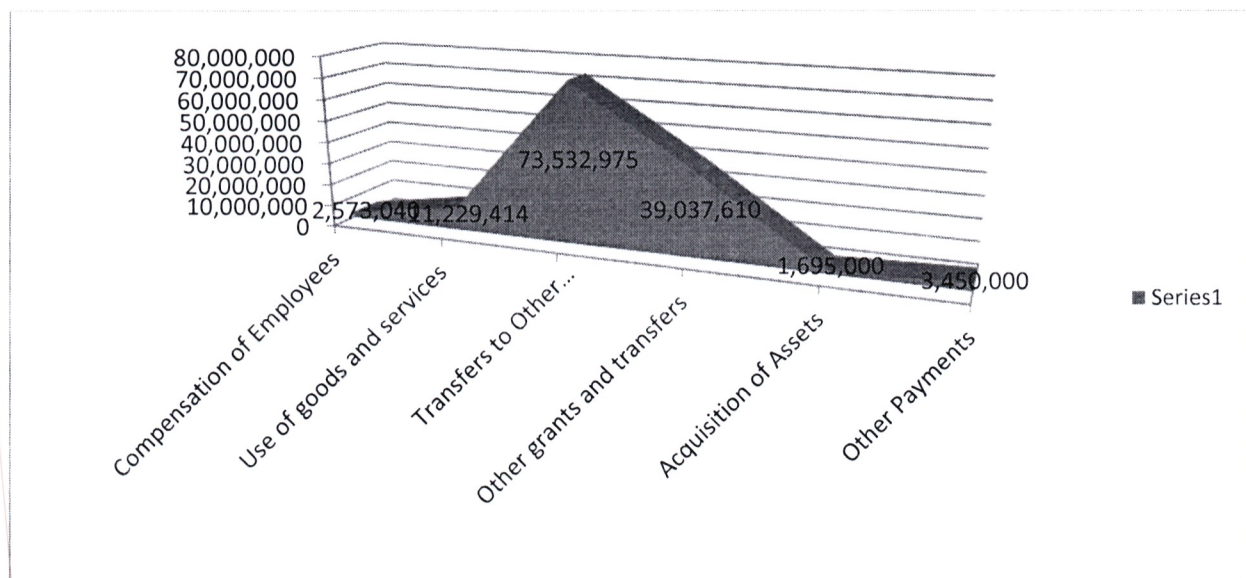
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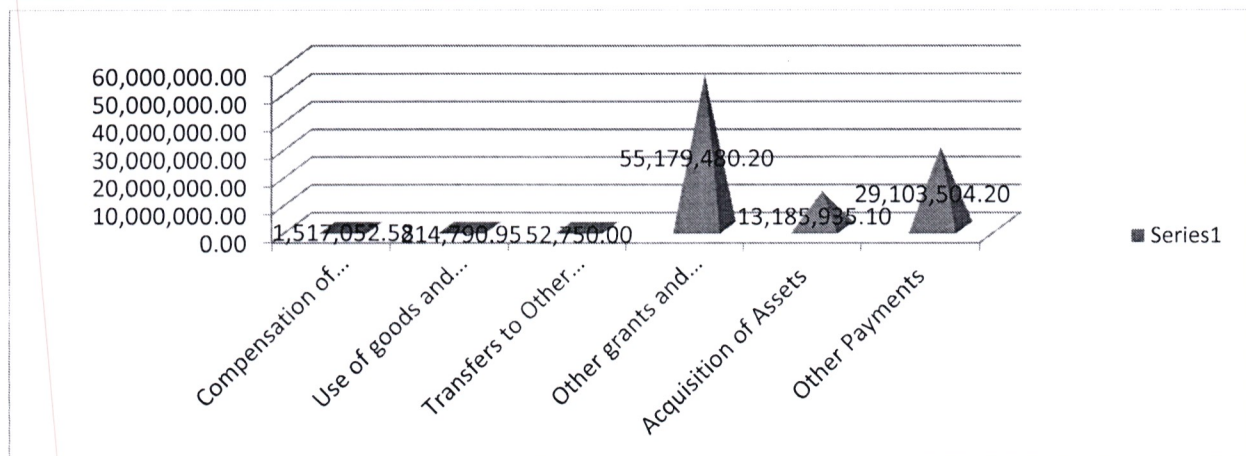
**Fig. 3 Final Budget**



**Fig 4. Actual on Comparable analysis**



**Fig 5. Budget Utilisation Difference**



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The mean aggregate was 57% which was a slight decline from last FYR 2018/2019 percentage of 60%. This was due to global


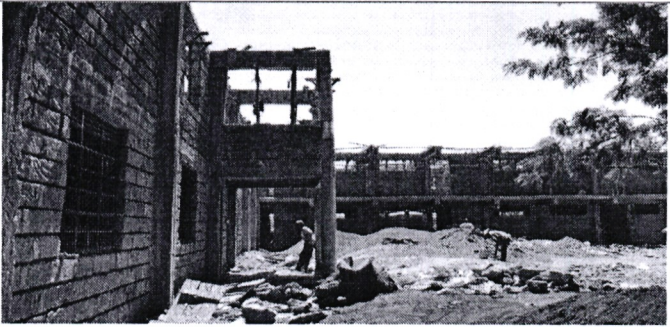

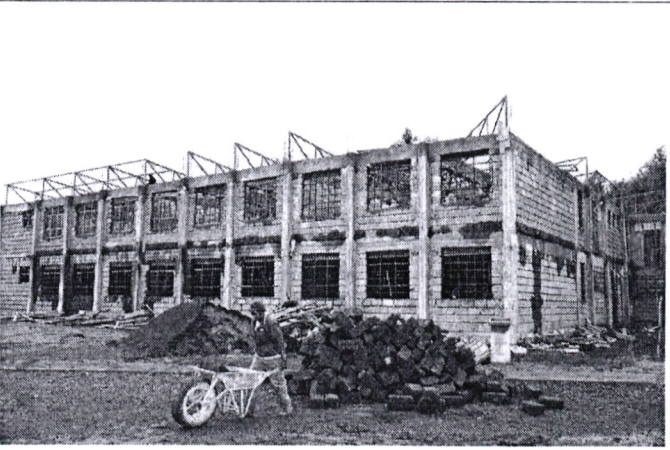
- My committee ensured the full implementation of project of past financial years. The following is a list of projects the committee has undertaken;

NO.	PROJECT NAME	ACTIVITY
1.	Nembu Primary School	Renovation of 5 Classrooms
2.	Mutuini High School	Completion of Construction of a Dining Hall
3.	Mukarara Primary School	Renovation of 4 Classrooms
4.	Kagira Primary School	Construction of a 10 door toilet
5.	Kinyanjui Road Primary School	Painting of 30 classrooms
6.	Gitiba Primary School	Renovation of 5 Classrooms
7.	Riruta Satellite Primary School	Renovation of 5 Classrooms
8.	Ndurarua Primary School	Renovation of 4 Classrooms
9.	Dr. Muthiora Primary School	Renovation of 5 Classrooms
10.	Ndurarua Mixed Secondary School	Construction of Administration Block and 6 Classroom block.
11.	Mutuini Girls High School	Construction of Administration Block and 6 Classroom block.
12.	Ruthimitu Girls High School	Construction of Ultra Modern Multipurpose Hall

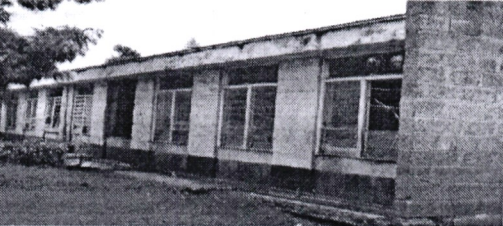

we were able to achieve the following to renovate classrooms for almost all our primary schools which have enhanced the learning environment in our schools. We have also completed the constructed multipurpose hall for two secondary schools which will go a long way in improving the education standard in our secondary school. Currently we have three major projects, which are Mutuini Girls High School and Ndurarua Mixed Secondary School where two project

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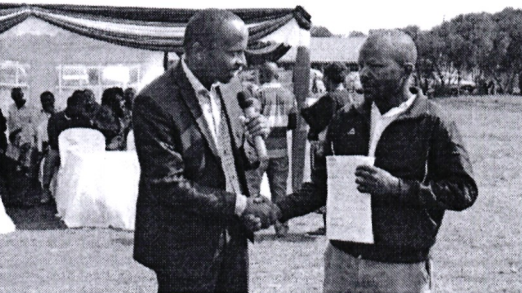
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<p><b>CONSTRUCTION OF NDURARUA MIXED SECONDARY SCHOOL</b> <b>LAYING OF FOUNDATION</b></p> 	<p>(Construction of One Storey Building of 6 Classrooms, Four Ablution block, and Administration Block) <b>PROGRESS:</b></p> 
<p><b>CONSTRUCTION OF MUTUINI GIRLS SECONDARY SCHOOL</b> <b>LAYING OF FOUNDATION</b></p> 	<p>(Construction of One Storey Building of 6 Classrooms, Four Ablution block, and Administration Block) <b>PROGRESS:</b></p> 

The committee was able to award bursaries to over 4,500 beneficiaries in a credible and transparency manner through public participation. To promote accountability in the management of the funds allocated to the constituency we have ensured that we publish the list of beneficiaries for the bursary kitty on our notice board for public scrutiny and verification.

<p><b>GITIBA PRIMARY SCHOOL RENOVATION OF SIX CLASSROOMS</b> <b>BEFORE</b></p> 	<p>(ROOFING, FIXING WINDOWS AND DOORS, CEILING, TERRAZZO, FLOORING, ELECTRICAL WORKS AND PAINTING) <b>AFTER</b></p> 
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<p><b><u>RUTHIMITU GIRLS SECONDARY SCHOOL (ONGOING)</u></b></p>	<p><b><u>CONSTRUCTION OF A MULTIPURPOSE HALL (PROGRESS)</u></b></p>
	
<p><b><u>BURASRY VETTING COMMITEES TRAINING</u></b></p> 	
<p><b><u>VETTING BURSARY FORMS</u></b></p>	<p><b><u>BURSARY DISBURSEMENT</u></b></p>
	

- The key emerging issues are;
- The cost incurred during bursary vetting process which is unavoidable due to the influx of other constituents who want to get a share of Dagoretti South Bursary Allocation.
  - Land factor in Nairobi is also a key hindrance to development. Most public land have either been grabbed or encroached by squatters.
  - Politicizing of development projects by a section of the public thus delaying the projects.
  - Lack of enough funds to undertake projects with greater impact to the society and the restriction to undertake projects that fall under county government that the society deems as priority.
  - Arising from the impact so far created at the grassroots level and the high expectation from the local community there is need for the Government to consider an increase of the NG-CDF kitty from 2.5%.

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➤ The following are implementation challenges and recommendations way forward;

The challenges are similar to aforementioned key emerging issues and thus the following are the recommendation and what the committee is doing to overcome them;


- In relation to the cost of bursary process the committee has selected a lean team per ward to undertake the vetting of the process. They have been trained on best practises of vetting and a criteria set to ensure standard vetting procedure.
- The land factor is a challenge which we have resolved by forming a team of key stakeholders. We have written to National Lands Commissions through a body that administers land issues within the constituency.
- On political interference we have been able to educate the society on effect of politicizing projects. We have also ensured transparency in our implementation process from inception to completion.
- On project that fall under county projects that the society deem as priority we have sort consent from the county government before their approval to avoid duplication of the projects.
- Lack of capacity by the project management committees which affect the implementation of projects. The committee is continuously training all the Project management committees implementing project in the constituency to enhance capacity.
- The NG - CDF relies fully on ministerial technical departments for support in areas of Bill of Quantities, technical design and supervision of projects, delays normally occur as the personnel involved are not under direct control of NG - CDFC. The NG - CDF Board should have its own technical experts to enhance efficiency in project implementation.
- Lack of an efficient process of identification of the needy cases to benefit from the bursary kitty. The Board should issue a bursary policy to ensure that the money allocated for bursary kitty is allocated to the very needy.

We humbly look forward to working very closely with the NG – CDF Board with a view to enhancing accountability and efficiency in project management

I wish to sincerely thank the Member of National Assembly Hon. John Kiarie, Deputy County commissioner, NGCDF Committee, NG-CDFC staff, Project Management Committees, the Sub County Accountant, and other stakeholders for the cooperation. Without them we could not achieve our mandate to the people of Dagoretti South Constituency.

**Sign**

**CHAIRMAN NGCDF COMMITTEE**

 6/4/2021

### **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.

Dagoretti South is a constituency whose growth has shown potential. The constituency is amongst leading constituencies where NG-CDF has impacted the economy of the area directly and indirectly and has an added advantage due to its geographical location where it borders, Kiambu County and Nairobi County. The constituency development and growth depends on its strategic planning and regulating physical and economic development that capitalizes on reliable opportunities and prudent financial and administrative threads.

In underscoring the planning of the constituency, the National Government Constituency Development Fund Committee (NG-CDFC) in its strategic plan (2018-2024) outlined key strategic objectives that were to be used to spur development in the constituency. The plan sort to contribute towards the identification of how and where development programmes identified will be implemented especially in the economic activities with special focus on marketing and value addition, improved social infrastructure on road development and improved governance. It was anticipated that this will help in achieving food security, improved quality of education, health care for all, expanded access to ICT and environmental conservation among others.

The key development objectives of NGCDF-Dagoretti South Constituency's 2019-2024 plans are to: In underscoring the above, the key development objectives of NGCDFC-Dagoretti South Constituency's 2019-2024 plans included but not limited to;

#### **Strategic Area One: Improve access to quality Education**

**Strategies:** Expansion of schools through renovations and construction of classrooms and necessary infrastructure.

Become a countrywide model for education by ensuring schools infrastructure is at its best, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.

**Initiative:** Through enhanced infrastructure it has ensured conducive learning environment for children.

**Initiative:** Enhance and develop social programmes that support education within the constituency such as bursary funds.

#### **Strategic Area Two: Youth and Sports**

**Objective:** To empower the youths and harness their talent.

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Initiative: By conducting campaigns on drugs and substance, HIV-AIDS awareness, informing youth of devolved funds accessible to them.

Initiative: This is done through sports tournaments during issuance of bursaries.

**Strategic Area Three: Security**

Objective: Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure

Initiative: Improving infrastructure and service delivery

**Strategic Area Four: Emergency Support**

Objective: Intervening where necessary in relation to unforeseen occurrences within the constituency

Initiative: To provide prompt support to the affected population.

**Strategic Area Five: Tracking of Results**

Objective: Enhance communication through access use ICT to enhance service delivery and spurring development.

Initiative: Enhancement of infrastructure and accessibility of ICT resources 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:

<b>Constituency Program</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions  Number of bursary beneficiaries at all levels	Number of classrooms increased from 230 to 240  Number of halls increased by 2  Number of administration blocks by 2.

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Education	Increase the percentage of youth (Male and Female) and people with disability benefiting socio-economically Dagoretti South by NG-CDF by the end of 3 years	Increased number of youth and people with disability with business management skills and start-up from the identified agencies	<ul style="list-style-type: none"> <li>•Number of youth (male and female), persons with disability empowered economically by the identified partners at end of year three</li> <li>•Number of Students in the constituency supported by the NG-CDF and are accessing quality education</li> </ul>	<p><b>2019/2020 F.Y</b></p> <ul style="list-style-type: none"> <li>• The allocation for bursary was increased and some bright and needy students were enrolled for full scholarship.</li> <li>• Construction of a new secondary school in Riruta Ward was proposed besides construction of Six classrooms at Ndurarua Mixed school.</li> </ul>
Emergency Support	Intervening where necessary in relation to unforeseen occurrences within the constituency	Stop gap measure that help in averting further disaster.	<p>No. of Pupils registered in the feeding program</p> <p>Number of sanitation facilities built in primary and secondary</p>	<p>Construction of Multipurpose kitchen to feed the public school pupils within Dagoretti South Constituency</p> <p>Number of sanitation facilities increased by 10</p>
Constituency Program	Objective	Outcome	Indicator	Performance
Security	<p>Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery.</p> <p>Increase by 20% community access to quality social health, housing,</p>	<p>Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery</p> <ul style="list-style-type: none"> <li>•100% issuance of bursary</li> </ul>	<p>Number of usable physical infrastructure built in locations, sub locations and police stations</p> <p>Survey reports at the mid and end of 5 years on impact of bursary in education</p>	<p>Number of assistant chiefs' offices increased by 2.</p> <p>Number of police post increased by 3</p> <p><b>2019/2020 F.Y</b> 100% issuance of bursary</p>

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	and environmental secure services by the end of 5 years			
Youth and Sports	Empower and develop youth and special groups to	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased from 10 to 30
Tracking of Results	Enhance communication through access use ICT to enhance service delivery and spurring development	Equip chiefs' offices with computers and internet connectivity to enable them improve service delivery	Number of usable chiefs' offices with computers and internet connectivity	Number of ICT centres at the chiefs' offices increased from 0 to 4

**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING**

NGCDF – Dagoretti South Constituency just like any Government entity has the responsibility of ensuring public involvement in project identification, prioritization of projects and adequate allocation of funds to the projects. In undertaking the aforementioned, the Dagoretti South NG-CDF Committee always highlights Corporate Responsibility as a tool with relevance for public policy actualization with the aim of enhancing sustainable and inclusive development programmes in the constituency. The financial prudence has a lot of weight in development agenda which drives on a delicate thread of enormous community expectations. In enhancing the financial trust in various sectors, we assessed the risks factors, long term and short term performance. We further looked at performance on responsible leadership with clear undertone on the interest of the constituents and stakeholders and sufficient respect for environmental, social and governance issues.

This is aimed at ensuring efficient and effective management of public resources at the grassroots level thus transformation of livelihoods. It remains our purpose and the driving force behind everything we do. It’s what guides us to deliver our strategies, 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 Dagoretti South NG-CDF Committee endeavored to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan.

<b>Model</b>	<b>Definition</b>	<b>Relevance to sustainable strategy</b>
Vision	To be renowned Constituency in advocating for all round socio-economic development and sustainability.	What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place
Mission	To involve all the stakeholders in the development process of the Constituency in order to achieve desires development goals.	This communicates what the office does to attain sustainable developments
Core Values	Accountability, Transparency, Integrity, Honesty, Equality, Equity	These are the norms , principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives

To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside

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Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

**2. ENVIRONMENTAL PERFORMANCE**

**Environment Policy and Action Plan**

Protection of the environment in which we live and operate is part of Dagoretti South NG-CDF initiatives

Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

**Our Environmental Policy;**

In this policy statement Dagoretti South NG-CDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;
- Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

**Our Environmental Action Plan**

Dagoretti South NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts. These four areas together with our approach and targets for each are shown below:

Impact Area	Approach
Capacity Building	<ul style="list-style-type: none"><li>• Promote environmental awareness by sensitizing the Dagoretti South NG-CDFC, NG-CDFC staff and PMCs on good conservation practices</li><li>• To encourage, through regular communication to Dagoretti South NG-CDFC, staff , and other stakeholders changes in individual behaviour to reduce usage</li></ul>

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Conservation of Energy and Resources	<ul style="list-style-type: none"> <li>To maximize use of available technologies to remove the need to use paper</li> <li>To encourage our clients to engage with us using electronic means where possible</li> <li>To maximize on rain water harvesting</li> <li>To make energy efficiency a key factor in the selection of any new energy device being purchased</li> <li>To invest in available energy saving technologies and devices within our existing premises</li> </ul>
Environmental Protection and Conservation	<ul style="list-style-type: none"> <li>To promote use of volt guards to control power surges</li> <li>We have constructed culverts and gabions to prevent soil erosion</li> <li>To encourage tree planting in the constituency to improve the forest cover.</li> <li>To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires</li> </ul>
Pollution Control and Waste Management	<ul style="list-style-type: none"> <li>To ensure that all paper waste is recycled</li> <li>To ensure segregation of waste</li> <li>To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks</li> </ul>

**3. EMPLOYEES WELFARE**

**TERMS AND CONDITIONS OF SERVICE**

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

**Categories of Employment**

Dagoetti South NG-CDFC offers only categories of employment, which are Contract employees who are employed for 3 years on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements. Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

**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 □ Location of the job
- Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications

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**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**

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 is done within the first three months of employment.

**Promotions**

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal and recommendations for promotion is only made by the NG-CDFC resolution.

**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 maintained 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.

**Emergency Preparedness**

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events.

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**Fire precautions**

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers.

**Provision of protective equipment and clothing**

The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

**Reporting of an Accident**

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

**Guidance and Counselling**

The current challenges in the workplace and family environment affects the performance and wellbeing of an officer. To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

**Health Care Services**

The staff, including spouses and children, is eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

**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. 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.

**Reporting Harassment Cases**

Any staffs who believes that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

**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.

How the organisation ensures responsible competition practices with issues like anticorruption, responsible political involvement, fair competition and respect for competitors

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 Dagoretti South 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.

In summary stakeholders participation is important since:

- Providing information helps them understand the issues, options, and solutions available for the projects
- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensures their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable .

### **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

### **Public Awareness and Sensitization Exercise Provide**

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.
- Ensuring implementation of NG-CDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NG-CDF kitty
- Identify control and report any irregularities witnessed during NG-CDF project implementation cycle
- Measure the impact of the projects funded by NG-CDF
- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya

### **Covid-19 Mitigation Measures**

Dagoretti South NG-CDF has tried to maintain a clear project scope in implementing its projects. However, changes have come up especially from the users even after contracts have been awarded. In this case, the employer and the contractor parties have had to come up with strategies to accommodate some requests not in the scope.

On timelines, our sustainable efforts towards implementation of projects have been affected by the emergence of the Covid-19 pandemic which hit Kenya in March this year. With this end of third and fourth quarter's saw project implementation affected since the President gave out directives affecting movement from one County to another and convergence of individuals at one place and the duration thereof.

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Even though the above were the cases on ground, the office managed to implement projects with the funds available adhering to the President's directives as well as the Ministry of Health guidelines in combating the pandemic.

Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures.

- Through the Nairobi Metropolitan Service we have corporate with them and ensured sufficient distribution of water to the constituents at various point within the constituency.
- Through the help of Kenya Pipeline Corporation distributed 4,000 bottles of 250mls sanitizers to the community free of charge.
- The office purchased 120 hand wash pots and basins that were distributed to the Government offices within the constituency.
- Through The National Youth Service the office distributed 4,000 facial masks and food stuffs donated by various NGO's and well wishers to the public .
- Printing of brochures disseminating information regarding Corona Virus protection measures.

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**V. STATEMENT OF DAGORETTI SOUTH NG-CDF 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 Dagoretti South NG-CDF. 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-Dagoretti South Constituency is responsible for the preparation and presentation of the Dagoretti South NG-CDF's financial statements, which give a true and fair view of the state of affairs of Dagoretti South NG-CDF 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 Dagoretti South NG-CDF; (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 Dagoretti South NG-CDF; (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-Dagoretti South Constituency accepts responsibility for Dagoretti South NG-CDF'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 Dagoretti South financial statements give a true and fair view of the state of Dagoretti South NG-CDF's transactions during the financial year ended June 30, 2020, and of the Dagoretti South NG-CDF's financial position as at that date. The Accounting Officer charge of the NGCDF-Dagoretti South Constituency further confirms the completeness of the accounting records maintained for the Dagoretti South, which have been relied upon in the preparation of the Dagoretti South NG-CDF's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-Dagoretti South Constituency confirms that Dagoretti South NG-CDF has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the Dagoretti South 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 Dagoretti South NG-CDF'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.

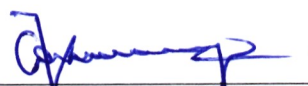
The Accounting Officer in charge of the NGCDF-Dagoretti South Constituency confirms that Dagoretti South NG-CDF has a litigation matter whose ruling pending at Milimani Court Nairobi – Case No. ELC CASE NO. 8 of 2015.

**Approval of the financial statements**

The NGCDF-Dagoretti South Constituency financial statements were approved and signed by the Accounting Officer on 6/4/2021 2021.



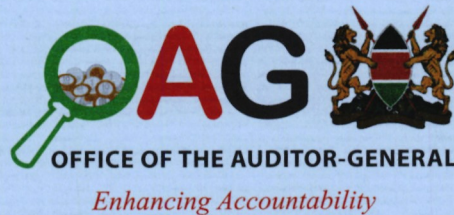
**Fund Account Manager  
Name: Job Tuta**



**Sub-County Accountant  
Name: Conelius O. Kimori  
ICPAK Member Number: 17636**

# REPUBLIC OF KENYA

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Anniversary Towers  
Monrovia Street  
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NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – DAGORETTI SOUTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020**

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### REPORT ON THE FINANCIAL STATEMENTS

#### **Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Dagoretti South set out on pages 26 to 57, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Dagoretti South as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

## **Other Matter**

### **Budgetary Control and Performance**

The summary Statement of appropriation: recurrent and development combined reflects final receipts approved budget of Kshs.230,771,553 and actual on comparable basis of Kshs.134,429,379 resulting to underfunding of Kshs.96,342,174 or 58.3 % of the budget. Based on the final approved budget, the underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

### **Basis for conclusion**

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

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

### **Conclusion**

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

### **Basis for conclusion**

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for maintaining effective internal control as management determines is necessary to enable

the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the ability of the Fund 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 terminate the Fund or cease operations.

The 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, the 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 manner.

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

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of

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


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

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism 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 service sustainability basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Fund to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

I also provide the 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**

**01 February, 2022**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
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**VI. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
			Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	99,695,399	158,125,338
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	76,000	90,000
<b>TOTAL RECEIPTS</b>		<b>99,771,399</b>	<b>158,215,338</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,573,040	2,573,260
Use of goods and services	5	11,229,414	7,762,851
Transfers to Other Government Units	6	73,532,975	65,496,254
Other grants and transfers	7	39,037,610	57,284,564
Acquisition of Assets	8	1,695,000	5,400,000
Other Payments	9	3,450,000	-
<b>TOTAL PAYMENTS</b>		<b>131,518,040</b>	<b>138,516,929</b>
<b>SURPLUS/DEFICIT</b>		<b>(31,746,641)</b>	<b>19,698,409</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Dagoretti South Constituency financial statements were approved on 6/4/ 2021 and signed by:



**Fund Account Manager**

**Name: Job Tuta**



**National Sub-County Accountant**

**Name: Conelius O. Kimori**

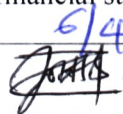
**ICPAK Member Number: 17636**

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

**VII. STATEMENT OF ASSETS AND LIABILITIES**

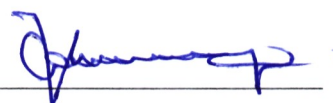
	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	2,911,339	34,657,980
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>2,911,339</b>	<b>34,657,980</b>
Current Receivables-Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>2,911,339</b>	<b>34,657,980</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
<b>NET FINANCIAL ASSETS</b>		<b>2,911,339</b>	<b>34,657,980</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	34,657,980	14,959,571
Surplus/Deficit for the year		(31,746,641)	19,698,409
Prior year adjustments	14		-
<b>NET FINANCIAL POSITION</b>		<b>2,911,339</b>	<b>34,657,980</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Dagoretti South Constituency financial statements were approved on 6/4/2021 and signed by:



**Fund Account Manager**

**Name: Job Tuta**



**National Sub-County Accountant**

**Name: Conelius O. Kimori**

**ICPAK Member Number: 17636**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
DAGORETTI SOUTH CONSTITUENCY**

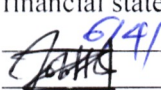
**Reports and Financial Statements**

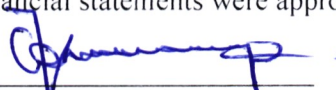
**For the year ended June 30, 2020**

**VIII. STATEMENT OF CASHFLOW**

		<b>2019 - 2020</b>	<b>2018 - 2019</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	99,695,399	158,125,338
Other Receipts	3	76,000	90,000
		<b>99,771,399</b>	<b>158,215,338</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,573,040	2,573,260
Use of goods and services	5	11,229,414	7,762,851
Transfers to Other Government Units	6	73,532,975	65,496,254
Other grants and transfers	7	39,037,610	57,284,564
Other Payments	9	3,450,000	-
		<b>129,823,040</b>	<b>133,116,929</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		-	-
<b>Net cash flow from operating activities</b>		<b>(30,051,641)</b>	<b>25,098,409</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8	(1,695,000)	(5,400,000)
<b>Net cash flows from Investing Activities</b>		<b>(1,695,000)</b>	<b>(5,400,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(31,746,641)</b>	<b>19,698,409</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>13</b>	<b>34,657,980</b>	<b>14,959,571</b>
<b>Cash and cash equivalent at END of the year</b>		<b>2,911,339</b>	<b>34,657,980</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Dagoretti South Constituency financial statements were approved on 9/4/2021 and signed by:

  
\_\_\_\_\_  
**Fund Account Manager**  
**Name: Job Tuta**

  
\_\_\_\_\_  
**National Sub-County Accountant**  
**Name: Conelius O. Kimori**  
**ICPAK Member Number: 17636**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DAGORETTI SOUTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from NG-CDF Board	137,367,724	93,327,829	230,695,553	134,353,379	96,342,174	58.2%
Proceeds from Sale of Assets				0	0	
Other Receipts (A.I.A)		76,000	76,000	76,000	0	100.0%
<b>TOTAL RECEIPTS</b>	<b>137,367,724</b>	<b>93,403,829</b>	<b>230,771,553</b>	<b>134,429,379</b>	<b>96,342,174</b>	<b>58.3%</b>
<b>PAYMENTS</b>						
Compensation of Employees	3,370,682	719,410	4,090,093	2,573,040	1,517,053	62.9%
Use of goods and services	8,992,413	2,451,793	11,444,205	11,229,414	214,791	98.1%
Transfers to Other Government Units	52,232,975	21,352,750	73,585,725	73,532,975	52,750	99.9%
Other grants and transfers	60,506,653	33,710,437	94,217,090	39,037,610	55,179,480	41.4%
Acquisition of Assets	6,400,000	8,480,935	14,880,935	1,695,000	13,185,935	11.4%
Other Payments	5,865,000	26,688,504	32,553,504	3,450,000	29,103,504	10.6%
<b>TOTAL</b>	<b>137,367,724</b>	<b>93,403,829</b>	<b>230,771,553</b>	<b>131,518,040</b>	<b>99,253,513</b>	<b>57.0%</b>


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DAGORETTI SOUTH CONSTITUENCY**

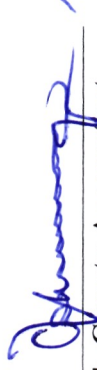
**Reports and Financial Statements  
For the year ended June 30, 2020**

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

ITEM	PERCENTAGE	REMARKS
Compensation of Employees	62.9%	The underutilized funds forms part of 31% of employee's gratuity and leave allowance where applicable.
<b>OTHER GRANTS AND TRANSFERS</b>	<b>33.3%</b>	
Bursary	33,012,693.23	Issuance of bursaries remains an ongoing process and these funds are in the process of been fully utilized in the next financial year.
Security	6,763,655.37	Some of the unutilized funds are balances of previous projects that need reallocations and a proposal has already been forward to the board.
Sports	29,888.75	The process of identifying teams to participate in the current constituency leagues is underway hence the delay in utilizing the funds.
Environment	160,579.44	The process of implementing these projects are currently under way and funds will be absorbed in the next financial year 2019-2020
Emergency Projects	10,996,057.99	The funds remain unutilized and will be reallocated to Lenana Primary School PMC once they have accepted the ministry of education conditions.
Roads	4,216,605.42	The funds are awaiting reallocation and a proposal has already been forwarded.
<b>OTHERS PAYMENTS</b>	<b>29,103,504.00</b>	The funds were to be utilized in a civil suit in case the judgment against the management but no ruling has been made yet and other project that are in tendering process.
<b>ACQUISITION OF ASSETS</b>	<b>11.4%</b>	The process of acquiring these assets remains an ongoing process and funds will be absorbed upon the completion of the tendering process.

The NGCDF-Dagoretti South Constituency financial statements were approved on 6/4 2021 and signed by:

  
**Fund Account Manager**  
**Name: Job Tuta**

  
**Sub-County Accountant**  
**Name: Conelius O. Kimori**  
**ICPAK Member Number: 17636**

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DAGORETTI SOUTH CONSTITUENCY**

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

**BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES**

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs		2019/2020 Kshs	30/06/2020 Kshs	Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees	3,370,682.40	719,410.18	4,090,092.58	2,573,040.00	1,517,052.58
1.2 Committee allowances	2,400,000.00	42,471.24	2,442,471.24	2,429,740.00	12,731.24
1.3 Use of goods and services	2,471,381.05	2,177,802.22	4,649,183.27	4,648,631.42	551.85
<b>Sub-Total</b>	<b>8,242,063.45</b>	<b>2,939,683.64</b>	<b>11,181,747.09</b>	<b>9,651,411.42</b>	<b>1,530,335.67</b>
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	1,800,000.00	66,085.59	1,866,085.59	1,795,200.00	70,885.59
2.2 Committee allowances	1,000,000.00	127,899.00	1,127,899.00	1,098,000.00	29,899.00
2.3 Use of goods and services	1,321,031.72	37,534.55	1,358,566.27	1,257,843.00	100,723.27
<b>Sub-Total</b>	<b>4,121,031.72</b>	<b>231,519.14</b>	<b>4,352,550.86</b>	<b>4,151,043.00</b>	<b>201,507.86</b>
<b>3.0 Emergency</b>					
3.1 emergency	7,198,241.28	11,749,986.71	18,948,227.99	7,952,170.00	10,996,057.99
<b>Sub-Total</b>	<b>7,198,241.28</b>	<b>11,749,986.71</b>	<b>18,948,227.99</b>	<b>7,952,170.00</b>	<b>10,996,057.99</b>
<b>4.0 Bursary and Social Security</b>					
4.1 bursary Secondary Schools	25,000,000.00	2,255,870.23	27,255,870.23	16,172,680.00	11,083,190.23
4.2 Bursary Tertiary Institutions	16,078,703.00	-	16,078,703.00	1,149,200.00	14,929,503.00
4.3 Bursary Vocational Institutions	6,000,000.00		6,000,000.00		6,000,000.00

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

4.4 Bursary Special School	1,000,000.00			1,000,000.00	
<b>Sub-Total</b>	<b>48,078,703.00</b>	<b>2,255,870.23</b>		<b>50,334,573.23</b>	<b>17,321,880.00</b>
<b>5.0 Sports</b>					
5.1 bal b/f	-	1,374,734.27		1,374,734.27	1,357,200.00
5.2 bal b/f		-		-	
5.2 constituency sports tournament	2,747,354.48	600,000.00		3,347,354.48	3,335,000.00
<b>Sub-Total</b>	<b>2,747,354.48</b>	<b>1,974,734.27</b>		<b>4,722,088.75</b>	<b>4,692,200.00</b>
<b>6.0 Environment</b>					
6.1 balance b/f	-	473,283.58		473,283.58	473,283.58
6.2 Purchase of Litter bins		1,963,793.10		1,963,793.10	1,889,000.00
6.3 Construction of concrete tank bases,	2,482,354.49	1,862,508.27		4,344,862.76	4,259,076.42
<b>Sub-Total</b>	<b>2,482,354.49</b>	<b>4,299,584.95</b>		<b>6,781,939.44</b>	<b>6,621,360.00</b>
<b>7.0 Primary Schools Projects</b>					
7.1 DR MUTHIORA PRIMARY SCHOOL		2,100,000.00		2,100,000.00	2,100,000.00
7.2 RUTHIMITU PRIMARY SCHOOL	430,000.00	-		430,000.00	430,000.00
7.3 GITIBA PRIMARY SCHOOL		2,500,000.00		2,500,000.00	2,500,000.00
7.4 KINYANJUI ROAD PRIMARY SCHOOL	1,000,000.00	1,500,000.00		2,500,000.00	2,500,000.00
7.5 NDURARUA PRIMARY SCHOOL	2,400,000.00	2,500,000.00		4,900,000.00	4,900,000.00
7.6 RIRUTA SATELLITE PRIMARY SCHOOL		2,500,000.00		2,500,000.00	2,500,000.00
7.7 NEMBU PRIMARY SCHOOL		2,500,000.00		2,500,000.00	2,500,000.00



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DAGORETTI SOUTH CONSTITUENCY**

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

7.8 MUKARARA PRIMARY SCHOOL	1,200,000.00	3,700,000.00	4,900,000.00	4,900,000.00	-
7.9 MUTUINI PRIMARY SCHOOL		2,000,000.00	2,000,000.00	2,000,000.00	-
		-	-	-	-
		-	-	-	-
<b>Sub-Total</b>	<b>5,030,000.00</b>	<b>19,300,000.00</b>	<b>24,330,000.00</b>	<b>24,330,000.00</b>	-
<b>8.0 Secondary Schools Projects</b>		-			-
8.1 MUTUINI HIGH SCHOOL	3,500,000.00	-	3,500,000.00	3,500,000.00	-
8.2 RUTHIMITU GIRLS HIGH SCHOOL	3,702,975.17	-	3,702,975.17	3,702,975.17	-
8.3 BETH MUGO HIGH SCHOOL-2014-2015		2,750.00	2,750.00	-	2,750.00
8.4 RUTHIMITU GIRLS HIGH SCHOOL		50,000.00	50,000.00	-	50,000.00
8.5 RIRUTA MIXED SECONDARY SCHOOL	20,000,000.00	-	20,000,000.00	20,000,000.00	-
8.6 MUTUINI GIRLS HIGH SCHOOL	20,000,000.00	-	20,000,000.00	20,000,000.00	-
8.10 retention b/f		-	-	-	-
<b>Sub-Total</b>	<b>47,202,975.17</b>	<b>52,750.00</b>	<b>47,255,725.17</b>	<b>47,202,975.17</b>	<b>52,750.00</b>
<b>9.0 NG-CDF OFFICE</b>					
9.1 CONSTRUCTION OF A PERIMETER WARD	5,865,000.00	-	5,865,000.00	5,865,000.00	5,865,000.00
<b>Sub-Total</b>	<b>5,865,000.00</b>	-	<b>5,865,000.00</b>	-	<b>5,865,000.00</b>
<b>10.0 Security Projects</b>					
10.3 NGANDO CHIEF AP CAMP		750,000.00	750,000.00	750,000.00	-
10.4 MUTUINI POLICE POST		500,000.00	500,000.00	500,000.00	-
10.5 KIRIGU CHIEF CAMP		500,000.00	500,000.00	500,000.00	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DAGORETTI SOUTH CONSTITUENCY**

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

10.10 GACHUI CHIEFS OFFICE		97,361.84	97,361.84		97,361.84
10.11 WAITHAKA CHIEF'S OFFICE		282,542.02	282,542.02		282,542.02
10.12 MUTUINI POLICE POST		399,828.11	399,828.11		399,828.11
10.13 FLOODLIGHTS - UTHIRU/RUTHIMITU WARD		31,871.94	31,871.94		31,871.94
10.14 FLOODLIGHTS - WAITHAKA WARD		40,623.98	40,623.98		40,623.98
10.15 FLOOD LIGHTS - RIRUTA WARD		40,623.98	40,623.98		40,623.98
10.16 FLOODLIGHTS - NGANDO WARD		40,623.98	40,623.98		40,623.98
10.17 A.P POLICE HOUSING AT NGANDO WARD		3,000,000.00	3,000,000.00		3,000,000.00
10.18 HIGH MAST FLOODLIGHT		2,771,551.72	2,771,551.72		2,771,551.72
10.19 HIGH FLOODLIGHT MAST		3,866.96	3,866.96		3,866.96
10.20 HIGH FLOODLIGHT MAST		3,866.96	3,866.96		3,866.96
10.21 HIGH FLOODLIGHT MAST		3,866.96	3,866.96		3,866.96
10.22 HIGH FLOODLIGHT MAST		3,866.96	3,866.96		3,866.96
10.23 HIGH FLOODLIGHT MAST		3,866.96	3,866.96		3,866.96
10.24 WAITHAKA ADMINISTRATION POLICE HOUSES		-	-		-
10.25 MUTUINI CHIEF'S OFFICE - 2013/2014 retention b/f		39,293.00	39,293.00		39,293.00
<b>Sub-Total</b>		<b>8,513,655.37</b>	<b>8,513,655.37</b>	<b>1,750,000.00</b>	<b>6,763,655.37</b>
<b>11.0 Acquisition of assets</b>					
11.1 Motor Vehicles	6,400,000.00	6,200,000.00	12,600,000.00	-	12,600,000.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DAGORETTI SOUTH CONSTITUENCY**

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

11.2 Purchase of furniture and equipment		1,380,935.10	1,380,935.10	795,000.00	585,935.10
11.3 Construction of CDF office		600,000.00	600,000.00	600,000.00	-
11.4 Purchase of computers		300,000.00	300,000.00	300,000.00	-
<b>Sub-Total</b>	<b>6,400,000.00</b>	<b>8,480,935.10</b>	<b>14,880,935.10</b>	<b>1,695,000.00</b>	<b>13,185,935.10</b>
<b>12.0 ROADS</b>					
12.1 WAIRIMU ROAD		502,646.00	502,646.00		502,646.00
12.2 WANGAI ROAD		68,184.00	68,184.00		68,184.00
12.3 LENANA B ROAD		127,688.07	127,688.07		127,688.07
12.4 LENANA B ROAD (DRAINAGE)		392,640.00	392,640.00		392,640.00
12.5 MUKIRI ROAD		130,374.00	130,374.00		130,374.00
12.6 MUKEMBE ROAD		287,524.00	287,524.00		287,524.00
12.7 KAVUTHI ROAD		219,596.49	219,596.49		219,596.49
12.8 KABIRIA - KIKUYU- LINK ROAD		41,885.80	41,885.80		41,885.80
12.9 WAIHAKA SHOPPING CENTRE		444,700.00	444,700.00		444,700.00
12.10 WANYEE CLOSE ROAD		161,659.60	161,659.60		161,659.60
12.11 NGINA ROAD		91,782.00	91,782.00		91,782.00
12.12 LE-PIC KARUGA ROAD		167,214.68	167,214.68		167,214.68
12.13 DR. MUTHIORA ROAD		65,216.50	65,216.50		65,216.50
12.14 NGOTHO ROAD		403,305.00	403,305.00		403,305.00
12.15 GICHUNGO ROAD		103,767.10	103,767.10		103,767.10

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DAGORETTI SOUTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

12.16 KWA HASSAN ROAD		159,889.00	159,889.00	159,889.00	
12.17 MUMIRA GATURA ROAD		175,842.70	175,842.70	175,842.70	
12.18 P.C KINYANJUI TECH ROAD		173,280.80	173,280.80	173,280.80	
12.19 WAMBIRI ROAD		222,125.18	222,125.18	222,125.18	
12.20 DAGORETTI HIGH - MUHURI ROAD		196,684.50	196,684.50	196,684.50	
12.21 KAGONDO ROAD		150,600.00	150,600.00	150,600.00	
12.22 PURCHASE OF KAGONDO - UTHIRU ACCESS ROAD		700,000.00	700,000.00	700,000.00	
12.23 KAGONDO ROAD		1,930,000.00	1,930,000.00	1,930,000.00	
12.24 KAGIRA PRIMARY SCHOOL		-	-	(2,000,000.00)	
<b>Sub-Total</b>		<b>6,916,605.42</b>	<b>6,916,605.42</b>	<b>4,216,605.42</b>	<b>700,000.00</b>
<b>13.0 Others</b>					
13.1 Strategic Plan		3,500,000.00	3,500,000.00	50,000.00	3,450,000.00
13.2 Innovation Hub		4,677,027.20	4,677,027.20		-
13.3 audit fee		500,000.00	500,000.00		-
13.4 civil suit		17,845,477.00	17,845,477.00		-
13.5 A.I.A - 2018-2019		90,000.00	90,000.00		90,000.00
13.6 A.I.A - 2019-2020		76,000.00	76,000.00		76,000.00
<b>Sub-Total</b>		<b>26,688,504.20</b>	<b>26,688,504.20</b>	<b>23,238,504.20</b>	<b>3,450,000.00</b>
<b>GRAND TOTALS</b>		<b>93,403,829.03</b>	<b>230,771,552.62</b>	<b>99,253,513.03</b>	<b>129,518,039.59</b>

## **X. 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- Dagoretti South Constituency. The financial statements encompass the reporting of Dagoretti South NG-CDF 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 Dagoretti South NG-CDF for all the years presented.

#### **a) Recognition of Receipts**

The Dagoretti South NG-CDF recognises all receipts from the various sources when the event occurs and the related cash has actually been received by Dagoretti South NG-CDF.

#### **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 Dagoretti South NG-CDF)

#### **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 30<sup>th</sup> 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.

## **SIGNIFICANT ACCOUNTING POLICIES**

### **5. In-kind contributions**

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

### **6. Cash and Cash Equivalents**

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

### **7. Accounts Receivable**

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

### **8. Accounts Payable**

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

### **9. Pending Bills**

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

### **10. Unutilized Fund**

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

**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 1<sup>st</sup> July 2019 to 30<sup>th</sup> 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 30<sup>th</sup> 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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**XI. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO	B 047393	4,000,000.00	40,248,276.10
AIE NO	B 047348	30,995,398.50	10,000,000.00
AIE NO	B 041262	18,000,000.00	12,000,000.00
AIE NO	B 041377	700,000.00	63,877,062.00
AIE NO	B 047682	5,000,000.00	32,000,000.00
AIE NO	B 049251	14,000,000.00	
AIE NO	B 096501	20,000,000.00	
AIE NO	B 047874	7,000,000.00	
<b>TOTAL</b>		<b>99,695,399.00</b>	<b>158,125,338.00</b>

**2. PROCEEDS FROM SALE OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	0.00	0.00
Receipts from the Sale of Vehicles and Transport Equipment	0.00	0.00
Receipts from sale of office and general equipment	0.00	0.00
Receipts from the Sale Plant Machinery and Equipment	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

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

**3. OTHER RECEIPTS (A.I.A)**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	0.00	0.00
Rents	0.00	0.00
Receipts from Sale of tender documents	76,000	90,000
Other Receipts Not Classified Elsewhere	0.00	0.00
<b>Total</b>	<b>76,000</b>	<b>90,000</b>

**4. COMPENSATION OF EMPLOYEES**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of temporary employees	2,433,840.00	1,975,320.00
Personal allowances paid as part of salary		
Pension and other social security contributions (Gratuity)		512,740.00
Employer Contributions Compulsory national social security schemes	139,200.00	85,200.00
<b>Total</b>	<b>2,573,040.00</b>	<b>2,573,260.00</b>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**5. USE OF GOODS AND SERVICES**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Committee Expenses	1,955,100.00	2,000,000.00
Committee Allowance	2,650,000.00	4,013,701.00
		57,843.00
Electricity	5,393.00	
Utilities, supplies and services	900,991.20	0.00
Communication, supplies and services	0.00	0.00
Domestic travel and subsistence	200,000	100,000
		394,504.00
Printing, advertising and information supplies & services	474,840.00	
Rentals of produced assets	0.00	0.00
Training expenses	2,193,000.00	576,500.00
Hospitality supplies and services	0.00	111,500.00
Insurance costs	0.00	0.00
Specialized materials and services	0.00	0.00
Office and general supplies and services	2,838,960.00	320,988.31
Other operating expenses	0.00	137,700.00
Routine maintenance – vehicles and other transport equipment	0.00	0.00
Routine maintenance – other assets	0.00	0.00
Bank Charges	11,130.22	50,115.00
<b>Total</b>	<b>11,229,414.42</b>	<b>7,762,851.31</b>

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

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	0.00	0.00
Transfers to primary schools (see attached list)	26,330,000.00	32,923,835.06
Transfers to secondary schools (see attached list)	47,202,975.17	28,089,659.62
Transfers to tertiary institutions (see attached list)	0.00	0.00
Transfers to health institutions (see attached list)	0.00	4,482,759.00
<b>TOTAL</b>	<b>73,532,975.17</b>	<b>65,496,253.68</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	16,172,680.00	20,387,500.00
Bursary – tertiary institutions (see attached list)	1,149,200.00	15,851,000.00
Bursary – special schools (see attached list)	-	315,000.00
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	1,750,000.00	18,841,063.70
Sports projects (see attached list)	4,692,200.00	1,890,000.00
Environment projects (see attached list)	6,621,360.00	-
Emergency projects (see attached list)	7,952,170.00	
Others (Road)	700,000.00	
<b>Total</b>	<b>39,037,610.00</b>	<b>57,284,563.70</b>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

**8. ACQUISITION OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings		-
Construction of Buildings	0.00	5,400,000.00
Refurbishment of Buildings	600,000.00	0.00
Purchase of Vehicles and Other Transport Equipment	0.00	0.00
Overhaul of Vehicles and Other Transport Equipment	0.00	0.00
Purchase of Household Furniture and Institutional Equipment	0.00	0.00
Purchase of Office Furniture and General Equipment	640,000.00	0.00
Purchase of ICT Equipment, Software and Other ICT Assets	180,000.00	0.00
Purchase of Specialised Plant, Equipment and Machinery	0.00	0.00
Rehabilitation and Renovation of Plant, Machinery and Equip.	0.00	0.00
Acquisition of Land	0.00	0.00
Acquisition of Intangible Assets	0.00	0.00
Purchase of other office equipments	275,000.00	
<b>Total</b>	<b>1,695,000.00</b>	<b>5,400,000.00</b>

**9. OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	3,450,000.00	0.00
ICT Hub	0.00	0.00
	3,450,000.00	<b>0.00</b>

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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>Name of Bank, Account No. 0630262089069</i>	<b>2,911,339.26</b>	<b>34,657,980.35</b>
<b>Total</b>	<b>2,911,339.26</b>	<b>34,657,980.35</b>
<b>10B: CASH IN HAND</b>		
Location 1	0.00	0.00
Location 2	0.00	0.00
Location 3	0.00	0.00
Other Locations	0.00	0.00
	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**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>
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
<b>Total</b>				<b>-</b>

**12A. RETENTION**

	<b>2019 - 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
	-	-
	-	-
	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**12B. GRATUITY DEPOSITS**

	<b>2019 - 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
	-	-
	-	-
	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	34,657,980.35	14,959,570.98
Cash in hand	0.00	0.00
Imprest	0.00	0.00
<b>Total</b>	<b>34,657,980.35</b>	<b>14,959,570.98</b>

**14. PRIOR YEAR ADJUSTMENTS**

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others	-	-	-
	-	-	-

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST'**

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 <sup>st</sup> 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 <sup>st</sup> 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	-	-

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

**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	-	-
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	-	-
	-	-

**17.3: UNUTILIZED FUND (See Annex 3)**

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,517,052.58	2,169,410.18
Use of goods and services	214,790.95	1,001,792.89
Amounts due to other Government entities (see attached list)	52,750.00	19,352,750.00
Amounts due to other grants and other transfers (see attached list)	55,179,480.20	35,710,436.44
Acquisition of assets	13,185,935.10	8,480,935.10
Others(Strategic Plan,Innovation Hub,CDF Office Perimeter wall)	29,103,504.20	26,612,504.20
	<b>99,253,513.03</b>	<b>93,327,828.81</b>

**17.4: CONTINGENT LIABILITIES (See Annex 5)**

	2019-2020	2018-2019
	Kshs	Kshs
CASE NO. ELC NUMBER 8 OF 2015	20,129,552.00	
	<b>20,129,552.00</b>	

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

**17.5: PMC account balances (See Annex 6)**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account Balances (see attached list)	9,084,184.24	33,738,184.80
	<b>9,084,184.24</b>	<b>33,738,184.80</b>

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2020 d=a-c	Comments
<b>Construction of buildings</b>					
1.					
2.					
3.					
<b>Sub-Total</b>					
<b>Construction of civil works</b>					
4.					
5.					
6.					
<b>Sub-Total</b>					
<b>Supply of goods</b>					
7.					
8.					
9.					
<b>Sub-Total</b>					
<b>Supply of services</b>					
10.					
11.					
12.					
<b>Sub-Total</b>					
<b>Grand Total</b>					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
<b>Senior Management</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Middle Management</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Unionisable Employees</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Others (NG-CDFC Staff Gratuity (Office staff on a three year contract))</b>						
10.Charles Waitthaka	N/A	01-01-2019	146,047.20		73,023.60	
11.Kennedy Kamau Wachira	N/A	01-01-2019	142,364.70		71,182.35	
12.Mary Waitthira Nyambura	N/A	01-01-2019	109,677.32		54,838.66	
13.Lucy Njeri Wanja	N/A	01-01-2019	109,677.32		54,838.66	
14.Jane Wambui Githinji	N/A	01-01-2019	65,381.60		32,690.80	
15.Isaac Khaemba	N/A	01-01-2019	52,090.86		26,045.43	
16.David Njoroje Kiongo	N/A	01-01-2019	34,968.00		17,484.00	
<b>Sub-Total</b>			<b>660,207.00</b>		<b>330,103.5</b>	
<b>Grand Total</b>			<b>660,207.00</b>		<b>330,103.5</b>	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DAGORETTI SOUTH CONSTITUENCY

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees	Salaries and gratuity.	1,517,052.58	2,169,410.18	Funds will be utilized in paying gratuity for NG-CDF Staffs.
Use of goods & services	Office Admin	214,790.95	1,001,792.89	Funds will be utilized in day to day office operations
<b>Amounts due to other Government entities</b>				
1.Primary schools		0.00	19,300,000.00	
2.Secondary schools		52,750.00	52,750.00	
<b>Sub-Total</b>		<b>52,750.00</b>	<b>19,352,750.00</b>	Remaining project balances will be reallocated
<b>Amounts due to other grants and other transfers</b>				
1. Emergency	Emergencies	10,996,057.99	8,513,655.37	The Funds will be utilized in case of emergencies
2. Bursaries	Bursaries	33,012,693.23	4,219,662.82	The projects are ongoing
3. Sports	Sports Activities	29,888.75	1,974,734.27	Remaining project balances will be reallocated
4. Environment	Environ Activities	160,579.44	2,335,791.85	Remaining project balances will be reallocated
5. Security	Security Projects	6,763,655.37	18,666,592.13	The projects are ongoing
6. Others (roads)	Reallocated	4,216,605.42		Remaining project balances will be reallocated
<b>Sub-Total</b>		<b>55,179,480.20</b>	<b>35,710,436.44</b>	
<b>Sub-Total</b>				
<b>Acquisition of assets</b>				
Motor vehicle	Motor Vehicle	12,600,000.00	6,200,000.00	Awaiting fund disbursements
Purchase of furniture	Office Furnitures	585,935.10	1,380,935.10	Implementation stage
CDF office	CDF Office		600,000.00	
Purchase of computers	Office Equipment's		300,000.00	
<b>Others (specify)</b>		<b>13,185,935.10</b>	<b>8,480,935.10</b>	
CDF Office	NGCDF Wall	5,865,000.00		Implementation stage
Strategic Plan		50,000.00	3,500,000	Remaining project balances will be reallocated
Innovation Hub	ICT hubs	4,677,027.20	4,677,027.20	Awaiting fund disbursements
Audit fee	Reallocated	500,000.00	500,000.00	Funds to be reallocated
Civil suit	Civil Suit	17,845,477.00	17,845,477	Legal proceeding ongoing
A.I.A – 2018/19/20		166,000.00	90,000.00	Awaiting approval from the Board
<b>Sub-Total</b>		<b>29,103,504.20</b>	<b>26,612,504.20</b>	
<b>Grand Total</b>		<b>99,253,513.03</b>	<b>93,327,828.81</b>	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DAGORETTI SOUTH CONSTITUENCY**

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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land				
Buildings and structures	73,215,682.00	600,000.00		73,815,682.00
Transport equipment	-			
Office equipment, furniture and fittings	918,746.2	915,000.0		1,833,746.20
ICT Equipment, Software and Other ICT Assets	2,318,335.80	180,000.00		2,498,335.80
Other Machinery and Equipment	135,048.00			135,048.00
Heritage and cultural assets	-			
Intangible assets	738,000.00			738,000.00
<b>Total</b>	<b>77,325,812.00</b>	<b>1,695,000.00</b>		<b>79,020,812.00</b>

Reports and Financial Statements  
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ANNEX 5 - ANALYSIS OF CONTINGENT LIABILITIES

IMPLICIT CONTINGENT LIABILITY	Amount Allocated	Case filed year	Damages as per Plaintiff	Amount Paid To-Date	Comments
<b>Litigation Matters</b>	a	b		c	
1. CASE NO. ELC NUMBER 8 OF 2015	17,845,477	2015	20,129,552	NIL	The matter is still in court awaiting judgement.
2.					
3.					
<b>Total</b>			<b>20,129,552</b>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
DAGORETTI SOUTH CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**ANNEX 6 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Mukarara Primary School	Equity	0630278213134	1,166,889.44	408,844.14
Ndurararua Primary School-	Equity	0630277835497	438,745.59	204,870.59
Ruthimitu primary School-	Equity	0630277813241	340,722.89	598,834.89
Mutuini High School -	Equity	0630278460590	1,327,000.06	2,728,341.06
NGCDF Ruthimitu girls' secondary school	Equity	0630277810653	1,732,952.16	4,104,015.09
Riruta Administration Police and Chiefs Camp	Equity	0630275925487	0.00	3,999,580.00
NGCDF Riruta Chiefs Camp AP House	Equity	0630278996729	0.00	2,000,000.00
NGCDF Ruthimitu Mixed Secondary School	Equity	0630278546966	199,437.93	494,769.93
NGCDF Dagoretti Sub-County District Hospital	Equity	0630278996748	39,782.50	2,241,379.50
NGCDF Waithaka Health centre	Equity	0630278996737	2,241,379.50	2,241,379.50
NGCDF Mutuini Primary school	Equity	0630278347562	19,514.00	1,119,905.00
NGCDF Nembu Primary school	Equity	0630277833692	1,429.00	371,393.00
NGCDF Kagira Primary school	Equity	0630278350909	199,185.00	735,476.00
NGCDF Gitiba Primary school	Equity	0630278262378	343,635.00	312,650.09
NGCDF Riruta satellite primary school	Equity	0630278468492	171,124.95	403,110.45
NGCDF office	Equity	0630278625680	206,504.5	747,153.00
NGCDF Riruta location chief's office	Equity	0630278463295	416,212.00	641,288.00
Waithaka Administration police houses	Equity	0630275925389	0.00	9,300,000.04
NGCDF Dr muthiora primary school	Equity	0630277808978	518.17	401,087.17
Assistant Chief Office waithaka	Equity	0630275925278	239,151.55	684,107.35
<b>Total</b>			<b>9,084,184.24</b>	<b>33,738,184.80</b>

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

**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
NGCDF/DAGOR ETTISOUTH/2018-2019	Overall under expenditure	The management notes the under expenditure of kshs 93,327,826.00 or 33% which was as a result of delayed disbursement of funds by the board  The NGCDF committee had not received the total money budgeted for as at 30/06/2019, however the money was received and disbursed to the project management committee for project implementation.	Fund account manager	Resolved	
NGCDF/DAGOR ETTISOUTH/2018-2019	Understating PMC Bank Balances	The management notes the inconsistencies and has rectified the financial statements 2019/2020.	Fund account manager	Resolved	
NGCDF/DAGOR ETTISOUTH/2018-2019	Implementation of Non devolved functions	The management has taken note of the recommendation and has attached a copy of the reallocation proposal of part of the funds Ksh. 9,300,000.00 that is awaiting approval by the NG-CDF Board.	Fund account manager	Resolved	

