

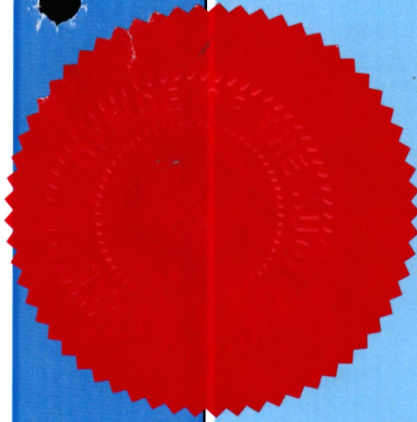
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**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*



 THE NATIONAL ASSEMBLY PARLIAMENT BUILDING		
REPORT DATE:	23 MAR 2022	DAY: WGS (pm)
TABLED BY:	L.S.M.	
CLERK-AT THE-TABLE:	INZURU	

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND –  
KIPIPIRI CONSTITUENCY**

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



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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -  
KIPIPIRI 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)**

**KIPIPIRI CONSTITUENCY**

**Reports and Financial Statements**

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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KIPIPIRI CONSTITUENCY**

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

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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 KIPIPIRI 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	Jesee N. Mbuthia
2.	Sub-County Accountant	Hellen K. Riungu
3.	Chairman NGCDFC	Francis N. Karuiru
4.	Member NGCDFC	Joseph K. Kamiri

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of NGCDF -KIPIPIRI 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) NGCDFKIPIPIRI Constituency Headquarters**

P.O. Box 25-20301  
NG- CDF Office  
MIHARATI  
NYANDARUA

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KIPIPIRI CONSTITUENCY**

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

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**(f) NGCDF KIPIPIRI Constituency Contacts**

Telephone: (254) 711660053  
E-mail: [cdkipipiri@ngcdf.go.ke](mailto:cdkipipiri@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF KIPIPIRI Constituency Bankers**

Equity Bank (Kenya) Limited  
Olkalou Branch  
P.O. Box 215  
Olkalou, Kenya

...

**(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

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

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

We are pleased to present the Financial Statements for the National Government Constituencies Development Fund (NGCDF) Kipipiri Constituency for the year ended 30<sup>th</sup> June 2020. During the FY 2019/2020 ,Kipipiri Constituency was allocated Kshs 137,367,724.

The funds were utilized to fund various projects and activities that fall under the National Government functions as stipulated in the constitution and in accordance with NGCDF Act 2015.

We were able to implement various projects in the Education, Administrative and Security sectors in the Constituency. Key among the projects undertaken include; Construction of 12 new classrooms, construction of 22 modern toilets and 2,088 desks in Primary Schools. In secondary Schools, we have constructed 6 new Science laboratories, 20 new classrooms and 9 modern toilets. All these projects have been evenly distributed across the schools in the Constituency.

In the Public administration, we have purchased land for Assistant Chief's offices and completed construction of chief's offices. In security sector we have started construction of an OCPD office, one police station, built 3 new police posts and completed construction of other two police posts.

During the year, we conducted second round of Community public participation forums in all the four wards of the constituency, where we interacted with the citizens and , received feedback of the previous projects and received proposals for areas that they would wish for our intervention. The proposals received will form part of our 2020/2021 and 2021/2022 areas of intervention.

We have experienced delays in implementation of the projects occasioned by slow pace by some contractors, we have addressed the challenge by prequalifying more contractors to ensure that no one contractor takes up more than three projects at any time to ensure speed in completion of projects, further we have blacklisted contractors who have performed dismally.

The financial year also coincided with the year when the term of the Committee was ending, there were delays as the process of replacement/renewal was taking place, the committee is now fully constituted and, in a position, to proceed with its mandate without hindrance.

The Corona Virus pandemic has brought with it challenges of un proportionally dimension in all sphere of life across the globe. This resulted to delays on activities of the last quarter of the financial year. We are, however, optimistic that we will overcome the challenge and come up stronger, to this end, we have devised new ways of meetings, and engagements with our partners. In addition to the expansion of infrastructure that has been a key component of our strategy 2018 – 2022, we are making intervention in education sector by providing facilities and equipment that will be necessary for learners in schools once the schools open, these include, new desks that will incorporate aspects of physical distancing and water storage facilities.

It is our believe that we will continue working towards improving the lives of our people by addressing their critical needs through utilization of the fund as we play our rightful role as a responsive, transparent and accountable NGCDF Committee in accordance with the established law.

We have enjoyed support from NGCDF Board and Secretariat throughout the year, we hope that the same cordial relationship will continue in years to come as we each execute our respective mandates. On my behalf and that NGCDF Committee, staff and all Citizen of Kipipiri Constituency we say: -

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

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THANK YOU!

SIGN



CHAIRMAN NGCDF COMMITTEE

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

**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES**

**Introduction**

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

The key development objectives of NGCDF-KIPIPIRI Constituency's 2018-2022 plan are to:

- i. Education
- ii. Security
- iii. Environment
- iv. Sports
- v. Disaster Management

**Progress on attainment of Strategic development objectives**

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary beneficiaries at all levels</li> </ul>	<p>In FY 19/20 -we increased number of classrooms, dormitories, laboratories, multipurpose halls and toilets in many schools/institutions</p> <ul style="list-style-type: none"> <li>- Provided bursary to over 5,000 beneficiaries in Secondary Schools, colleges &amp; Universities.</li> <li>- We also assisted in training of 400 Motorcycle riders with partial bursary to cater for their riding classes, this process is in progress.</li> </ul>
Security	Equip, facilitate and	Improving infrastructure	-No of police stations, chiefs offices and other	- Started Construction of the Kipipiri OCPD Office, completed the

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
KIPIPIRI CONSTITUENCY**

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

	enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure.	and service delivery	security infrastructure	Geta ACC's Office and Turasha Chief's Administration office. We also constructed AP posts at Ndemi, Mawingu, and Makumbi among others.
Environment	To preserve the climatic and weather conditions at the constituency.	Increased forest cover and improved climate	-No of trees planted in the schools and other areas. Planted trees in 24 schools within the constituency	Trees planted in 24 schools across the constituency
Sports	To empower and to develop youth and special groups.	Empowered and developed youth and special groups.	Number of youth groups benefitting from the sports programme.	Number of youth benefitting from the sports programme increased significantly.
Disaster Management	To reduce risks	- Reduced risks	Risk Management policy.	-

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

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

**1. Sustainability strategy and profile -**

The Kipipiri NG-CDF Committee endeavoured 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 our strategic objectives.

**2. Environmental performance**

Protection of the environment in which we live and operate is part of Kipipiri NG-CDF initiatives. Care for the environment is one of our key responsibilities and an important aspect in the way in which we carry out our operations.

### **3. Employee welfare**

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters. Kipipiri 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. We have also started the process of bringing some interns on board from the next Financial Year.

### **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 provisions of NG-CDFC Act 2015. The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government development Agenda at the constituency level. As a Fund we have ensured competitive procurement for all our works, goods and services. We have a policy to prepare a prequalified list of suppliers and contractors and ensure competent tender participation, fairness in tender evaluation & awarding, the committee has put in place a robust process of monitoring and inspection of all of the funded projects.

**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. As Kipipiri NG-CDF committee, We confirm we have adhered to these requirements to the letter.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**KIPIPIRI CONSTITUENCY**

**Reports and Financial Statements**

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

**V. STATEMENT OF NGCDF KIPIPIRI MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

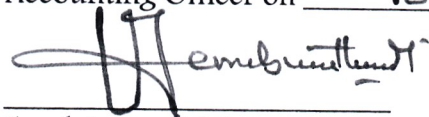
The Accounting Officer in charge of the NGCDF-KIPIPIRI Constituency is responsible for the preparation and presentation of the NGCDF Kipipiri financial statements, which give a true and fair view of the state of affairs of the NGCDF Kipipiri for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NGCDF Kipipiri; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the NGCDF Kipipiri; (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-KIPIPIRI Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the NGCDF Kipipiri financial statements give a true and fair view of the state of NGCDF Kipipiri transactions during the financial year ended June 30, 2020, and of the NGCDF Kipipiri financial position as at that date. The Accounting Officer charge of the NGCDF-KIPIPIRI Constituency further confirms the completeness of the accounting records maintained for the NGCDF Kipipiri, which have been relied upon in the preparation of the NGCDF Kipipiri financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-KIPIPIRI Constituency confirms that the NGCDF Kipipiri has complied fully with applicable Government Regulations and the terms of external financing covenants, and that the NGCDF Kipipiri 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 NGCDF Kipipiri financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

The NGCDF-KIPIPIRI Constituency financial statements were approved and signed by the Accounting Officer on 12/02 2021.



Fund Account Manager  
Name: Jese N. Mbuthia



Sub-County Accountant  
Name: Hellen K. Riungu  
ICPAK Member Number: 24959

# REPUBLIC OF KENYA

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NAIROBI

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

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kipipiri Constituency set out on pages 12 to 52, which comprise of the statement of assets and liabilities as at 30 June, 2020, and statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

#### Basis for Qualified Opinion

##### 1.0 Inaccuracies in Financial Statements

The summary statement of appropriation-recurrent and development combined for the year ended 30 June, 2020 reflects total final receipts budget of Kshs.203,856,489 whereas the recasted figure is Kshs.203,778,489 resulting to a variance of Kshs.78,000 which has not been reconciled.

Further, as reflected in in Notes 4, 5 and 7 to the financial statements, the statement of receipts and payments for the year ended 30 June, 2020 had unreconciled variances between financial statements and supporting schedules in respect to the following items;

Financial Statements Item	Note	Figures as per the Financial Statements (Kshs.)	Figures as per the Audited Schedules (Kshs.)	Variance (Kshs.)
Printing Advertising and Information Supplies and Services	5	166,648	260,473	93,825
Hospitality Supplies and Services	5	222,300	348,700	126,400
Fuel Oil and Lubricants	5	401,799	449,074	47,275
Office and General Supplies	5	1,238,742	510,315	728,427
Other Committee Expenses	5	0	362,712	362,712
Basic Wages of Temporary Employee	4	1,369,459	1,811,829	442,370
Pension and other Social Security Contribution	4	442,370	0	442,370
Bursary – Tertiary	7	6,927,620	7,322,620	395,000

In addition, analysis of the supporting schedule for office and general supplies revealed that transactions totalling Kshs.448,275 were wrongly classified as office and general supplies expenses.

Consequently, the accuracy and completeness of compensation of employees, use of goods and services and other grants and transfers expenditures of Kshs.1,881,579, Kshs.3,425,702 and Kshs.16,336,030 respectively could not be ascertained.

## 2.0 Prior Year Adjustments

The statement of assets and liabilities reflects prior year adjustment balance of Kshs.310,320 as disclosed under Note 14 to the financial statements. However, the adjustment being a correction of the previous year period, is in contravention of the International Public Sector Accounting Standards No. 3 which requires that the amount of correction of an error that relates to prior period should be reported by adjusting the opening balance of accumulated surplus or deficit. The prior year adjustment of Kshs.310,320 in the year ended 30 June, 2020 is not in line with the accounting standards.

In the circumstances, the accuracy and fair presentation of the prior year adjustments figure of Kshs310,320 as at 30 June, 2020 could not be confirmed.

## 3.0 Unsupported Expenditure on Bursary Payments

The statement of receipts and payments reflects payments on other grants and other payments of Kshs.16,336,030 and as disclosed under Note 7 to the financial statements. Included in this amount is bursary payment to tertiary institutions of Kshs.6,927,620. However, bursary payments amounting to Kshs.342,000 have not been supported by way of student admission numbers.

In the circumstance, the accuracy and completeness of bursary payments of Kshs.342,000 for the year ended 30 June, 2020 could not be confirmed.

#### **4.0 Unsupported Expenditure on Office and General Supplies and Services**

The statement of receipts and payments reflects use of goods and services of Kshs.3,425,709 as disclosed under Note 5 to the financial statement. Included in this amount is office and general supplies and services of Kshs.1,238,742. However, the expenditure was not supported by detailed scheduled indicating the nature of items, bin cards (S3), counter receipts voucher (S13) and issuing voucher (S11).

In the circumstance, the accuracy and completeness of office and general supplies and services of Kshs.1,238,742 for the year ended 30 June, 2020 could not be confirmed.

#### **5.0 Cash and Cash Equivalent - Stale Cheques**

The statement of assets and liabilities as at 30 June, 2020 reflects bank balance of Kshs.85,787,541 and as disclosed under Note 10 to the financial statements. However, the bank reconciliation statement presented for audit revealed that there were payments in the cashbook not in bank statement amounting to Kshs.5,070,001 out of which stale cheques amounting Kshs.106,000 were included. No explanation was given for failure to reverse the amount in the cashbook.

Consequently, the accuracy and completeness of the bank balance of Kshs.85,787,541 as at 30 June, 2020 could not be confirmed.

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

#### **Key Audit Matters**

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

#### **Other Matter**

##### **1.0 Budgetary Control and Performance**

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.203,778,489 and Kshs.123,118,876 respectively resulting to an under-funding of Kshs.80,659,613 or 40% of the budget.

Further, of the receipts amount of Kshs.123,118,876, only Kshs.48,833,274 was absorbed resulting to an under absorption of Kshs.74,285,602 or 60% of the receipts.

Under collection of receipts and under absorption of funds is an indication that services and approved projects/programmes were not delivered to the residents of Kipipiri

Constituency and therefore the budget did not meet the intended objectives of improving service delivery.

## 2.0 Projects

### 2.1 Project Status

Review of the project implementation status report as of 30 June, 2020 indicated that one hundred thirty-eight (138) projects with an allocation of Kshs.84,195,000 were at different implementation statuses as detailed out below:

<b>Project Status</b>	<b>Count</b>	<b>Amount (Kshs.)</b>
Complete and in use	16	13,050,000
Ongoing	34	47,350,000
Funds released to PMCs but projects had not started neither tendering process started	23	11,250,000
Projects not started due to non-release of funds	65	12,545,000
<b>Total</b>	<b>138</b>	<b>84,195,000</b>

From the above analysis, it was observed that thirty-four (34) projects with funding allocation of Kshs.47,350,000 were incomplete. No satisfactory explanation has been rendered for not implementing the projects in time.

### 2.2 Project Inspection

Twenty-seven (27) projects with funding allocation of Kshs.44,000,000 were sampled for verification during the month of January, 2020. Observations against each of the project are highlighted in Appendix 1.

No satisfactory explanations have been provided for the deficiencies in projects implementation contrary to Section 25(1) of NG CDF Act, 2015.

Consequently, the Fund may have failed to obtain value for money spent on the projects valued at Kshs.44,000,000 for the year ended 30 June, 2020. There is need for proper implementation and follow up mechanism to ensure that projects are fully implemented for better delivery of goods and service to the residents of Kipipiri Constituency.

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

### Conclusion

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

## Basis for Conclusion

### 1.0 Emergency Projects

The statement of receipts and payments reflects other grants and other payments of Kshs.16,336,030 for the year ended 30 June, 2020 and as disclosed under Note 7 to the financial statements. The amount includes Kshs.4,900,000 incurred on emergency projects. It was observed that the funds were used in construction of toilets in various primary and secondary schools and the reasons given included shortage, high population and existing dilapidated toilets. However, six months after the PMC received funds, only one project of Kshs.300,000 in respect of construction of toilet and bathroom had been implemented leaving out projects with funding allocation of Kshs.4,600,000 unimplemented. This is a confirmation that the projects were not an emergency since they were not implemented on time. This is in contravention of Section 8 (3) of the National Government Constituencies Development Fund Act, 2015 which states that "Emergency" shall be construed to mean an 'urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents.

Consequently, the Management was breach of the law.

### 2.0 Non-Closure of Project Management Committee (PMC) Bank Accounts

Annex 5 to the financial statements for the year ended 30 June, 2020 reflects project bank balances totalling Kshs.51,756,726.40 for Eighty (80) project management committee bank accounts. However, sixty-seven (67) projects had their status indicated as completed and in use, yet the related Project Management Committee bank accounts had a total balance of Kshs.43,790,219.10 as at 30 June, 2020 and the accounts were active. This is contrary to Section 12(8) of the National Government Constituencies Development Fund Act, 2015 which states that, 'All unutilized funds of the Project Management Committee shall be returned to the constituency account'.

In circumstance, the Management is in breach of the Law.

### 3.0 Un-procedural Transfer of Funds to Projects

The statement of receipts and payments for the year ended 30 June, 2020 reflects an expenditure of Kshs.26,889,963 in respect of transfers to other government entities and Kshs.16,336,030 on other grants and other payments. Out of this amount, Kshs.36,189,963 was transferred to various projects as detailed in the table below:

No.	Description	Note	Amount Transferred (Kshs.)
1	Transfers to Primary Schools	6	11,800,000
2	Transfers to Secondary Schools	6	15,089,963
3	Security Projects	7	4,400,000
4	Emergency Projects	7	4,900,000
	<b>Total</b>		<b>36,189,963</b>

However, audit of the approval and disbursement process revealed that the conditions for disbursement of funds to the PMC bank accounts were not met before the funds were approved and released to the various Project Management Committees. The unmet conditions include: Project Management Committee (PMC), the requisite budgets, bills of quantities, approval for formation of PMC, approval to open PMC bank account, properly prepared project work plan. This is contrary to Section 15 of the NG CDF Regulations, 2016.

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

#### **4.0 Irregular Committee Allowances**

The statement of receipts and payments reflects use of goods and services of Kshs.3,425,702 and as disclosed under Note 5 to the financial statements. This amount includes Kshs.936,800 incurred on committee expenses. Records availed for audit indicated that the District Accountant and Fund Accounts Manager were paid allowances totalling to Kshs.717,512. The Management has not explained how the ex officio members and staff of the Constituency Development Fund Committee were paid allowances contrary to section 43 of the National Government Constituencies Development Fund Act, 2015.

Consequently, it has not been possible to confirm the regularity and validity of Kshs.717,512 incurred on committee expenses for the year ended 30 June, 2020.

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

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

#### **Conclusion**

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

#### **Basis for Conclusion**

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

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

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

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

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

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

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

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

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

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

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


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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

**Nairobi**

**28 January, 2022**

## Appendix 1: Observations Against Each Project

S/No.	Project Description	Amount Transferred (Kshs.)	Category	Observation
1	Kiambogo Primary School-Construction of two classrooms	1,600,000	Primary School	Project is incomplete Implementation of the project was in phases (2018-2020) although no documentary evidence to confirm proper definition as per Section 25(1) of NG CDF Act, 2015. Works not done include keying and painting
2	Kianjogu Primary School- Construction of three classrooms (Two for the F/Y 2018-2019 and one for the F/Y 2019-2020)	2,400,000	Primary School	Project is incomplete Implementation of the project was in phases (2018-2020) although no documentary evidence to confirm proper definition as per Section 25(1) of NG CDF Act, 2015. Works not done include roofing, doors, windows, plastering, flooring, ceiling, keying and painting The Contractor was not on site.
3	Kianjogu Secondary School- Construction of laboratory	4,500,000	Secondary School	Project is incomplete Implementation of the project was in phases (2018-2020) although no documentary evidence to confirm proper definition as per Section 25(1) of NG CDF Act, 2015. The works not done include benches, stools, gas chamber, plumbing, sewerage system and electrical works
4	Kianjogu Secondary School - Construction of one classroom to completion.	900,000	Secondary School	Project is incomplete. The works not done include roofing, doors, windows, plastering, flooring, ceiling, keying and paint works

<b>S/No.</b>	<b>Project Description</b>	<b>Amount Transferred (Kshs.)</b>	<b>Category</b>	<b>Observation</b>
5	Gathuthi Secondary School-Construction of laboratory	4,500,000	Secondary School	Project is incomplete Implementation of the project was in phases (2018-2020) although no documentary evidence to confirm proper definition as per Section 25(1) of NG CDF Act, 2015. The works not done include plumbing and drainage works; gas installation; electrical works and benches to accommodate 45 students.
6	Geta Secondary school- Completion of dormitory	2,000,000	Secondary School	Project is incomplete Implementation of the project was in phases (2018-2020) although no documentary evidence to confirm proper definition as per Section 25(1) of NG CDF Act, 2015. The works not done include septic tank, electrical wiring on 1 <sup>st</sup> floor, paint works, window glasses, ablution block doors, concrete stairway for the emergency door on first floor, keying
7	Mikeu secondary school- Completion of multipurpose hall.	2,000,000	Secondary School	Project is incomplete Implementation of the project was in phases (2018-2020) although no documentary evidence to confirm proper definition as per Section 25(1) of NG CDF Act, 2015. The works not done include pavement, ramp, keying
8	Mikeu Secondary School- Construction of two classrooms @ Kshs.900,000 to completion.	1,800,000	Secondary School	Project is incomplete and at roofing level The works not done include roofing, windows, doors, plastering, flooring, keying

S/No.	Project Description	Amount Transferred (Kshs.)	Category	Observation
				The contractor was not on site
9	Mikeu chief's office- Completion of office block	1,000,000	Security Project	Project is incomplete Implementation of the project was in phases (2018-2020) although no documentary evidence to confirm proper definition as per Section 25(1) of NG CDF Act, 2015. The works not done include paint works, keying, stairs The contractor was not on site
10	Kabati Secondary School- Completion of a laboratory	1,000,000	Secondary School	Project is complete Implementation of the project was in phases (2018-2020) although no documentary evidence to confirm proper definition as per Section 25(1) of NG CDF Act, 2015. The project was not labelled hence project ownership could not be established
11	Kabati Primary School- Construction of 2 new classrooms	1,600,000	Primary schools	Project is incomplete Implementation of the project was in phases (2018-2020) although no documentary evidence to confirm proper definition as per Section 25(1) of NG CDF Act, 2015. The works not done include fixing of window glasses, painting, ceiling, keying

<b>S/No.</b>	<b>Project Description</b>	<b>Amount Transferred (Kshs.)</b>	<b>Category</b>	<b>Observation</b>
12	Wanjohi Primary School- Construction of one 8-door toilet for pupils - Kshs.500,000	500,000	Emergency Project	The project is incomplete Interview with the school head revealed that the project has been abandoned by the contractor since February 2020 Implementation of the project was in phases (2018-2020) although no documentary evidence to confirm proper definition as per Section 25(1) of NG CDF Act, 2015. The works not done include walling, roofing, doors, plastering, flooring, paint works, keying The contractor not on site
13	Wanjohi Primary School- Construction of one 8-door toilet for pupils	600,000	Emergency Project	The project has not commenced despite being of an emergent nature
14	Wanjohi mixed secondary school- Completion of a laboratory	1,200,000	Secondary School	The project is complete but labelling has not been done hence not possible to identify the project owner
15	Wanjohi Mixed Secondary- Construction of 2-door pit latrine staff toilet to completion.	150,000	Secondary School	The project is complete though not put to use The labelling of the project was not done hence not possible to identify the project owner
16	Wanjohi girls secondary school- completion of twin laboratory	2,000,000	Secondary School	The project is incomplete Implementation of the project was in phases (2014-2020) although no documentary evidence to confirm proper definition as per Section 25(1) of NG CDF Act, 2015 The works not done include plumbing, sinks, fume chamber, gas installation, shelves to store chemicals in the store

S/No.	Project Description	Amount Transferred (Kshs.)	Category	Observation
				Contract of agreement was not made available for review to ascertain the duration of the contract. The contractor was not on site
17	Wanjohi girls secondary school-dormitory and ablution block	2,000,000	Secondary School	The project is incomplete Implementation of the project was in phases (2014-2020) although no documentary evidence to confirm proper definition as per Section 25(1) of NG CDF Act, 2015 The project has dragged through the years due to underfunding hence not realizing value for money Contract of agreement was not made available for review to ascertain the duration of the contract. The contractor was not on site
18	Wanjohi girls secondary school - Construction of 8-door girls pit latrine toilet to completion.	600,000	Emergency Project	The project has not commenced despite being of an emergent nature
19	Kipipiri OCPD office- Construction of OCPD office	2,000,000	Security Project	The project is complete but not put to use due to lack of a biodigester Implementation of the project was in phases (2018-2020) although no documentary evidence to confirm proper definition as per Section 25(1) of NG CDF Act, 2015
20	St.Peters Mawingu secondary school- construction of laboratory	4,500,000	Secondary School	Project is incomplete Implementation of the project was in phases (2018-2020) although no documentary evidence to confirm proper definition as per Section 25(1) of NG CDF Act, 2015.

S/No.	Project Description	Amount Transferred (Kshs.)	Category	Observation
				The works not done include plumbing & drainage works; gas installation; electrical works and benches to accommodate 45 students. The contractor not on site. Poor workmanship due to cracks noted on the floor
21	Gathiriga secondary school-Construction of two classrooms to completion	1,800,000	Secondary School	Project is incomplete and is at foundation level
22	Gathiriga primary school-Construction of two 8-door toilet for boys and girls	1,000,000		Project complete but labelling not done hence not able to identify the project owner In addition, painting works had not been done
23	Gathuthi primary school-flooring of 12 classrooms	600,000	Primary Schools	Project was for the financial year 2017-2018, however as at the time of audit the works had not been undertaken
24	Turasha Chiefs Office- completion of office block, walls, armoury, strong rooms pavements and gutters	1,000,000	Security Projects	Project is complete and has not been put to use hence not realizing value for money Implementation of the project was in phases (2018-2020) although no documentary evidence to confirm proper definition as per Section 25(1) of NG CDF Act, 2015.
25	Turasha secondary school- Construction of two classrooms to completion.	1,800,000	Secondary Schools	Project not started though funds were disbursed yet the cause for the delay in implementation could not be ascertained
26	Turasha secondary school- Construction of 2-door toilet	150,000	Secondary Schools	Project not started though funds were disbursed yet the cause for the delay in implementation could not be ascertained

<b>S/No.</b>	<b>Project Description</b>	<b>Amount Transferred (Kshs.)</b>	<b>Category</b>	<b>Observation</b>
27	Turasha Primary school- Construction of two classrooms to completion.	800,000	Primary schools	Project is incomplete The works not done include doors, windows, flooring, plastering, keying, paintworks
	<b>Total</b>	<b>44,000,000</b>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**KIPIPIRI CONSTITUENCY**

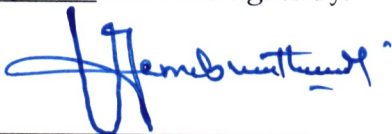
**Reports and Financial Statements**

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

**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF board	1	123,040,876	108,784,483
Proceeds from Sale of Assets	2		
Other Receipts	3	<u>78,000</u>	<u>5,000</u>
<b>TOTAL RECEIPTS</b>		<b>123,118,876</b>	<b>108,789,483</b>
<b>PAYMENTS</b>			
Compensation of employees	4	1,881,579	1,309,212
Use of goods and services	5	3,425,702	3,100,155
Transfers to Other Government Units	6	26,889,963	43,500,000
Other grants and transfers	7	16,336,030	53,164,099
Acquisition of Assets	8	300,000	4,439,954
Other Payments	9		
<b>TOTAL PAYMENTS</b>		<b>48,833,274</b>	<b>105,513,420</b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>74,285,602</u></b>	<b><u>3,276,063</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIPIPIRI Constituency financial statements were approved on 18/02/2021 and signed by:



Fund Account Manager  
Name: Jese N. Mbuthia



National Sub-County Accountant  
Name: Hellen K. Riungu  
ICPAK Member Number: 24959

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**KIPIPIRI CONSTITUENCY**

**Reports and Financial Statements**

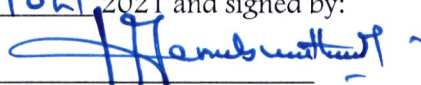
**For the year ended June 30, 2020**

**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	85,787,541	11,369,889
Cash Balances (cash at hand)	10B		
<b>Total Cash and Cash Equivalents</b>		<b>85,787,541</b>	<b>11,369,889</b>
Accounts Receivable			
Outstanding Imprests	11		
<b>TOTAL FINANCIAL ASSETS</b>		<b>85,787,541</b>	<b>11,369,889</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable			
Retention	12A		
Deposits (Gratuity)	12B	442,370	
<b>TOTAL FINANCIAL LIABILITES</b>		<b>442,370</b>	
<b>NET FINANCIAL ASSETS</b>		<b><u>85,345,171</u></b>	<b><u>11,369,889</u></b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	13	11,369,889	6,783,426
Prior year adjustments	14	(310,320)	1,310,400
Surplus/Defict for the year		74,285,602	3,276,063
<b>NET FINANCIAL POSITION</b>		<b><u>85,345,171</u></b>	<b><u>11,369,889</u></b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIPIPIRI Constituency financial statements were approved on

18/02/2021 and signed by:



Fund Account Manager  
Name: Jese N. Mbuthia

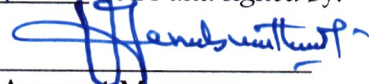



National Sub-County Accountant  
Name: Hellen K. Riungu  
ICPAK Member Number: 24959

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)****KIPIPIRI CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****IX. STATEMENT OF CASHFLOW**

		2019 – 2020	2018 - 2019
		Kshs	Kshs
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	123,040,876	108,784,483
Other Receipts	3	<u>78,000</u>	<u>5,000</u>
<b>Total receipts</b>		<b>123,118,876</b>	<b>108,789,483</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	1,881,579	1,309,212
Use of goods and services	5	3,425,702	3,100,155
Transfers to Other Government Units	6	26,889,963	43,500,000
Other grants and transfers	7	16,336,030	53,164,099
<b>Total payments</b>		<b>48,533,274</b>	<b>101,073,466</b>
<b>Total Receipts Less Total Payments</b>		<b>74,585,602</b>	<b>7,716,017.00</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	0	0
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	442,370	0
Prior year adjustments	14	(310,320)	1,310,400
<b>Net cash flow from operating activities</b>		<b>74,417,652</b>	<b>9,026,417</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2		
Acquisition of Assets	8	(300,000)	4,439,954
<b>Net cash flows from Investing Activities</b>		<b>300,000</b>	<b>(4,439,954)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>74,717,652</b>	<b>4,586,463</b>
Cash and cash equivalent at BEGINNING of the year	13	11,369,889	6,783,426
Cash and cash equivalent at END of the year		<u>85,787,541</u>	<u>11,369,889</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIPIPIRI Constituency financial statements were approved on 18/02 2021 and signed by:

  
Fund Account Manager  
Name: Jese N. Mbuthia

  
National Sub-County Accountant  
Name: Hellen K. Riungu  
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIPIPIRI CONSTITUENCY**

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

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

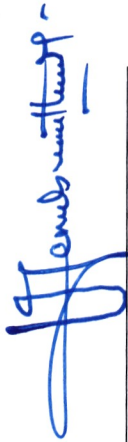
Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
<b>RECEIPTS</b>						
Transfers from CDF Board	137,367,724	66,410,765	203,778,489	123,040,876	80,737,613	60.4%
Proceeds from Sale of Assets						
Other Receipts( AIA)				78,000	78,000	
<b>TOTAL</b>	<b>137,367,724</b>	<b>66,410,765</b>	<b>203,856,489</b>	<b>123,118,876</b>	<b>80,815,613</b>	<b>60.4%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,900,000	2,500,000	5,400,000	1,881,579	3,518,421	34.8%
Use of goods and services	9,185,483	7,849,333	17,034,816	3,425,702	13,609,114	20.1%
Transfers to Other Government Units	63,135,000	36,250,000	99,385,000	26,889,963	72,495,037	31.8%
Other grants and transfers	54,792,241	9,030,395	63,822,636	16,336,030	47,486,606	18.7%
Acquisition of Assets		742	742	300,000-	299,258	0.0%
Other Payments	7,355,000	10,780,295	18,135,295		18,135,295	0.0%
<b>TOTAL</b>	<b>137,367,724</b>	<b>66,410,765</b>	<b>203,778,489</b>	<b>48,833,274</b>	<b>154,945,215</b>	<b>24.0%</b>

- i. Transition of the NG CDF committee-These affected our absorption since the process of replacement/renewal of committee members took a long period.
- ii. Covid-19 Pandemic that struck the country in mid-March affected the absorption through the lock down.

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

iii.) *The changes between the original and final budget are as a result of Cash book Balance Ksh 1,369,889 brought forward and unutilized funds for the previous years Ksh 55,040,876.*

The NGCDF-KIPIPIRI Constituency financial statements were approved on 18/02 2021 and signed by:



Fund Account Manager  
Name: Jese N. Mbutia



Sub-County Accountant  
Name: Hellen K. Riungu  
ICPAK Member Number:

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIPIPIRI CONSTITUENCY**

**Reports and Financial Statements**

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

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

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
<b>1.0 Administration and Recurrent</b>					
1.1 Compensation of employees.	2,900,000	2,500,000	5,400,000	1,881,579 936,800	3,518,421
1.2 Committee allowances	2,900,000	2,000,000	4,900,000		4,245,591
1.3 Use of goods and services	2,164,451.76	2,334,952	4,499,403	1,930,523	2,568,880
<b>2.0 Monitoring and evaluation</b>					
2.1 Capacity building	2,000,000	1,306,450	3,306,450	130,589	3,175,861
2.2 Committee allowances	1,000,000	1,030,758	2,030,758		1,879,758
2.3 Use of goods and services	1,121,031	1,177,173	2,298,204	427,790	1,739,825
<b>Emergency</b>	<b>7,198,241.38</b>		<b>7,198,241.38</b>	<b>4,900,000</b>	<b>2,298,241.38</b>
3.1 Primary Schools				3,400,000	
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects				1,500,000	
<b>4.0 Bursary and Social Security</b>					
4.1 Primary Schools					
4.2 Secondary Schools	17,000,000		17,000,000	-	17,000,000
4.3 Tertiary Institutions	10,000,000	6,927,620	16,927,620	6,927,620	10,000,000
4.4 Universities					
4.5 Special schools	500,000		500,000	-	500,000
<b>5.0 Sports</b>	<b>2747000</b>	<b>2,155,191</b>	<b>4902,191</b>	<b>-</b>	<b>4902,191</b>
5.1. Conducting Sports tournaments & awards	2,747,000				
5.2					

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIPIPIRI CONSTITUENCY**

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
5.3					
6.0 Environment	2,747,000		2,747,000	108,410	2,638,590
6.1 Tree Planting in 27 schools@Ksh 100,000	2,700,000		0	0	0
6.2 Tree planting - DCC Compounds	47,000		0	0	0
7.0 Primary Schools Projects (List all the Projects)	22,035,000	14,650,000	36,685,000	11,800,000	24,885,000
7.0 School Desks Primary	10,440,000		10,440,000		10,440,000
7.2 Turasha Primary School	1,600,000		1,600,000		1,600,000
7.3 Ririchua Primary School	1,300,000		1,300,000		1,300,000
7.4 Mwangaza Primary School	800,000		800,000		800,000
7.5 Kimbo Primary School	800,000		800,000		800,000
7.6 Mwangaza Primary School	500,000		500,000		500,000
7.7 Mwangaza Primary School	750,000		750,000		750,000
7.8 Kianjogu Primary School	800,000		800,000		800,000
8.0 Wendani Primary School	800,000		800,000		800,000
8.1 Kiamboga Primary School	1,600,000		1,600,000		1,600,000
8.2 Mwireri Primary School	800,000		1,200,000		1,200,000
8.3 Gathiriga Primary School	1,200,000		1,200,000		1,200,000
8.4 Gathiriga Primary School	530,000		530,000		530,000
8.5 Kamahia Primary School	1,000,000		1,000,000		1,000,000
8.6 Kabati Primary School	500,000		500,000		500,000
8.7 Kahiga Primary School	500,000		500,000		500,000
8.9 Wendani Primary School	1,000,000		1,000,000		1,000,000
9.0 Manunga Primary School	1,000,000		1,000,000		1,000,000
9.1 Mihato Primary School	1,000,000		1,000,000		1,000,000
9.2 Mikeu Primary School	1,000,000		1,000,000		1,000,000
9.4 Satima Primary School	500,000		500,000		500,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIPIPIRI CONSTITUENCY**

**Reports and Financial Statements**

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

<b>Programme/Sub-programme</b>	<b>Original Budget 2019/2020</b>	<b>Adjustments</b>	<b>Final Budget 2019/2020</b>	<b>Actual on comparable basis 30/06/2020</b>	<b>Budget utilization difference</b>
9.5.Kimuru Primary School	1,000,000		1,000,000		1,000,000
9.6.Kigogo Primary School	500,000		500,000		500,000
9.7.Jura Primary School	150,000		150,000		150,000
9.8.Kipipiri School	2,000,000		2,000,000		2,000,000
9.9.Mumui Primary School	630,000		630,000		630,000
10.0. Kamagoko Primary School	1,000,000		1,000,000		1,000,000
10.1.Kiamboga Primary School	500,000		500,000		500,000
10.2.Magomano primary school	275,000		275,000		275,000
<b>10.3.Re-allocations</b>	-	-	-	<b>1,489,963</b>	<b>(1,489,963)</b>
10.31.Migaa Primary school				500,000	
10.32Gitwe primary School				789,963	
10.33.Marimu Primary School				200,000	
<b>8.0 Secondary Schools Projects (List all the Projects)</b>	<b>30,660,000</b>	<b>21,600,000</b>	<b>52,260,000</b>	-	<b>52,260,000</b>
8.1.Turasha Secondary School	1,800,000		1,800,000		1,800,000
8.2.Turasha Secondary School	150,000		150,000		150,000
8.3.Wanjeri Secondary School	1,800,000		1,800,000		1,800,000
8.4.Gathiriga Secondary School	1,800,000		1,800,000		1,800,000
8.5Gathiriga Secondary School	600,000		600,000		600,000
8.6.Gathiriga Secondary School	150,000		150,000		150,000
8.7.Malewa Secondary School	900,000		900,000		900,000
8.8.Kianjogu Secondary School	900,000		900,000		900,000
8.9.Mikeu Secondary School	1,800,000		1,800,000		1,800,000
9.0Mikeu Secondary School	900,000		900,000		900,000
9.1.Mikeu Secondary School	1,200,000		1,200,000		1,200,000
9.2.Kimuru Secondary school	1,800,000		1,800,000		1,800,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIPIPIRI CONSTITUENCY**

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
9.3.Kimuru Secondary school	1,200,000		1,200,000		1,200,000
9.4.Kimuru Secondary school	150,000		150,000		150,000
9.5.Gathuthi Secondary School	900,000		900,000		900,000
9.6.Gatondo Secondary School	900,000		900,000		900,000
9.7.Gatondo Secondary School	150,000		150,000		150,000
9.8.Wanjohi Girls secondary School	1,800,000		1,800,000		1,800,000
9.9.Wanjohi Girls secondary School	600,000		600,000		600,000
10.0.Ndemi Secondary Schoo	900,000		900,000		900,000
10.1.Ndemi Secondary Schoo	1,200,000		1,200,000		1,200,000
10.2.Michore Secondary School	900,000		900,000		900,000
10.3.Michore Secondary School	600,000		600,000		600,000
10.4.Malewa Secondary School	500,000		500,000		500,000
10.5.Malewa Secondary School	150,000		150,000		150,000
10.6.Wanjohi Mixed Secondary	150,000		150,000		150,000
10.7.St. Peters Mawingu Secondary school	1,500,000		1,500,000		1,500,000
10.8.Manunga Secondary School	1,500,000		1,500,000		1,500,000
10.9.Gathuthi Secondary School	1,500,000		1,500,000		1,500,000
20.0.Kagongo Secondary School	1,500,000		1,500,000		1,500,000
20.1.Kimuru Secondary school	1,500,000.		1,500,000		1,500,000
20.2.Mumui Secondary School	250,000		250,000		250,000
20.3. kagongo secondary school	2,100,000.00		2,100,000.00		2,100,000.00
<b>20.4 Re-allocations</b>	-	-	-	<b>13,600,000</b>	<b>(13,600,000)</b>
20.41.Wanjeri Sec Sch				800,000	
20.42.Turasha secondary School				200,000	
20.43.Mikeu Secondary School				2,000,000	
20.44 Kiambogo Secondary School				1,000,000	
20.45. Geta Secondary School				2,000,000	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIPIPIRI CONSTITUENCY**

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Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
20.46.Wanjohi Secondary School				1,200,000	
20.47. Kipipiri School				2,000,000	
20.48 Wanjohi Girls Secondary School				4,000,000	
20.49. Malewa Secondary School				400,000	
<b>9.0 Tertiary institutions Projects(List all the Projects)</b>					
9.1					
9.2					
9.3					
9.4					
<b>10.0 Security Projects</b>	<b>14,600,000</b>		<b>14,600,000</b>		<b>14,600,000</b>
10.1.Purchase of Ass. Chief's 0.5 Acrea	2,500,000		2,500,000	0	2,500,000
10.2.Construction of Ass. Chief's office	5,600,000		5,600,000	0	5,600,000
10.3.Renovation of Chief's offices	2,000,000		2,000,000	0	2,000,000
10.4.Lereshwa AP houses	1,000,000		1,000,000	0	1,000,000
10.5.Turasha AP Post	500,000		500,000	0	500,000
10.6.Mwangaza AP Post	1,000,000		1,000,000	0	1,000,000
10.7.Magomano AP Post	1,000,000		1,000,000	0	1,000,000
10.8.Kahiga AP Post	1,000,000		1,000,000	0	1,000,000
10.9.Kipipiri OCPD office	1,500,000		1,500,000		1,500,000
10.10.Geta Police Station	1,000,000		1,000,000	0	1,000,000
<b>10.11 Re-allocations</b>	-	-	-	<b>4,400,000</b>	<b>(4,400,000)</b>
10.12.Turasha Chiefs Office				1,000,000	0
10.13Geta DO's Office				700,000	0
10.14Lereshwa AP Post				700,000	0
10.15 Gatondo AP Post				1,000,000	0
10.16.Mikeu Chiefs Office				1,000,000	0
<b>11.0 Acquisition of assets</b>					

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
11.1 Motor Vehicles (including motorbikes)		742	742	0	742
11.2 Construction of CDF office		4,400,000	4,400,000	0	4,400,000
11.3 Purchase of furniture and equipment		0	0	0	0
11.4 Purchase of computers		0	0	0	0
11.5 Purchase of land		1,358,620	1,358,620	0	1,358,620
11.6 Refurbishment of buildings				300,000	
<b>12.0 Others</b>	<b>7,355,001</b>	<b>0</b>	<b>7,355,001</b>	<b>0</b>	<b>7,355,001</b>
12.1 Strategic Plan		3,500,000	3,500,000	0	3,500,000
12.2 Innovation Hub		1,169,259	1,169,259	0	1,169,259
<b>TOTAL</b>	<b>137,367,724</b>	<b>66,410,765</b>	<b>203,778,489</b>	<b>48,833,274</b>	<b>154,945,215</b>

I. The Original budget of Ksh 137,367,724 comprises of Ksh 7,355,000 which has not been approved for ,Lereshwa Secondary Ksh 2,105,000, St Peter Secondary Ksh 1,500,000, Manunga Secondary School, Ksh 1,500,000 ,Gathuthi Secondary Ksh 1,500,000 and Rumwe Primary Ksh 750,000.

## **XII. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of Compliance and Basis of Preparation**

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

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

### **2. Reporting Entity**

The financial statements are for the NGCDF-KIPIPIRI Constituency. The financial statements encompass the reporting NGCDF Kipipirias specified under section 81 of the PFM Act 2012

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

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

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

#### **Tax Receipts**

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

#### **Transfers from the Exchequer**

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

## **SIGNIFICANT ACCOUNTING POLICIES**

### **External Assistance**

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

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

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

During the year ended 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) – KIPIPIRI  
CONSTITUENCY**

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**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO:B047293	1	55,040,876	0
AIE NO:B047474	2	4,000,000	0
AIE NO:B104345	3	15,000,000	0
AIE NO;B049320	4	15,000,000	0
AIE NO:B096590	5	14,000,000	0
AIE NO:B096849	6	20,000,000	0
AIE NO:B005166	1	0	54,784,483
AIE NO:B006269		0	15,000,000
AIE NO:B006393		0	10,000,000
AIE NO:B047013		0	29,000,000
<b>TOTAL</b>		<b>123,040,876</b>	<b>108,784,483</b>

**2. PROCEEDS FROM SALE OF ASSETS**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIPIPIRI  
CONSTITUENCY**

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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	78,000	5,000
Other Receipts Not Classified Elsewhere	0	0
<b>Total</b>	<b>78,000</b>	<b>5,000</b>

**4. COMPENSATION OF EMPLOYEES**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of temporary employees	1,369,459	795,382
Personal allowances paid as part of salary (leave allowance)	0	10,000
Pension and other social security contributions (Gratuity)	442,370	481,430
Employer Contributions Compulsory national social security schemes–NSSF	24,400	22,400
NHIF	45,350	0
PAYE	0	0
<b>Total</b>	<b>1,881,579</b>	<b>1,309,212</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIPIPIRI  
CONSTITUENCY**

**Reports and Financial Statements  
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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	936,800	1,904,500
Office Rent	51,500	79,000
Utilities, supplies and services	123,125	164,795
Communication, supplies and services	183,950	0
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	166,648	0
Rentals of produced assets	0	0
Training expenses	0	289,340
Hospitality supplies and services	222,300	0
Insurance costs	0	150,715
Fuel ,Oil & Lubricant	401,799	0
Specialized materials and services	0	0
Office and general supplies and services	1,238,742	485,460
Other operating expenses-Bank Charges	7,680	26,345
Routine maintenance – vehicles and other transport equipment	93,158	0
Routine maintenance – other assets	0	0
<b>Total</b>	<b>3,425,702</b>	<b>3,100,155</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIPIPIRI  
CONSTITUENCY**

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

*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
Transfers to primary schools (see attached list)	11,800,000	20,300,000
Transfers to secondary schools (see attached list)	15,089,963	23,200,000
Transfers to tertiary institutions (see attached list)	0	0
Transfers to health institutions (see attached list)	0	0
<b>TOTAL</b>	<b>26,889,963</b>	<b>43,500,000</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	0	29,457,366
Bursary – tertiary institutions (see attached list)	6,927,620	8,024,430
Bursary – special schools (see attached list)	0	155,000
Mock & CAT (see attached list)	0	0
Security projects (see attached list)	4,400,000	6,000,000
Sports projects (see attached list)	0	1,452,110
Environment projects (see attached list)	108,410	2,336,200
Emergency projects (see attached list)	4,900,000	5,738,993
<b>Total</b>	<b>16,336,030</b>	<b>53,164,099</b>

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

**8. ACQUISITION OF ASSETS**

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	300,000	0
Purchase of Vehicles and Other Transport Equipment	0	4,439,954
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
<b>Total</b>	<b>300,000</b>	<b>4,439,954</b>

**9. OTHER PAYMENTS**

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Olkalou –Branch Account No.</i>	85,787,541	11,369,889
<b>Total</b>	<b>85,787,541</b>	<b>11,369,889</b>
<b>10B: CASH IN HAND</b>		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations ( <i>specify</i> )	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<i>[Provide cash count certificates for each]</i>		

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**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>
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
<i>Total</i>				<u>0</u>

**12A. RETENTION**

	<b>2019 - 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**12B. GRATUITY DEPOSITS**

	<b>2019 - 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Esther MuthoniMwangi	111,600	132,060
Gabriel NjinjuMwangi	93,000	108,810
Nehemiah KabaikuGathumbi	70,680	82,460
Samuel MurayaKinuthia	70,680	82,460
Grace WangariKiragu	10,850	54,250
Martin NjorogeWanjiru	85,560	21390
<b>Total</b>	<b>442,370</b>	<b>481,300</b>

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**13. BALANCES BROUGHT FORWARD**

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	11,369,889	6,783,426
Cash in hand	0	0
Imprest	0	0
<b>Total</b>	<b>11,369,889</b>	<b>6,783,426</b>

**14. PRIOR YEAR ADJUSTMENTS**

Description of the error	Balance b/f FY 2018/2019 as per Financial statements Kshs	Adjustments Kshs	Adjusted Balance b/f FY 2018/2019 Kshs
Bank account Balances	1,000,080	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others Reversed Cheque Paid	310,320	310,320	0
	<b>1,310,400</b>	<b>310,320</b>	<b>0</b>

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST**

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

**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)	481,430	
Deposit and Retentions held during the year (B)	442,370	481,430
Deposit and Retentions paid during the Year (C)		
Net changes in account receivables D= A+B-C	<b>923,800</b>	<b>481,430</b>

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**17. OTHER IMPORTANT DISCLOSURES**

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

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

**17.2: PENDING STAFF PAYABLES (See Annex 2)**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
NGCDFC Staff	0	0
Others ( <i>specify</i> )	0	0
	0	0

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

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	3,518,421	1,764,091
Use of goods and services	13,609,114	2,490,216
Amounts due to other Government entities (see attached list)	67,795,037	28,238,993
Amounts due to other grants and other transfers (see attached list)	51,886,606	18,043,874
Acquisition of assets	743	260,046
Others ( <i>specify</i> )	18,135,295	14,298,144
	<b>154,945,216</b>	<b>65,095,364</b>

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17.4: PMC account balances (See Annex 5)

P.M.C	F/Y 2018-2019 Bank Account balance as at 30/06/2020 KSHS.	2018-2019 KSHS
	51,756,726.40	55,522,439

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**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	A	b	C	d=a-c	
<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.						
	Sub-Total					
<b>Middle Management</b>						
4.						
5.						
6.						
	Sub-Total					
<b>Unionisable Employees</b>						
7.						
8.						
9.						
	Sub-Total					
<b>Others (specify)</b>						
10.						
11.						
12.						
	Sub-Total					
	Grand Total					



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

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2018/2019</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2019/20</b>
Land	0	0		0
Buildings and structures	0	0		0
Transport equipment	643,050	0		643,050
Office equipment, furniture and fittings	667,250	0		667,250
ICT Equipment, Software and Other ICT Assets	698,380	0		698,380
Other Machinery and Equipment	4,788,717	0		4,788,717
Heritage and cultural assets				
Intangible assets				
<b>Total</b>	<b>6,797,397</b>	<b>0</b>		<b>6,797,397</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

PMC	Bank	Account number	Bank Account balance as at 30/06/2020	Bank Account balance as at 30/06/2019
St. Peters Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369622	563,320.00 CR.	40,525.00 CR.
Kahiga Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369631	40,525.00 CR.	399,890.00 CR.
Mikeu Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369628	228,460.00 CR.	114,205.00 CR.
Mwangaza Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369611	264,205.00 CR.	765,175.00 CR.
Turasha Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369602	2,062,904.50 CR.	765,175.00 CR.
Karuri Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369621	312,120.00 CR.	212,120.00 CR.
Jura Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369644	663,640.50 CR.	506,920.00 CR.
Gathiriga Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369577	1,868,680.50 CR.	4,329,362.00 CR.
Wendani Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369589	30,786.25 CR.	123,906.00 CR.
Ndemi Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369566	2,426,685.00 CR.	26,685.00 CR.
Satima Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369576	8,150.00 CR.	105,530.00 CR.
Rayetta Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369544	810,010.00 CR.	1,000,000.00 CR.
Mara Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369583	31,742.00 CR.	112,672.00 CR.
Machinery Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369616	29,296.50 CR.	170,276.00 CR.
Gatondo Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369407	164,580.00 CR.	114,580.00 CR.
Gitei Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369558	59,757.00 CR.	9,757.00 CR.
Forest One Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369377	1,750,000.00 CR.	1,750,000.00 CR.
Migaa Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369551	3,203,870.00 CR.	2,553,870.00 CR.

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PMC	Bank	Account number	Bank Account balance as at 30/06/2020	Bank Account balance as at 30/06/2019
Kiburuti Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369594	700,000.00 CR.	650,000.00 CR.
Kipipiri Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369561	167,380.00 CR.	167,380.00 CR.
MitiItanoPimary School - Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369612	250,000.00 CR.	250,000.00 CR.
Magomano Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369548	332,450.00 CR.	936,900.00 CR.
Michore Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369601	300,000.00 CR.	300,000.00 CR.
Kabati Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369423	1,789,030.00 CR.	1,639,030.00 CR.
Gichigirira Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369609	52,080.00 CR.	2,080.00 CR.
Kiamboga Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369552	1,416,149.00 CR.	1,700,000.00 CR.
Kimbo Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373058	163,035.00 CR.	256,170.00 CR.
Ririchua Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277372984	1,862,794.00 CR.	2,669,520.00 CR.
Kiambogo Primary School Ng-Cdf 2018	Equity Bank, OlKalou Branch	0620277369405	3,420,716.80 CR.	2,370,716.00 CR.
Kianjogu Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369393	1,997,800.00 CR.	2,427,980.00 CR.
Wanjohi Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369420	1,010,156.50 CR.	60,156.00 CR.
Mubao Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369573	182,100.00 CR.	550,000.00 CR.
Kanyua Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369446	164,702.00 CR.	164,702.00 CR.
Ndiara Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369606	259,952.50 CR.	400,000.00 CR.
Mahinga Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369637	817,183.00 CR.	904,763.00 CR.
Malewa Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373097	27,696.00 CR.	400,000.00 CR.
Mwireri Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277385993	258,880.00 CR.	200,000.00 CR.

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PMC	Bank	Account number	Bank Account balance as at 30/06/2020	Bank Account balance as at 30/06/2019
Lereshwa Secondary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277386548	574,640.00 CR.	574,640.00 CR.
Kariara Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373125	605,295.00 CR.	700,000.00 CR.
Mumui Secondary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277385998	39,820.00 CR.	800,000.00 CR.
Geta Secondary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277385908	2,039,202.30 CR	600,000.00 CR.
Huhirio Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373241	329,900.00 CR	319,020.00 CR.
Kagongo Secondary School Ng-Cdf 2018	Equity Bank, OlKalou Branch	0620277385977	1,788,305.00 CR	3,816,700.00 CR.
A.C.C Miharati Offices Ng-Cdf 2018 Project	Equity Bank, OlKalou Branch	0620277382817	68,739.50 CR.	68,739.00 CR.
Gatondo Mixed Secondary Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277386036	61,100.00 CR.	800,000.00 CR.
Karia-Ini Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373209	169,881.00 CR.	350,000.00 CR.
Njomo Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373251	265,015.00 CR.	29,201.00 CR.
Malewa Secondary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277386006	130,217.50 CR	109,400.00 CR.
Marimu Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277372880	1,889,877.50 CR	1,975,057.00 CR.
Kimuru Secondary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277386017	216,451.30 CR.	1,677,310.00 CR.
Manunga Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373250	400,000.00 CR.	400,000.00 CR.
Jura Secondary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277385956	442,820.00 CR.	442,820.00 CR.
Wanjohi Mixed Day Secondary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277400005	489,568.25 CR.	268,900.00 CR.
Bondeni Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373257	193,658.00 CR.	655,728.00 CR.
Mumui Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373246	1,017,134.00 CR.	417,134.00 CR.

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PMC	Bank	Account number	Bank Account balance as at 30/06/2020	Bank Account balance as at 30/06/2019
Gathuthi Secondary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277385972	2,024,556.50 CR.	4,023,448.00 CR.
Kimuru Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373261	300,000.00 CR.	300,000.00 CR.
Makumbi Location Aps Camp Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369812	101,953.00 CR.	101,953.00 CR.
Rumwe Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277386004	949,760.00 CR.	399,760.00 CR.
NgaruaRironi Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277400140	200,000.00 CR.	200,000.00 CR.
Mihato Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277372769	350,000.00 CR.	350,000.00 CR.
Gathuthi Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373235	750,000.00 CR.	550,000.00 CR.
Rutuba Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373249	2,126,793.00 CR.	3,114,580.00 CR.
Mureranjau Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277393092	62,140.00 CR.	12,140.00 CR.
Rutummo Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277372723	59,820.00 CR.	100,000.00 CR.
Githioro Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373130	403,695.00 CR.	800,000.00 CR.
Mahindu Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277372655	196,726.50 CR.	276,646.00 CR.
Mawingu Location Chiefs Ap Camp Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373252	53,868.00 CR.	53,868.00 CR.
NdemiAp Camp Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373224	51,421.00 CR.	118,041.00 CR.
Mawingo Secondary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277393096	56,455.00 CR.	56,455.00 CR.
Kagongo Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373237	1,164,580.00 CR.	114,580.00 CR.
Kamahia Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277393114	1,123,779.00 CR.	615,099.00 CR.

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PMC	Bank	Account number	Bank Account balance as at 30/06/2020	Bank Account balance as at 30/06/2019
Munyuini Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369389	917,362.00 CR.	917,362.00 CR.
Kigogo Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373242	505,820.00 CR.	600,000.00 CR.
Ihiga Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369444	257,290.00 CR.	350,000.00 CR.
Ngatho Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277373260	512,459.00 CR.	250,000.00 CR.
Kamagoko Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277372690	55,468.30 CR.	850,000.00 CR.
Gitwe Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369596	2,539,963.00 CR.	150,000.00 CR.
Karima Primary School Ng-Cdf Project 2018	Equity Bank, OlKalou Branch	0620277369374	262,820.00 CR.	350,000.00 CR.
Mikeu Locational Chief Camp	Equity Bank, OlKalou Branch	0620299586288	1,749,942.50 CR	-
<b>TOTALS</b>			<b>51,756,726.40</b>	<b>55,522,439</b>

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OUR REF: NGCDFKIP/2020/Vol. 03/30 March 30, 2020	<b>Presentation of Financial Statements.</b> The financial statements for the year ended 30 June 2019 do not conform to the format prescribed by the Public Sector Accounting Standard Board (PSASB)	The errorshave been noted, edited and attached is the revised copy.	Jesee Mbuthia	Not Resolved.	30/09/2020
	<b>Inaccuracies in Financial Statements</b> The variance of Kshs. 6,783,426 is the cash and cash equivalent balance at the end of FY 2017-2018	The variance of Kshs. 6,783,426 is the cash and cash equivalent balance at the end of FY 2017-2018 as follows:	Jesee Mbuthia	Not Resolved.	30/09/2020
	<b>Unsupported Bursary Payments</b> Bursaries totalling Kshs. 424,000 were issued to students from private universities . The list of beneficiaries provided revealed that the total bursaries issued was of Kshs. 25,107,605.00	Kindly find the attached copies of bursary application registers and list of acknowledgements. Please note that the balance brought forward of Kshs. 12,529,191.00 was from the previous financial year 2017/2018 and was spent in	Jesee Mbuthia	Not Resolved.	30/09/2020

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	whereas the amount reported in the financial statements is Kshs. 30/09/202037,636,796.00 resulting to an unreconciled variance of Kshs. 12,529,191.00.	F/Y 2018/2019			
	<b>Unsupported Gratuity Payable.</b> The financial statements reflects staff gratuity of Kshs. 481,300. In addition, recasting of Note 12B revealed a total of Kshs. 560,480 instead of Kshs. 481,300 resulting to an undercast of Kshs. 79,180.	The corrections have been done. Please find financial statement attached, including copies of the NGCDF Kipipiri Staff service gratuity tabulation which shows the difference of Kshs. 79,050.	Jesee Mbutithia	Not resolved.	30/09/2020
	<b>Variances between Financial Statements and Supporting Schedules</b> The accuracy and completeness of committee expenses balance of Kshs. 1,904,500 for the year ended 30 June 2019 could not be confirmed.	The corrections have been done	Jesee Mbutithia	Not resolved	30/09/2020
	<b>Cash and Cash Equivalents</b> The bank reconciliation statement presented for audit revealed a stale cheque of Kshs. 118,000	The stale cheques were reversed thereafter	Jesee Mbutithia	Not resolved	30/09/2020
	<b>. Prior Year Adjustments</b> The cashbook balance under cast could not be traced in the	Please find attached copies of the cash book showing the breakdown of the	Jesee Mbutithia	Not resolved	30/09/2020

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIPIPIRI CONSTITUENCY**

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	<p>cashbook. Further no reason was given for the reversals bursary cheques</p> <p><b>Cash Payments</b> The propriety and validity of the expenditure of Kshs 1,619,550 on procurement of various items during the year ended 30 June 2019 could not be confirmed.</p>	<p>adjustments.</p> <p>The management will procure for the various items and services accordingly.</p>	<p>Jesee Mbuthia</p>	<p>Not resolved</p>	<p>30/09/2020</p>
	<p><b>Revenue Budget Analysis</b> Kipipiri Constituency had a final budget of Kshs.170,608,785 against actual disbursements of Kshs. 115,567,909 resulting to a shortfall of Kshs.55,040,876 or 32%</p> <p><b>Expenditure Budget Analysis</b> final budget of Kshs. 170,608,785 against actual expenditure of Kshs.105,513,420 resulting to an overall under-absorption of Kshs.65,095,364 or 38% of the budgeted amount</p> <p><b>Project Verificanz</b> Projects with a total allocation of Kshs. 54,950,000 were visited for</p>	<p>This is as a result of delayed disbursement of funds by the NG CDF Board.</p> <p>the matter raised must be erroneous</p> <p>Please note that the PMC procurement process and implementation of projects is</p>	<p>Jesee Mbuthia</p>	<p>Not resolved</p>	<p>30/09/2020</p>

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	<p>verification between 20 and 21 January, 2020, out of which twenty-one (21) projects with a total allocation of Kshs. 37,800,000 were found to have audit issues</p> <p>it was observed that the Project Management Committees were not independently carrying out procurement of goods, services and works, implementation of projects and payment for goods, services and works as required by section 36 (1) of the National Government Constituencies Development Fund Act, 2015</p>	<p>done by the PMCs</p>			
	<p><b>Irregular Implementation of Sports Projects</b></p> <p>-it was observed that NGCDF implemented various sports activities contrary to requirement of NG-CDF Act,</p>	<p>The management will liaise with the NG-CDF Board on management of sports activities by the NG-CDF committees. The procurement process for the various items was done</p>	<p>Jesse Mbuthia</p>	<p>Not resolved</p>	<p>30/09/2020</p>

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	-it was noted that the items procured were single sourced contrary to section 118 of the Public Procurement and Assets Disposal Act, 2015				
	<b>Emergency Projects.</b> The projects lacked documentations to show that they were of emergency in nature.	The NG-CDF Committee approved the projects under emergency based on the requests from the PMCs and reports from the Public Health Officer on the status and urgency of the projects in schools.	Jesse Mbuthia	Not resolved	30/09/2020
	<b>Irregular Procurement Processes</b> The procurement of goods and services worth Kshs.9,939,954 could not be confirmed as flawless.	The issues have been noted and will be addressed by the individual Project Management Committees as per the action points for each of the mentioned projects	Jesse Mbuthia	Nut resolved	30/09/2020

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	<p><b>Failure by the NGCDFC Secretary and Chairperson to Perform their Duties</b></p> <p>The Fund Accounts Manager took the minutes of the meeting held in the presence of the NGCDFC Secretary. It is therefore not clear why the secretary to the committee could not undertake his duty as stipulated under Section 9(2b) to the NGCDF Regulations 2016. It was further observed that, the Secretary and the Chairperson did not sign the minutes of the NGCDFC before they were used for the execution of the projects</p>	<p>The issue of FAM writing minutes has been noted and going forward, the Secretary will take minutes as stipulated.</p> <p>The issue of the Secretary and Chair signing minutes has been noted. It is true that the minutes were used for the execution of projects before signing due to the urgency of the payments.</p>	<p>JrseeMbuthia</p>	<p>Not resolved</p>	<p>30/09/2020</p>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIPIPIRI CONSTITUENCY**  
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	<p><b>Irregular Payment of Salaries</b>                      The employees had not signed letters of appointment and therefore, it was not clear what formed the basis of payment of salaries</p>	<p>Attached please find the appointment letter for the driver. The appointment letter for Grace was ready but had not been signed by the NG-CDF Chairman. However, the officer is no longer in the office</p>	<p>Jesse Mbutia</p>	<p>Not resolved.</p>	<p>30/09/2020</p>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIPIPIRI CONSTITUENCY**

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	<p><b>Irregular Payment of Salaries</b> The employees had not signed letters of appointment and therefore, it was not clear what formed the basis of payment of salaries</p>	<p>Attached please find the appointment letter for the driver. The appointment letter for Grace was ready but had not been signed by the NG-CDF Chairman. However, the officer is no longer in the office</p>	<p>Jeese Mbuthia</p>	<p>Not resolved.</p>	<p>30/09/2020</p>