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OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KALOLENI CONSTITUENCY**

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -
KALOLENI CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KALOLENI 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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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)

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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 Kaloleni Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Elisha M. Ade
2.	National Sub-County Accountant	Eric Mutuku
3.	Chairman NGCDFC	Lennoxeny Mtengo
4.	Member NGCDFC	Aisha Baya

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF Kaloleni Constituency Headquarters

Constituency Headquarters
P.O. Box 222-80105
NGCDF Kaloleni Building
Off Walea Road
KALOLENI-GIRYAMA, KENYA

(f) NGCDF Kaloleni Constituency Contacts

a. NGCDF Kaloleni Constituency Contacts

P.O Box 222-80105

KALOLENI

E-mail: ngcdfkaloleni@ngcdf.go.ke

Website: www.go.ke

(g) NGCDF Kaloleni Constituency Bankers

1. Constituency account banker details

Cooperative Bank of Kenya Ltd

Mariakani Branch

A/C No. 01141253838300

P.O BOX 435-80113

MARIAKANI

(h) Independent Auditors

Auditor- General

Office of the Auditor- General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

NAIROBI, KENYA

(i) Principal Legal Adviser

The Attorney -General

State Law Office

Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

a) Location of the constituency

Kaloleni Constituency is located in Kilifi County. It is constituency no. 013 and in a coverage area of approximately 706.1 sq.km. The population density of kaloleni Constituency is 274 residents per sq.km. The population of Kaloleni is 193,682 peoples. (ref : 2019 Kenya population and housing census). The Constituency has four (4) wards namely, Mariakani, Kayafungo, Kaloleni and Mwanamwinga.

b) Brief on Financial Performance

In the financial year 2019-2020 NGCDF Kaloleni had a total budget for utilisation of Kshs.230,074,804. This amount resulted from original budget of Kshs. 137,367,724, amount owed from board as at beginning of the financial year totalling to 64,330,875 and balance carried forward from previous year (2018-2019) of Ksh. 26,366,205. The constituency was able to receive Kshs. 134,340,876 from the board translating to 69.8% of the total funds received and available for use during the year

The NGCDFC utilised the available funds as follows: Compensation to employees Kshs. 1,180,572, Use of goods and services Kshs. 6,396,451, Transfer to Primary and Secondary Schools Kshs. 58,800,000, Bursaries to various institutions Kshs. 44,368,000, security sector Kshs. 6,720,000, Environment Improvement Kshs. 2,747,354, Acquisition of School desks Kshs. 13,200,000 and acquisition of fixed assets Kshs. 7,886,159. This resulted to total budget utilization of 61.3%. As at the closure of the financial year under review the NGCDFC owed NGCDF board Kshs. 69,367,723. This affected negatively our overall performance.

c) Key Achievements

i.Education

We endeavour to provide better learning environment through construction and renovation of classrooms, construction of dormitories, construction and renovation of administration blocks, construction of toilet blocks , supply of School desks among others

The NG CDF Kaloleni managed to do eight major primary school projects and four Secondary school project totaling to a tune of Kshs 58,500,000. The Project targeted constructions of classrooms, Library, administration block, dormitories, School desks and purchase of school bus

The major beneficiaries includes:-

1. Migwaleni primary school
2. Mwanawiji primary school
3. Migwaleni Primary School
4. Kinani primary school
5. Baraka primary school
6. Vuga primary school
7. Vishakani Primary School
8. Imani Primary School
9. Mwijo secondary school
10. St. Johns Secondary School

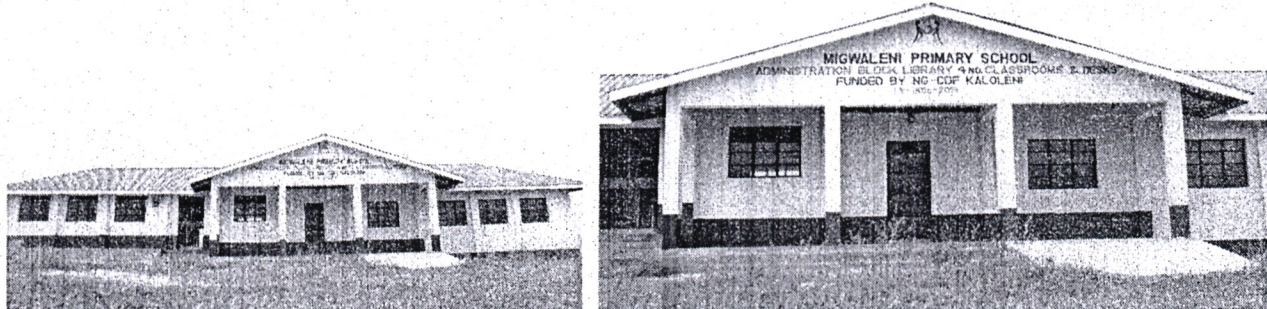
We expect the implemented projects to contribute positively to the improvement of educational infrastructure in Kaloleni. This will improve the quality of educational standards and better results for our learners

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

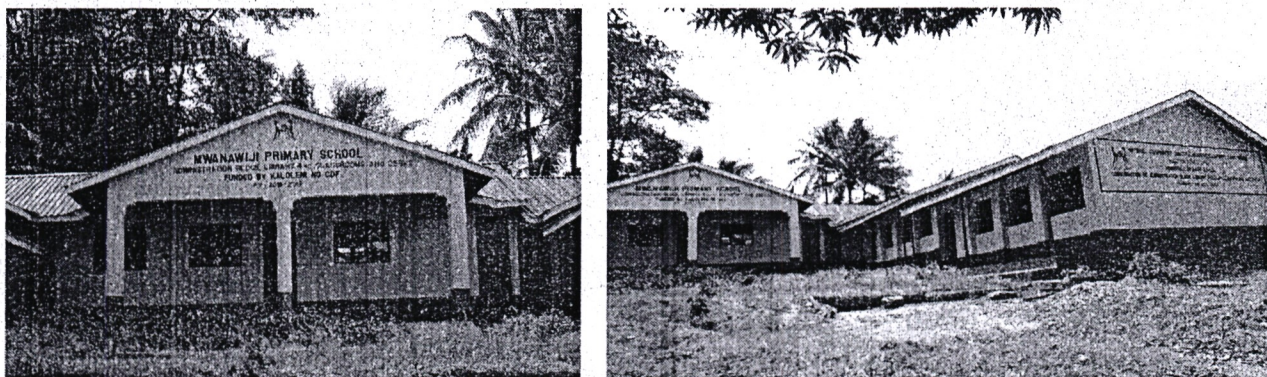
Reports and Financial Statements

For the year ended June 30, 2020

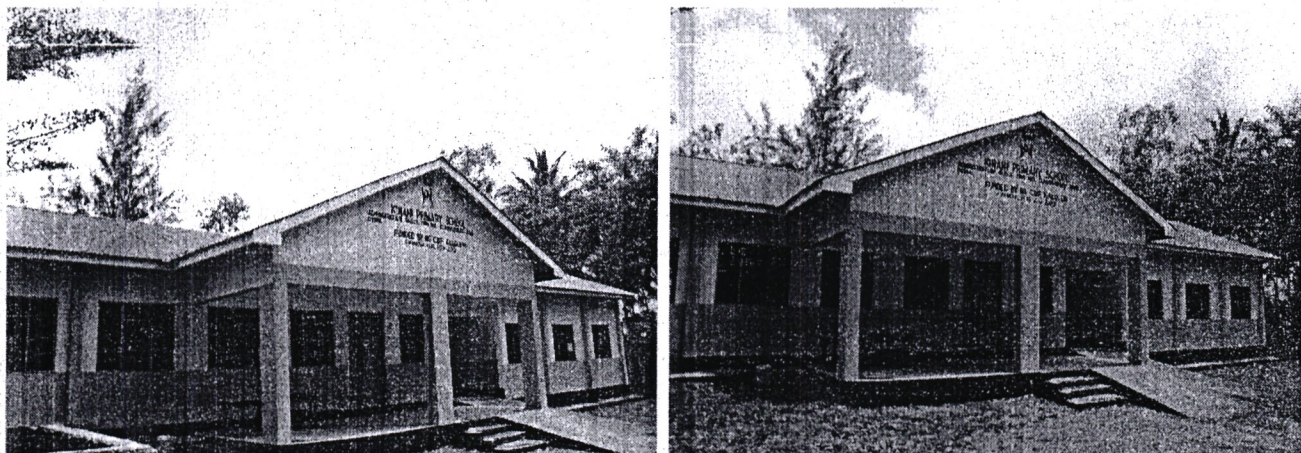
Migwaleni primary school-Administration block, library, 4No Classrooms and desks.



Mwanawiji Primary School-Administration block, library, 4No Classrooms and desks.



Kinani Primary School-Administration block, 2No Classrooms and desks



ii. Bursaries

During the year under review the NG-CDFC managed to distribute bursaries to a tune of Kshs.44,368,000. The bursaries were distributed to the needy and deserving students who are learning in day secondary schools, boarding secondary schools, tertiary institutions of higher learning and universities.

Many needy students were retained in schools thereby increasing the retention rates and improving the standards of education in the area. Many students too were highly motivated to learn in the

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schools without being chased quite often to search for school fees. The social living standards of the student parents also improved a lot.

iii. Environmental

In Kaloleni there are some areas which are very dry and receive very little rainfall, so we supplied some school with tree seedlings to be planted to increase the plant vegetation. We used Kshs 2,747,354.48 for this exercise. This exercise will contribute to climatic change within the areas and also create conducive learning environment

iv. Security

The NG-CDF Kaloleni supported improvement of security infrastructures within the area with a tune of Ksh. 6,720,000. The activities involved construction and renovations of Assistant County commissioner's offices, Assistant Chiefs offices and KPS administration Police Kaloleni. We believe this partnership will boost the security within Kaloleni Constituency

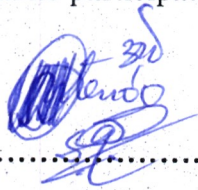
v. Acquisition of Assets

The NGCDFC acquired a brand new Toyota double cabin vehicle from Toyota Kenya at a cost of Kshs. 6,929,1311. The Vehicle has increased mobility of NGCDFC members to and from project sites. This improved our continuous monitoring of progress of our projects.

d. Challenges experienced.

- During the financial year there was emergence of a world pandemic (Corona virus) which negatively affected the project implementation due to strict Ministry of Health guidelines. All stone quarries within Kilifi County were closed to curb the spread of the virus. This affected the project completion timeline.
- Challenges of disbursements of fund from the NGCDF board. As at the closure of the financial year the constituency owed from the board Kshs.69,367,723. This resulted to the under utilisation as the figure accounts for more than 40% of the projects for the financial year.

On behalf of the Kaloleni NGCDFC and my own behalf, I take this glorious opportunity to appreciate the entire Kaloleni Constituency residents for cooperation you accord to us during project public participation, project identifications and project implementation period.



Sign:

19TH March, 2021
Chairman NG-CDF Committee- Kaloleni

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v. 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-Kaloleni Constituency's 2018-2022 plan are to:

- a) To improve education infrastructure in the Constituency for conducive learning
- b) To increase enrolment in primary and secondary
- c) To improve security in the Constituency for Social Economic growth
- d) To alleviate poverty
- e) To support needy and deserving students through provision of bursary to improve education levels in the constituency
- f) To support sports and recreation activities in the constituency with the aim of nurturing sports
- g) To conserve the environment through tree planting and other environment conservation activities

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, tertiary - number of bursary beneficiaries at all levels	In FY 19/20 -we increased number of classrooms, dormitories in the following schools/institutions Baraka primary, Migwaleni primary, Mwanawiji primary, Mwakolo primary, Mwijio secondary etc - Bursary beneficiaries at all levels were as per the attached schedules
Security	To improve security in the Constituency for Social Economic growth	Improved contact and service to the citizens by interior ministry and Kenya Police	- number of usable physical infrastructure build for Assistant county commissioners, Chiefs and Police stations	In the FY 19/20 -we increased number of offices by construction at Kayafungo ACC, Mbalamweni Assistant chief

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		Service		
Environment	h) To conserve the environment	preservation of nature and natural resources	-Improve and Increase vegetation cover and manage waste disposal process	- Tree planting in public places within the constituency ie Chanagande, Mwareni, Miyani, Kaloleni Girls Secondary Schools. Kinani, Makululu, Mgamboni, Tsakarolovu, Viragoni Primary Schools
Sports	i) To support sports and recreation activities in the constituency	nurturing sports and engaging youth to eliminate idleness	Purchase of sports equipment and facilities for Schools and various youth groups in the constituency	Distribution of football, netball, Basketball, volleyball balls, Hockey equipment and gears, Construction of Football, Netball, Volleyball posts and Goals for various schools and communities which include St, John's Girls, Vuga, Imani, Makomboani, Mahenzo, Tsangatsini

vi. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – Kaloleni 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 –

To facilitate achievement of its objectives, Kaloleni NGCDF involves integration of organisational activities and allocation of scarce resources with respect to Clients, Employees, Suppliers, and the general public at large, the spirit of Public participation where meetings are conducted covering all four wards in the Constituency. The wards are namely: Kaloleni, Mariakani, Kayafungo and Mwanamwinga. The aim of the meeting is to capture Ward prioritised projects, appropriate strategic themes and strategic activities.

2. Environmental performance

To conserve the environment through preservation of nature and natural resources by improving and Increasing vegetation cover and manage waste disposal process. Tree plant is undertaken in public places within the constituency ie Chanagande, Mwareni, Miyani, Kaloleni Girls Secondary Schools. Kinani, Makululu, Mgamboni, Tsakarolovu, Viragoni Primary Schools. However this effort is at times faced with challenges which include shortages of water and rains to assist in the maintenance and management of related projects, poor road network to facilitate implementation of projects.

3. Employee welfare

To ensure professionalism and fairness, hiring of employees is competitively conducted. Career development in staff is conducted through provision of training and seminars to staff and their reward system aim at making sure the work in conducive environment without stress and are also motivated. Safety standards are adhered to by provision of required accessibility for Persons living with disability, installation of hand washing points and sanitizers as a measure to prevention of covid-19. Other safety measures include installation of fire extinguishers, emergency exit and fire assembly point in the event of emergency.

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

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

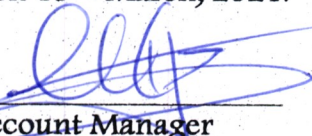
The Accounting Officer in charge of the NGCDF-Kaloleni Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020.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

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

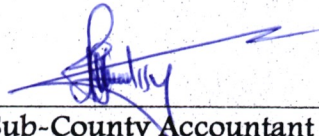
The Accounting Officer in charge of the NGCDF-Kaloleni Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible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

Approval of the financial statements

The NGCDF-Kaloleni Constituency financial statements were approved and signed by the Accounting Officer on **19TH March, 2021**.



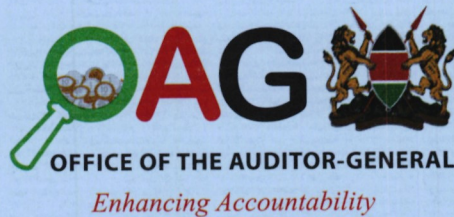
**Fund Account Manager
Elisha Ade**



**Sub-County Accountant
Eric Mutuku
ICPAK Member No: 20668**

REPUBLIC OF KENYA

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NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kaloleni Constituency set out on pages 13 to 47, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Kaloleni 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 Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matter

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. Budgetary Control and Performance

1.1 Budget Shortfall

The Fund's summary statement of appropriation: recurrent and development combined for the year ended 30 June, 2020 reflects revenue budget for the year under review of Kshs.230,190,804 against total receipts of Kshs.160,823,081, resulting to budget under funding of Kshs.69,367,723 or 30%.

The under collection of Kshs.69,367,723, representing 30% of the budget is an indication that projects have not been funded as planned. The underutilization of funds may have impacted negatively on the delivery of goods and services to the citizens of Kaloleni Constituency.

1.2 Under Expenditure on Budget

The Fund's summary statement of appropriation: recurrent and development combined for the year ended 30 June, 2020 reflects overall expenditure budget for the year under review was Kshs.230,190,804 against total actual expenditure of Kshs.140,998,536, resulting to budget under absorption of Kshs.89,192,268 or 39%.

The under absorption of Kshs.89,192,268, representing 39% of the budget is an indication of improper planning and implementation of projects. The underutilization of funds may have impacted negatively on the delivery of goods and services to the citizens of Kaloleni or may be an indication of over-budgeting by the National Government Constituencies Development Fund - Kaloleni Constituency.

2. Projects Implementation Status

2.1 Projects Not Started

A review of the projects implementation status report as at 30 June, 2020 indicated that sixty-three (63) projects amounting to Kshs.137,736,724 were approved by the National Government Constituency Development Board. However, the report revealed that twenty-three (23) projects costing Kshs.46,475,664 were not implemented. This amount was lying idle in the Project Management Committee (PMC's) bank accounts as at 30 June, 2020. No explanation was availed to the audit as to why the projects have not been implemented.

The above state of affairs is an indication of lack of proper planning for and management of projects for the benefit of the citizens of Kaloleni.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis of Conclusion

Project Management Committee - Bank Balances

Note 17.4 to the financial statements reflects projects management committee bank balances amounting to Kshs.33,308,906 and as detailed in Annex 5 to the financial statements , out of which bank balance of Kshs.148,178 held in Co-operative Bank of Kenya Limited was lying idle in the bank accounts since the projects had been completed. This is contrary to Section 12(8) of 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'.

Therefore, the Management was in breach of Laws.

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 systems and overall governance were not effective.

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 governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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

03 February, 2022

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

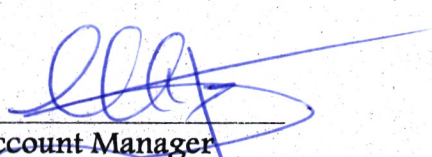
Reports and Financial Statements

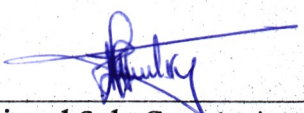
For the year ended June 30, 2020

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

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	134,340,876	98,984,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	116,000	140,000
TOTAL RECEIPTS		134,456,876	99,124,483
PAYMENTS			
Compensation of employees	4	1,180,572	1,308,400
Use of goods and services	5	6,396,451	5,901,447
Transfers to Other Government Units	6	58,500,000	35,909,921
Other grants and transfers	7	67,035,354	52,536,787
Acquisition of Assets	8	7,886,159	4,331,034
Other Payments	9	-	-
TOTAL PAYMENTS		140,998,536	99,987,589
SURPLUS/(DEFICIT)		(6,541,660)	(863,106)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kaloleni Constituency financial statements were approved on **19TH March, 2021** and signed by:


Fund Account Manager
Elisha Ade

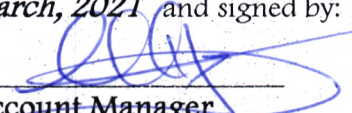

National Sub-County Accountant
Eric Mutuku
ICPAK Member No: 20668

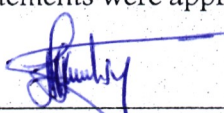
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KALOLENI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

x. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2020

	Note	2019-2020 Kshs	2018-2019 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	19,824,545	26,366,205
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		19,824,545	26,366,205
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		19,824,545	26,366,205
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
TOTAL FINANCIAL LIABILITES		19,824,545	26,366,205
NET FINANCIAL ASSETS		19,824,545	26,366,205
REPRESENTED BY			
Fund balance b/fwd	13	26,366,205	27,229,311
Prior year adjustments	14	-	-
Surplus/Defict for the year		(6,541,660)	(863,106)
NET FINANCIAL POSITION		19,824,545	26,366,205

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kaloleni Constituency financial statements were approved on **19TH March, 2021** and signed by:


Fund Account Manager
 Elisha Ade


National Sub-County Accountant
 Eric Mutuku
 ICPAK Member No:20668

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

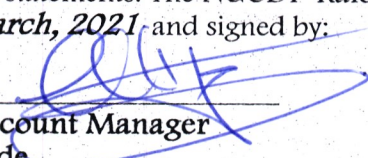
Reports and Financial Statements

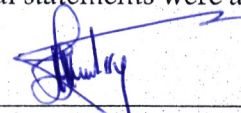
For the year ended June 30, 2020

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

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	134,340,876	98,984,483
Other Receipts	3	<u>116,000</u>	<u>140,000</u>
Total receipts		134,456,876	99,124,483
Payments for operating expenses			
Compensation of Employees	4	1,180,572	1,308,400
Use of goods and services	5	6,396,451	5,901,447
Transfers to Other Government Units	6	58,500,000	35,909,921
Other grants and transfers	7	67,035,354	52,536,787
Other Payments	9	-	-
Total payments		(133,112,377)	(95,656,555)
Total Receipts Less Total Payments		1,344,499	3,467,928
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		1,344,499	3,467,928
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	(7,886,159)	(4,331,034)
Net cash flows from Investing Activities		(7,886,159)	(4,331,034)
NET INCREASE IN CASH AND CASH EQUIVALENT		(6,541,660)	(863,106)
Cash and cash equivalent at BEGINNING of the year	13	26,366,205	27,229,311
Cash and cash equivalent at END of the year		<u>19,824,545</u>	<u>26,366,205</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Kaloleni Constituency financial statements were approved on **19TH March, 2021** and signed by:


Fund Account Manager
Elisha Ade


National Sub-County Accountant
Eric Mutuku
ICPAK Member No:20668

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KALOENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

xii. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30TH JUNE 2020

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,724	92,707,080	230,074,804	134,340,876	95,733,928	58.4%
Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Other Receipts	-	116,000	116,000	116,000	-	100%
Balance b/d (01/7/2020)				26,366,205		
TOTAL RECEIPTS	137,367,724	92,823,080	230,190,804	160,823,081	95,733,928	69.9%
PAYMENTS						
Compensation of employees	3,804,853	1,411,977	5,216,830	1,180,572	4,036,258	22.6%
Use of goods and services	8,558,242	4,652,159	13,210,401	6,396,451	6,813,950	48.4%
Transfers to Other Government Units	62,203,039	46,090,194	108,293,233	58,500,000	49,793,233	54.0%
Other grants and transfers	62,801,590	29,285,724	92,087,314	67,035,354	25,051,960	72.8%
Acquisition of Assets	-	10,757,027	10,757,027	7,886,159	2,870,868	73.3%
Other Payments	-	-	-	-	-	0.0%
Unallocated funds(A.I.A)	-	626,000	626,000	-	626,000	0.0%
TOTAL PAYMENTS	137,367,724	92,823,080	230,190,804	140,998,536	89,192,268	61.3%

- i. The funds received from the board in the financial year under review amounted to 69.9% (Ksh. 160,707,080), a balance of ksh. 69,367,724 was owing to the board as at 30th June 2020.
- ii. The actual funds available for utilization is composed of balance brought down in the beginning of the year (Ksh.26,366,205), total receipts from board through AIES (Ksh. 134,340,876) and total revenue collected during the year (ksh. 116,000)
- iii. The Amount allocated for implementation of Constituency Innovation Hubs of Ksh. 4,677,027 was reallocated to Renovation of constituency office Kaloleni (Ksh, 957,027), Kayatungo Ward ACC Office (KSh. 620,000), Mbalamweni Sub-Location –

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KALOLENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

assistants Chief office (Ksh.250,000), KPS Administration Police Kaloleni-CIPU (Ksh. 1,200,000) and ACC Kaloleni Ward Office (Ksh. 1,650,000)

- iv. Budget utilisation of transfer to other Government units and other grants and transfers was 54.0% and 72.8% respectively. The under utilisation was mainly due to the amount owed to the board as at the closure of financial year 2019-2020
- v. Utilisation of acquisition of Asset was at 73.3% because the amount allocated for purchase of office motor vehicle was not fully utilized. Due to change of the specifications of the vehicle purchased the NG-CDFC made a saving of Kshs. 2,870,868 which is due for re-allocation to other needy areas
- vi. Collected A.I.A by the NG-CDF Kaloleni has accumulated to Kshs. 626,000. This amount has not been appropriate/allocated.

The NGCDF-Kaloleni Constituency financial statements were approved on **19TH March, 2021** and signed by:



Fund Account Manager
Elisha Ade



Sub-County Accountant
Eric Mutuku
ICPAK Member No:20668

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KALOLENI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

xiii. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30TH JUNE 2020

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees, Committee allowances and Use of goods and services	8,558,242	4,652,159	13,210,401	6,396,451	6,813,950
2.0 Monitoring and evaluation					
2.1 Capacity building, committee allowance and use of goods	3,804,853	1,411,977	5,216,830	1,180,572	4,036,258
3.0 Emergency					
	7,198,241	4,609,392	11,807,633	-	11,807,633
4.0 Bursary and Social Security					
4.1 Secondary, tertiary and University Schools	39,836,640	9,256,331	49,092,971	44,368,000	4,724,971
5.0 Sports					
5.1. Kaloleni NG-CDF Sports project	2,747,355	-	2,747,355	-	2,747,355
6.0 Environment					
6.1. Kaloleni NG-CDF Environment project	2,747,354	-	2,747,354	2,747,354	-
7.0 Primary Schools Projects (List all the Projects)					
7.1 Pangayambo Primary school	3,403,039	-	3,403,039	-	3,403,039
7.2 Mnyenzi Primary school	2,200,000	-	2,200,000	-	2,200,000
7.3 Tsangatsini Primary school	3,300,000	-	3,300,000	-	3,300,000
7.4 Maoro Primary school	3,300,000	-	3,300,000	-	3,300,000
7.5 Imani Primary school	2,000,000	-	2,000,000	2,000,000	-
7.6 Vuga Primary school	2,000,000	-	2,000,000	2,000,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KALOLENI 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
7.7 Kizurini Primary school	11,000,000	-	11,000,000	-	11,000,000
7.8 Mwakolo Primary school	11,000,000	-	11,000,000	-	11,000,000
7.9 Mukuluni Primary school	11,000,000	-	11,000,000	-	11,000,000
7.10 Kinani Primary school	3,000,000	-	3,000,000	3,000,000	-
7.11 Migwaleni Primary school	-	11,000,000	11,000,000	11,000,000	-
7.12 Baraka Primary school	-	11,000,000	11,000,000	11,000,000	-
7.13 Mwanawiji Primary school	-	11,000,000	11,000,000	11,000,000	-
7.14 Vishakani Primary school	-	1,500,000	1,500,000	1,500,000	-
7.15 Chalani Primary school	-	2,590,194	2,590,194	-	2,590,194
8.0 Secondary Schools Projects (List all the Projects)					
8.1 Maandani secondary school	3,000,000	-	3,000,000	3,000,000	-
8.2 Moi Kadzonzo Secondary school	3,000,000	-	3,000,000	3,000,000	-
8.3 St. Johns Girls secondary school	2,000,000	-	2,000,000	2,000,000	-
8.4 Miyani Secondary School	2,000,000	-	2,000,000	-	2,000,000
8.5 Mwijo Secondary School	-	9,000,000	9,000,000	9,000,000	-
9.0 Tertiary institutions Projects (List all the Projects)					
9.1					
10.0 Security Projects					
10.1 Kayafungo Ward ACC Office	-	3,000,000	3,000,000	3,000,000	-
10.2 Kayafungo Ward ACC Office	-	620,000	620,000	620,000	-
10.3 Mbalamweni Sub-Location-Assistants chief office	-	250,000	250,000	250,000	-
10.4 KFS Administration police Kaloleni	-	1,200,000	1,200,000	1,200,000	-
10.5 ACC-Kaloleni Ward office	-	1,650,000	1,650,000	1,650,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KALOLENI 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
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	-	9,800,000	9,800,000	6,929,132	2,870,868
11.2 Renovation of NGCDF office Kaloleni	-	957,027	957,027	957,027	-
11.3 Purchase of furniture and equipment					
11.4 Purchase of computers					
11.5 Purchase of land					
12.0 Others					
13.0 School Desks Project					
13.1. Desks to various schools	10,272,000	8,700,000	18,972,000	13,200,000	5,772,000
14.0 Unallocated funds (AIA accumulated)					
Total	137,367,724	92,823,080	230,190,804	140,998,536	89,192,268

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based.)

xiv. 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-Kaloleni Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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.

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

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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

Reports and Financial Statements

For the year ended June 30, 2020

xv. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO.B047288	1	54,040,876	
AIE NO.B047440	2	4,000,000	
AIE NO.B041284	3	18,000,000	
AIE NO.B047705	4	5,000,000	
AIE NO. B041387	5	9,800,000	
AIE NO.B047906	6	7,000,000	
AIE NO. B049288	7	14,000,000	
AIE NO.B104312	8	20,000,000	
AIE NO. B104227	9	1,500,000	
AIE NO. B005161	1		33,605,173
AIE NO. B005374	2		11,379,310
AIE NO. B030064	3		10,000,000
AIE NO. B006360	4		6,000,000
AIE NO. A699117	5		11,000,000
AIE NO. B030418	6		15,000,000
AIE NO. B042897	7		12,000,000
TOTAL		134,340,876	98,984,483

2. PROCEEDS FROM SALE OF ASSETS

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

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	80,000	140,000
Receipts from Sale of tender documents	36,000	-
Other Receipts Not Classified Elsewhere	-	-
Total	116,000	140,000

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,170,972	1,286,000
Leave allowances paid as part of salary	-	10,000
Pension and other social security contributions (Gratuity)	-	-
Employer Contributions to national social security schemes	9,600	12,400
Total	1,180,572	1,308,400

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

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee allowance	1,144,000	1,537,000
Utilities, supplies and services	-	58,000
Electricity and other electrical items	126,237	58,680
Water and sewerage	259,746	52,072
Telephone Communication, supplies and services	286,500	211,810
Postage	53,665	
Domestic travel and subsistence	164,700	232,200
Printing, advertising and information supplies & services	240,850	312,180
Rentals of produced assets	-	-
Training expenses	75,000	1,491,500
Hospitality supplies and services	33,150	10,100
Insurance costs	-	-
Specialized materials and services	-	-
Office and general supplies and services	789,284	235,215
Fuel, Oil and lubricant	404,250	650,000
Routine maintenance – other Assets(generator, computers etc)	84,570	170,750
Other operating expenses-hire of tents, PA systems and chairs	358,250	-
Other committee related expenses	2,330,000	864,000
Bank Service commission and charges	46,249	17,940
Total	6,396,451	5,901,447

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

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	41,500,000	32,909,921
Transfers to secondary schools (see attached list)	17,000,000	3,000,000
Transfers to tertiary institutions	-	-
Transfers to health institutions	-	-
TOTAL	58,500,000	35,909,921

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	35,640,000	24,336,000
Bursary – tertiary institutions (see attached list)	8,728,000	2,688,000
Bursary – special schools	-	-
Mock & CAT	-	-
Security projects (see attached list)	6,720,000	-
Sports projects	-	4,881,542
Environment projects (see attached list)	2,747,354	2,180,818
Emergency	-	6,900,000
NGCDF Kaloleni- Schools Desks project	13,200,000	11,550,428
Total	67,035,354	52,536,787

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

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	600,000
Refurbishment of Buildings	957,027	2,831,034
Purchase of Vehicles and Other Transport Equipment	6,929,132	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	900,000
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	7,886,159	4,331,034

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
N/A	-	-
N/A	-	-
	-	-

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

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Cooperative Bank Mariakani - Branch Code 11010, A/C NO 01141253838300</i>	19,824,545	26,366,205
Total	19,824,545	26,366,205
10B: CASH IN HAND		
Location 1	N/A	N/A
Total	N/A	N/A

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
N/A	N/A	N/A	N/A	N/A
Total				N/A

12A. RETENTION

	2019 - 2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
N/A	-	-
N/A	-	-
Total	-	-

12B. GRATUITY DEPOSITS

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

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	26,366,205	27,229,311
Cash in hand	-	-
Imprest	-	-
Total	26,366,205	27,229,311

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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14. PRIOR YEAR ADJUSTMENTS

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

a. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST*

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	4,031,800	4,243,100
Imprest surrendered during the Year (C)	4,031,800	4,243,100
Net changes in account receivables D= A+B-C	-	-

b. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

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

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff – Gratuity	1,436,731	1,085,440
Others (<i>specify</i>)	-	-
	1,436,731	1,085,440

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	4,634,134	2,909,853
Use of goods and services	4,979,502	2,817,711
Amounts due to other Government entities (see attached list)	44,903,039	41,800,000
Amounts due to other grants and other transfers (see attached list)	32,135,752	33,369,516
Acquisition of assets	1,913,841	9,800,000
Others (<i>Accumulated unappropriated AIA –rent income</i>)	626,000	510,000
	89,192,268	91,207,080

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	33,308,906	20,997,178
	33,308,906	20,997,178

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KALOLENI CONSTITUENCY
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16. ANNEXETURES

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KALOENI CONSTITUENCY

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		A	b	C	d=a-c	
Senior Management						
1.						
2.						
3.						
	Sub-Total					
Middle Management						
4.						
5.						
6.						
	Sub-Total					
Unionisable Employees						
7. Rabbi Ramadhan		153,760	31.03.2021	-	153,760	Provision for gratuity
8. Dickson JumaYeri		158,720	31.03.2021	-	158,720	Provision for gratuity
9. James MweriCharo		143,840	31.03.2021	-	143,840	Provision for gratuity
10. Bakari Chengo Ulenje		222,457	31.03.2021	-	222,457	Provision for gratuity
11. Harman Mwaringa		141,360	31.03.2021	-	141,360	Provision for gratuity
12. Rosemary fwaki		217,097	31.03.2021	-	217,097	Provision for gratuity
13. Nzingo Kirao		217,097	31.03.2021	-	217,097	Provision for gratuity
14. Raymond KarisaKazungu		182,400	31.03.2021	-	182,400	Provision for gratuity
	Sub-Total	1,436,731			1,436,731	
Others (specify)						
15.						
16.						
17.						
	Sub-Total					
	Grand Total	1,436,731			1,436,731	

NATIONAL GOVERNMENT ENTITY – KALOENI CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Administration				
administration and compensation of Employee	Paying employees and purchase of goods, services	6,813,950	2,909,853	Owed from board as at 30/06/20 and accrued balance b/d
Monitoring and evaluation				
M&E	Committee expenses and capacity building	4,036,258	2,817,711	Owed from board as at 30/06/20
Sub-Total		10,850,208	5,727,564	
Amounts due to other Government entities				
Fangayambo Primary School	Renovation of six classrooms	3,403,039		Owed from board as at 30/06/20
Mnyenzi Primary School	Construction of two classrooms	2,200,000		Owed from board as at 30/06/20
Tsangatsini Primary School	Construction of three classrooms	3,300,000		Owed from board as at 30/06/20
Maoro Primary School	Construction of three classrooms	3,300,000		Owed from board as at 30/06/20
Kizurini Primary School	Construction of admin block, 4 classrooms and library	11,000,000		Owed from board as at 30/06/20
Mwakolo Primary School	Construction of admin block, 4 classrooms and library	11,000,000		Owed from board as at 30/06/20
Mukuluni Primary School	Construction of admin block, 4 classrooms and library	11,000,000		Owed from board as at 30/06/20
Miyani Secondary School	Roofing of 200bed capacity dormitory	2,000,000		Owed from board as at 30/06/20
Chalani primary sch	Construction of classes	2,590,194		Unutilised balance b/d
Baraka Primary school	Construction of administration block , library		11,000,000	
Mwanawiji Primary school	Construction of administration block , library		11,000,000	
Migwaleni Primary school	Construction of administration block , library		11,000,000	
Mwijo Secondary school	Construction of administration block , library		9,000,000	
Sub-Total		49,793,233	42,000,000	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KALOLENI CONSTITUENCY
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Amounts due to other grants and other transfers					
Emergency	To Cater for any unforeseen occurrences	7,198,241		Owed from board as at 30/06/20	
Bursary	School fees for needy and bright	2,836,640		Owed from board as at 30/06/20	
Schools Desk Project	Purchase of school desks to various school	5,772,000		Owed from board as at 30/06/20	
Sports	Organizing sports tournaments and equipment	2,747,354		Owed from board as at 30/06/20	
Emergency	To Cater for any unforeseen occurrences	4,609,394		Part of Bal c/f as at 30/06/2020	
Bursaries	School fees for needy and bright	1,888,331		Part of Bal c/f as at 30/06/2020	
Desk project	Purchase of school desks to various school		8,700,000		
Emergency	To Cater for any unforeseen occurrences		4,609,393		
Bursaries	School fees for needy and bright		12,183,096		
Constituency Innovation Hub	Implementation of ICT centres		4,677,027		
Kayafungo Ward ACC office	Construction of ACC office		3,000,000		
Sub-Total		25,051,960	33,169,516		
Acquisition of assets					
Office Motor vehicle	Purchase of Motor vehicle	2,870,868	9,800,000		
Sub-Total		2,870,868	9,800,000		
Others (specify)					
Unallocated AIA collected		626,000	510,000	AIA collected from renting part of office space and sale of tender documents	
Sub-Total		626,000	510,000		
Grand Total		89,192,269	91,207,080		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KALO LENI CONSTITUENCY

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land				
Buildings and structures	22,330,994	957,027	-	23,288,021
Transport equipment	4,200,000	6,929,132	-	11,129,132
Office equipment, furniture and fittings	1,048,540	-	-	1,048,540
ICT Equipment, Software and Other ICT Assets	350,000	-	-	350,000
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	27,929,534	7,886,159	-	35,815,693

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Mariakani Pri School NG CDF Project	Co-op	01100764505100	915	8,703,958
Kadzonzo Pri school NG CDF project	Co-op	01100764587500	78,145	78,145
Mahenzo Pri school NG CDF project	Co-op	01141764680900	2,793	83,273
St Michaels Pri school NG CDF project	Co-op	01100764626900	148,178	148,178
Gogoraruhe Pri school NG CDF project	Co-op	01100764626800		2,473
Kibaokiche Pri school NG CDF project	Co-op	01100764111200		128,680
Kaloleni NG CDF Desk project	Co-op	01141764626700	9,109,868	1,445,448
Kaloleni NG CDF Environment project	Co-op	01100764587100	2,194	2,281,511
Kaloleni NG CDF Sports project	Co-op	01141764626600	296,222	4,530,216-
Makomboani Sec school NG CDF	Co-op	01141764831200	169	333,680
Kaloleni NG CDF strategic plan project	Co-op	01100764587200		34,970
Kaloleni NGCDF emergency-water	Co-op	01141252796500		13,075
Mwambani Primary sch	Co-op	01100250755600		4,221
Shangia Primary school	Co-op	01100250755600		517
Kidzini primary school	Co-op	01100252022700		869
Migunduni Primary school	Co-op	01100252119600		1,230
Kizurini Primary school	Co-op	01100252130600		2,271
Mtulu primary school	Co-op	01100252138700		4,116
Mnazimmwenga primary sch	Co-op	01141764833400		3,000,000
Bikidzaya Primary School	Co-op	01100253888300		2,720
Kibaokiche primary school	Co-op	01100254868300		59
Mwareni Sec school	Co-op	01100254870500		1,259
St. Johns girls sec sch	Co-op	01117252797200		83,887
Mariakani chiefs office	Co-op	01100252176300		996

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Chanagande primary school	Co-op	01100253925500		847
Mbalamweni assistance chiefs office	Co-op	01100254137500	250,000	110,579
Kibaokiche primary school	Co-op	01100764627000	1320	
Mwijo sec School NG-CDF Project	Co-op	01141764968700	4,031,895	
Migwaleni pri School NG-CDF Project	Co-op	01141764931200	300,561	
Mwanawiji Pri. Sch. NG-CDF project	Co-op	01141764975500	763,931	
Baraka Pri School NG-CDF Project	Co-op	01141764626900	4,170,659	
NG-CDF Office Project	Co-op	01141764826800	466,330	
St. Johns Girls sec Sch. NG-CDF Project	Co-op	01141765073300	2,000,000	
Moi kadzonzo girls sec sch	Co-op	01141765071600	2,998,975	
Maandani Sec School NG-CDF Project	Co-op	01141765071600	375	
Mnazimmwenga Sec Sch bus project	Co-op	01141764833400	2,105	
Vishakani Pri. School	Co-op	01141765083700	238,976	
Imani pri School NG-CDF Project	Co-op	01141765077400	2,000,000	
Vuga pri School NG-CDF Project	Co-op	01141765077500	2,000,000	
kayafungo ward ACC office NG-CDF Project	Co-op	01141764954300	1,465,531	
Assistant County Comm. kaloleni Project	Co-op	01141765093100	1,648,975	
Kenya Police services-Kaloleni project	Co-op	01141765068900	4,664	
Kinani Primary Sch NGCDF project	Co-op	01141764833600	1,326,125	
Total			33,308,906	20,997,178

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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ANNEX 6. TRASNFER TO PRIMARY SCHOOLS FOR THE YEAR ENDING 30TH JUNE 2020

Payee	Date	Amount
Migwaleni Primary School	27/09/2019	2,300,000
Mwanawiji Primary School	22/11/2019	11,000,000
Baraka Primary school	22/11/2019	11,000,000
Migwaleni Primary School	22/11/2019	8,700,000
Kinani Primary school	28/04/2020	3,000,000
Vuga Primary school	28/04/2020	2,000,000
Vishakani Primary School	28/04/2020	1,500,000
Imani Primary School	28/04/2020	2,000,000
Total		41,500,000

ANNEX 7. TRASNFER TO SECONDARY SCHOOLS FOR THE YEAR ENDING 30TH JUNE 2020

Payee	Date	Amount
Mwijo Secondary School	22/11/2019	9,000,000
Maandani Secondary School	28/04/2020	3,000,000
Moi kadzonzo Girls Sec sch	28/04/2020	3,000,000
St. Johns Secondary School	28/04/2020	2,000,000
Total		17,000,000

ANNEX 8: BURSARIES FOR THE YEAR ENDING 30TH JUNE 2020

Payee	Date	Secondary	Tertiary	Total
Bursaries To various Learning Institutions	08/07/2019	743,000	8,170,000	8,913,000
Bursaries To various Learning Institutions	14/02/2020	4,725,000	-	4,725,000
Bursaries To various Learning Institutions	14/02/2020	18,466,000	185,000	18,651,000
Bursaries To various Learning Institutions	14/02/2020	9,990,000		9,990,000
Bursaries To various Learning Institutions	04/03/2020	1,716,000	373,000	2,089,000
Total		35,640,000	8,728,000	44,368,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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ANNEX 9. TRASNFER TO SECURITY PROJECTS

Payee	Date	Amount
Kayafungo ward acc office	25/10/2019	3,000,000
Assistant County commissioner -kayafungo ward	28/04/2020	620,000
Mbalamweni sub-location Assisatnt chiefs office	28/04/2020	250,000
KPS Administration Police Kaloleni	28/04/2020	1,200,000
Assistant County Commissioner -Kaloleni Ward Office	28/04/2020	1,650,000
Total		6,720,000

ANNEX 10–ENVIRONMENT PROJECT FOR THE YEAR ENDING 30TH JUNE 2020

Payee	Date	Amount
Kaloleni Ng-cdf -Environment project	28/04/2020	2,747,354

ANNEX 11– DESKS PROJECTS FOR THE YEAR ENDING 30TH JUNE 20

Payee	Date	Amount
Kaloleni Ng-cdf -desks project	22/11/2019	8,700,000
Kaloleni Ng-cdf -desks project	28/04/2020	4,500,000
Total		13,200,000

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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ANNEX 12–AMOUNT OWED FROM BOARD AS AT 30TH JUNE 2020

		KSH.
Amounts due to other Government entities	Brief transaction description	
Pangayambo Primary School	Renovation of six classrooms	3,403,038
Mnyenzeni Primary School	Construction of 2no classrooms	2,200,000
Tsangatsini Primary School	Construction of 3no classrooms	3,300,000
Maoro Primary School	Construction of 3no classrooms	3,300,000
Kizurini Primary School	Construction of administration block , library and 4no. classrooms	11,000,000
Mwakolo Primary School	Construction of administration block , library and 4no. classrooms	11,000,000
Mukuluni Primary School	Construction of administration block, library and 4no. classrooms	11,000,000
Miyani Secondary School	Roofing of Dormitory block	2,000,000
Amounts due to other grants and other transfers		
Sports	Organizing sports tournaments, Purchase of sports equipment	2,747,354
Bursary	school bursary to needy student	2,836,640
Kaloleni NG-CDF desks project	Purchase of School desks to 16No.school	5,772,000
Kaloleni NGCDF emergency project	To cater for unforeseen	7,198,241
Administration vote	Payment of staff salaries	2,989,418
Monitoring and Evaluation	M & E and other recurrent expenditure and capacity building	621,032
Total		69,367,723

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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)
1	Emergency projects (2017-2018)	<ul style="list-style-type: none"> - During the period drought was a national disaster which necessitated CDFC input. The CDFC through emergency pnc supplied water to kirumbi girls to assist in curbing the water shortage. - Water is a devolved function but we based our decision on the school management which is a national government function. Also during the time of emergency any of the government can intervene to safe the situation 	Elisha Ade (fund account manager)	Not Resolved	3 months
2	Inaccuracies In The Financial Statements (2017-2018)	The variance of Kshs 2,500,000in the appropriation account resulted as an error where funds for strategic plan project was not well reflected in the appropriation account. The issue was resolved with auditors since had no impact on audit opinion	Elisha Ade (fund account manager)	Resolved	
1.0	Other matters . budget control and	1.1 Receipts Budget. The CDFC have agreed to be implementing project promptly and also endeavor	Elisha Ade (fund	Resolved	

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performance(2017-2018)	on training PMCs on project implementation skills. This will positively influence absorption rate of our allocated funds from the board. Since if we relieve funds from the main account, we will be able to request for additional from the board	account manager)	
	1.2. Expenditure budget. The budget utilization was at 60%. this is because of huge money owed from the board at the closure of the financial year	Elisha Ade (fund account manager)	Resolved
Project implementation status. (2017 - 2018)	1.3 . All the ongoing projects were well completed. – We have also undertaken training of PMCs on project implementation skills and we expected improvement on implementation and management of our projects. – We make our project proposals by conducting public participation in every award hence we are satisfied the projects we undertake have direct positive impact on people of Kaloleni	Elisha Ade (fund account manager)	Resolved
	Unremitted Statutory Deductions: we have sorted out our pin password problem and we have remitted all statutory deductions (PAYE, NSSF)	Elisha Ade (fund account manager)	Resolved
5.1 Irregular Funding Of The Projects	The Mgamboni Dispensary staff house health project was done following the approval from the CDF Board for financial year 2014/15 proposals for the completion of staff house. This was an additional amount from the previous allocation for the approved proposals for financial year 2013/2014 The NG CDF Act 2015 states that ‘Emergency shall	Elisha Ade (fund account manager)	Resolved
		Elisha Ade (fund account manager)	Resolved

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		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 next financial year without harming the public interest of the constituents'. Based on this the water project funds were drawn from the emergency allocation due to demand from the community during vast drought period that hit not only Kaloleni constituency but the whole country.	account manager)	
5.2	Bursaries- secondary schools	There was an error in classifying items in note 7 of the financial statement but we have corrected the error and classified every item in its category.	Elisha Ade (fund account manager)	Resolved
5.3.1	security projects Jibana chief's camp	We have attached A.I.E and code list from the board that consists Jibana chief's camp as one of the project under funding, we have also attached approval from the board for your verification	Elisha Ade (fund account manager)	Resolved
5.3.2	Kawala/ Kadzonzo assistant chief's office	The land was in dispute but the matter was settled in a court of law that's why the work progressed as planned. We have a letter from the D.C.Cs office for your verification.	Elisha Ade (fund account manager)	Resolved
5.3.3	Tsangatsini chief's office	The excess of Kshs. 167,798 was for the Pmcs administration and branding of the project. The project was successfully done as per the attached project proposal on security	Elisha Ade (fund account manager)	Resolved
5.4	Sports Projects	We have attached projects tender documents, bank statements and certificates of completion for your verification The project was done successful, items were purchased and even some teams were sponsored on	Elisha Ade (fund account manager)	Resolved

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		<p>their tournaments. For your audit verification, we have attached list of items purchased, bank statements, delivery notes and list of beneficiaries.</p>		
5.5	Environment projects	<p>The over payment was as a result of the balance for the environment project for financial year 2015/2016. We have a distribution list and delivery notes for the same attached alongside the acceptance committee reports for your verification</p>	Elisha Ade (fund account manager)	Resolved
6.0	Bank Balance	<p>As for the year ended 30 June, 2017 the stale cheques which amounted to Kshs 5,193 were subsequently cleared</p>	Elisha Ade (fund account manager)	Resolved
8.0	Project Management Committee Bank Balances	<p>Annex 5 to the financial statement for the year ended 30 June 2017 reflects PMC bank balances of Kshs 291,561. This was an error, however we have corrected and the correct amount is Kshs 1,496,393. We have attached a copy of the certified bank balances dated 20/6/2017 which was the end of the transaction for that financial year for the projects under review. (See attached annex 8)</p>	Elisha Ade (fund account manager)	Resolved

