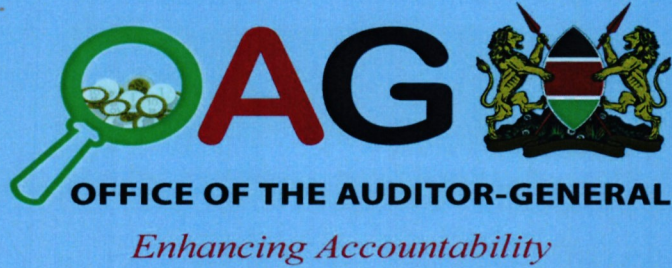



REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY REPORT	
DATE: 21 OCT 2021	DAY: Thursday
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CLEAR AT THE-TABLE: OF Mawa Harjeki	

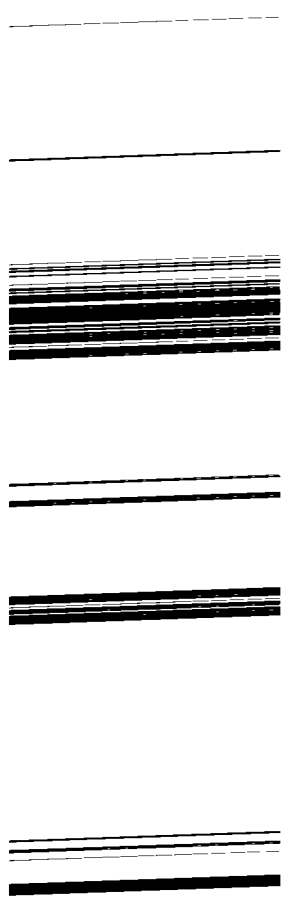
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THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
GATUNDU NORTH CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2019**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
GATUNDU NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

Revised Template 30th June 2019



OFFICE OF THE AUDITOR GENERAL
P.O. Box 30084 - 00100, NAIROBI
REGISTRY

29 SEP 2021

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -GATUNDU
NORTH CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019**

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

2024



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
GATUNDU NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
GATUNDU NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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)
GATUNDU NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

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

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF GATUNDU NORTH Constituency Headquarters

P.O. Box 201-01004, Kanjuku,
GATUNDU NORTH NG-CDF Office,
Gatundu North DCC Compound,
Kamwangi

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
GATUNDU NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

(f) NGCDF GATUNDU NORTH Constituency Contacts

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

(g) NGCDF GATUNDU NORTH Constituency Bankers

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

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
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)
GATUNDU NORTH CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2019**

II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The people of Gatundu North constituency are determined to participate effectively in domesticating objectives of vision the 2030 and the big 4 agenda in our development planning. The constituents now have power to implement the formulation and implementation of development programmes in the constituency for the works within the aspiration of the constitution of Kenya which makes public participation mandatory. The utilization of the NG-CDF has always been carried out with fairness, transparency, openness and accountability.

Financial year budget

In the financial year 2018/19 the NG-CDF Gatundu North Constituency was allocated Ksh, 109,040,872.01 and we have received half the allocation for the financial year 2018/2019 and the utilization has gone well in which over 50% of the funds allocated to projects has been utilized effectively as bellow.

Table 1.0 summary of budget performance

PROJECT	STATUS IN%
Gakoe Primary School	91.7%
IHM Kairi Secondary School	95%
Makohokoho Primary School	98%
Kairi Rumwe Secndary School	97%
Bursary for the needy	78%

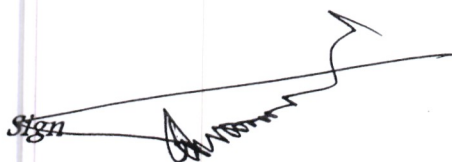
Key achievements

We have therefore completed our allocations in time, and achieved the results as stipulated in the summary table above.

Challenges and emerging issues

The biggest challenge is that Gatundu North Constituency has a lot of schools and the funds is little to manage all the schools.

There is also a challenge in the education sector this is because there are many needy students who are in need of support through the bursary fund which is never enough; this is due to lower middle income economy status within the constituency.



CHAIRMAN NGCDF COMMITTEE

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
GATUNDU NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

III. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

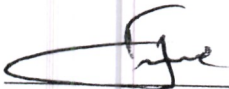
The Accounting Officer in charge of the NGCDF-Gatundu North Constituency is responsible for the preparation and presentation of the NGCDF-Gatundu North Constituency's financial statements, which give a true and fair view of the state of affairs of the NGCDF-Gatundu North Constituency for and as at the end of the financial year (period) ended on June 30, 2019. 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-Gatundu North Constituency; (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-Gatundu North Constituency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Gatundu North Constituency accepts responsibility for the NGCDF-Gatundu North Constituency's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *NGCDF-Gatundu North Constituency's* financial statements give a true and fair view of the state of NGCDF-Gatundu North Constituency's transactions during the financial year ended June 30, 2019, and of the NGCDF-Gatundu North Constituency's financial position as at that date. The Accounting Officer charge of the NGCDF-GATUNDU NORTH Constituency further confirms the completeness of the accounting records maintained for the *NGCDF-Gatundu North Constituency*, which have been relied upon in the preparation of the NGCDF-Gatundu North Constituency's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NGCDF-GATUNDU NORTH Constituency financial statements were approved and signed by the Accounting Officer on _____ 2019.


Fund Account Manager

Name:

Joseph W. N. Njoroge

FUND ACCOUNT MANAGER
NGCDF GATUNDU NORTH
P. O. BOX 201, 01004
KANJUKU
5



Sub-County Accountant

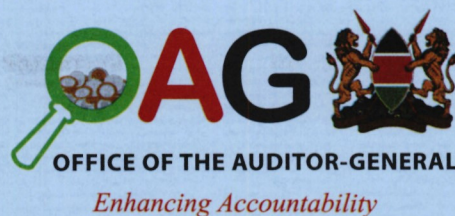
Name:

B. M. Mugesib

ICPAK Member Number:
17392

REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – GATUNDU NORTH CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Gatundu North Constituency set out on pages 6 to 35, which comprise of the statement of assets and liabilities as at 30 June, 2019, 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Gatundu North Constituency as at 30 June, 2019, 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. Inaccuracies in the Financial Statements

The statement of receipts and payments reflects use of goods and services totalling to Kshs.8,182,838 whereas the summary statement of appropriation - recurrent and development combined reflects amounts of Kshs.8,567,838 resulting to an unreconciled variance totalling to Kshs.385,000.

Consequently, the accuracy, completeness and validity of the expenditure on use of goods and services totalling to Kshs.8,182,838 reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

2. Unsupported Prior Year Adjustments

The statement of assets and liabilities and statement of cash flows reflect prior year adjustments totalling to Kshs.69,038. However, the nature and purpose of the adjustments was not explained.

Consequently, the accuracy, completeness and validity of the prior year adjustments totalling to Kshs.69,038 reflected in the financial statements for the year ended 30 June, 2019 could not be confirmed.

3. Unsupported Bursaries

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects under other grants and transfers amount of Kshs.30,664,585. The balance includes payments amounting to Kshs.17,492,215, Kshs.5,849,000 and Kshs.473,370 for bursary-secondary schools, bursary-tertiary institutions and bursary-special, respectively all totalling to Kshs.23,814,585. However, the disbursements were not supported with acknowledgement letters or receipts, Bursary Sub-committee minutes and fees structures from the schools and institutions.

Consequently, the accuracy, completeness and validity of bursaries totalling Kshs.23,814,585 reflected in the statement of receipts and payments for the year ended 30 June, 2019 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.188,924,028 and Kshs.133,883,152 respectively, resulting to an under-funding of Kshs.55,040,876 or 29% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.188,924,028 and Kshs.114,691,657 respectively, resulting to an under expenditure of Kshs.74,232,371 or 39% of the budget.

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

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has indicated the issues as resolved yet Parliament has not discussed the report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Failure to Implement Projects

Review of Project Implementation Status Report as at 30 June, 2019 revealed that the Management had planned to undertake forty-two (42) projects with a budget total of Kshs.162,735,465. However, thirty-one (31) projects totalling to Kshs.96,730,338 were completed, while eleven (11) had not commenced. No explanation was provided for failure to implement the projects as planned.

In the circumstances, I am unable to confirm whether the public obtained value for money from the budgeted funds on the projects.

2. Unsatisfactory Implemented Projects

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects under transfers to other Government Units amount of Kshs.69,010,854. The balance includes transfers to primary schools expenditure totalling to Kshs.49,231,039 and secondary schools expenditure totalling to Kshs.16,775,115. However, the following unsatisfactory matters were noted:

2.1 Renovation of Classrooms

The balance includes an amount of Kshs.1,955,000 disbursed to Mathanji Primary School for renovation of eight (8) classrooms. The contract was awarded to a firm at a contract sum of Kshs.1,940,400. However, physical verification of the project carried out on 19 February, 2020, revealed incomplete works including tiling valued at Kshs.172,800.

Further, roofing was poorly done and rafters used for roofing were not treated and had large gaping vents.

In addition, records indicated that the contractor had been paid the full contract sum, including retention money.

2.2 Construction of Ablution Block

Further, the balance includes expenditure amount of Kshs.1,180,000 disbursed to Chania Primary School for construction of an ablution block awarded to a firm on 12 March, 2019 at a contract sum Kshs.1,170,557.

However, physical verification carried out on 19 February, 2020 revealed that the project was incomplete and the contractor was not on site. Fitting of doors, painting, and roofing had not been done, while unsealed gaping holes were visible from outside the structure. In addition, rafters were not treated and termites had damaged them.

2.3 Construction of Perimeter Wall

The balance includes an amount of Kshs.4,140,000 disbursed to Mwea Secondary School for construction of a perimeter wall. Records indicated that the contract was awarded to a company on 28 August, 2018 at a contract sum of Kshs.3,973,925.

A certificate of practical completion was issued on 07 November, 2018 and a first and final payment of Kshs.3,881,391 made on 08 January, 2019. However, physical verification of the project on 21 February, 2020 showed the following anomalies, despite the fact that the contractor had been paid in full:

- (i) The works had not been completed. Superstructure wall finishes including recess keys finish to walling on the inner side of the wall and capping were not done.
- (ii) The contractor was awarded extra works valued at Kshs.111,750, which were not approved by the accounting officer.
- (iii) There was no evidence that Management deducted the mandatory 3% withholding tax and 6% Value Added Tax.

Consequently, validity and value for money on the above projects during the year ended 30 June, 2019 could not be confirmed.

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, risk management and overall governance.

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

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

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

Those charged with Governance are responsible for overseeing the 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and 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.



Nancy Gatundu
AUDITOR-GENERAL

Nairobi

05 October, 2021

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
GATUNDU NORTH CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019

IV. STATEMENT OF RECEIPTS AND PAYMENTS

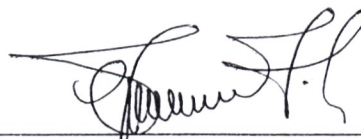
	Note	2018-2019	2017-2018
		Kshs	Kshs
RECEIPTS			
Transfers from NG CDF board-AIEs' Received	1	108,784,483	43,405,172
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		108,784,483	43,405,172
PAYMENTS			
Compensation of employees	4	1,169,866	940,060
Use of goods and services	5	8,182,838	3,554,357
Transfers to Other Government Units	6	69,010,854	-
Other grants and transfers	7	30,664,585	18,754,808
Acquisition of Assets	8	-	-
Other Payments	9	5,278,514	-
TOTAL PAYMENTS		114,306,657	23,249,225
SURPLUS/DEFICIT		(5,522,174)	20,155,947

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GATUNDU NORTH Constituency financial statements were approved on _____ 2019 and signed by:



Fund Account Manager
Name: Joseph K.N. Mutha

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



Sub-County Accountant
Name: B.M. Muzambi
ICPAK Member Number: 17292

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
GATUNDU NORTH CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2019**

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019	2017-2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	19,191,495	25,167,707
Cash Balances (cash at hand)	10B	-	-
Current Receivables		19,191,495	25,167,707
Outstanding Imprests	11	385,000	-
TOTAL FINANCIAL ASSETS		19,576,495	25,167,707
current receivables-		-	-
TOTAL FINANCIAL ASSETS		19,576,495	25,167,707
FINANCIAL LIABILITIES			
Accounts payable-			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES			
NET FINANCIAL ASSETS		<u>19,576,495</u>	<u>25,167,707</u>
REPRESENTED BY			
Fund balance b/fwd	13	25,167,707	4,919,730
Surplus/Defict for the year		(5,522,174)	20,155,947
Prior year adjustments	14	(69,038)	92,030
NET FINANCIAL POSITION		<u>19,576,495</u>	<u>25,167,707</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GATUNDU NORTH Constituency financial statements were approved on _____ 2019 and signed by:

Fund Account Manager
Name: _____

Joseph Ken. Khat

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

Sub-County Accountant
Name: _____
ICPAK Member Number: _____

B.M. Mugerubi

17392

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GATUNDU NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2018/2019 Kshs	Kshs	2018/2019 Kshs	30/06/2019 Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,040,150.00	804,020.00	2,844,170.00	1,169,866.00	1,674,304.00
1.2 Committee allowances	2,504,302.00	841,379.00	3,345,681.00	2,999,000.00	346,681.00
1.3 Use of goods and services	1,998,000.07	1,182,758.62	3,180,758.69	2,485,651.50	695,107.19
Sub-Total	6,542,452.07	2,828,157.62	9,370,609.69	6,654,517.50	2,716,092.19
2.0 Monitoring and evaluation					
2.1 Capacity building	1,870,000.00	1,865,000.00	3,735,000.00	1,865,000.00	1,870,000.00
2.2 Committee allowances	680,000.00	-	680,000.00	600,000.00	80,000.00
2.3 Use of goods and services	720,826.00	-	720,826.00	618,186.90	102,639.10
Sub-Total	3,270,826.00	1,865,000.00	5,135,826.00	3,083,186.90	2,052,639.10
3.0 Emergency					
3.1 Primary Schools	5,738,993.45	5,137,931.13	10,876,924.58	6,850,000.00	4,026,924.58
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
3.5 others					
Sub-Total			5,738,993.45		5,738,993.45

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GATUNDU NORTH CONSTITUENCY
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4.0 Bursary and Social Security	5,738,993.45	5,137,931.13	10,876,924.58	6,850,000.00	4,026,924.58
4.1 Special schools	660,619.00		660,619.00	473,370.00	187,249.00
4.2 Secondary Schools	15,100,000.00	4,952,508.52	20,052,508.52	17,492,215.00	2,560,293.52
4.3 Tertiary Institutions	11,500,000.00	-	11,500,000.00	5,849,000.00	5,651,000.00
4.4 Universities					
4.5 Social Security	-				
Sub-Total	27,260,619.00	4,952,508.52	32,213,127.52	23,814,585.00	8,398,542.52
5.0 Sports					
5.1 bal b/f	2,180,817.00	1,506,206.00	3,687,023.00	-	3,687,023.00
Sub-Total	2,180,817.00	1,506,206.00	3,687,023.00	-	3,687,023.00
6.0 Environment					
6.1 balance b/f					
Sub-Total	-	-	-	-	-
7.0 Primary Schools Projects					
7.1 Igamba Primary	7,000,000.00	-	7,000,000.00	-	7,000,000.00
7.2 Mwea Primary	4,949,000.00	-	4,949,000.00		4,949,000.00
7.3 St F Primary	3,980,000.00	-	3,980,000.00		3,980,000.00
7.4 James Njenga Primary	5,725,300.00	-	5,725,300.00		5,725,300.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GATUNDU NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

7.5Gakoe Primary School	1,159,000.00	-	1,159,000.00	1,159,000.00	-
7.6 Kanjabi Primary School	7,000,000.00	-	7,000,000.00	7,000,000.00	7,000,000.00
7.7 Makwa Primary School	3,241,028.00	-	3,241,028.00	3,241,028.00	3,241,028.00
7.8 Kangaïta Primary School	3,762,560.00	-	3,762,560.00	3,762,560.00	-
7.9 Mang'u Primary School	800,000.00	-	800,000.00	800,000.00	800,000.00
7.10 Igeganïa Primary	3,812,008.00	-	3,812,008.00	3,812,008.00	3,812,008.00
7.11 Nyamang'ara Primary	3,268,272.00	-	3,268,272.00	3,268,272.00	-
7.12 Mungai Primary	4,650,000.00	-	4,650,000.00	4,650,000.00	4,650,000.00
7.13Makohokoho Primary School		2,286,206.89	2,286,206.89	2,286,206.89	-
7.14Mang'u Primary Sch		3,000,000.00	3,000,000.00	3,000,000.00	-
7.15Mang'u Primary Sch		795,000.00	795,000.00	795,000.00	-
7.16 Mutuma Primary Sch		3,910,000.00	3,910,000.00	3,910,000.00	-
7.17Igeganïa Primary Sch		2,000,000.00	2,000,000.00	2,000,000.00	-
7.18 Igeganïa Primary Sch		530,000.00	530,000.00	530,000.00	-
7.19Wandui Primary Sch		3,220,000.00	3,220,000.00	3,220,000.00	-
7.20 Muirigo Primary Sch		3,220,000.00	3,220,000.00	3,220,000.00	-
7.21Kairi Primary Sch		2,070,000.00	2,070,000.00	2,070,000.00	-
7.22Chania Primary Sch		3,175,000.00	3,175,000.00	3,175,000.00	-
7.23Chania Primary Sch		2,000,000.00	2,000,000.00	2,000,000.00	-
7.24Chania Primary Sch		1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
7.25Njathaini Primary Sch					-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GATUNDU NORTH CONSTITUENCY
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For the year ended June 30, 2019

7.26Miugu Primary Sch		2,990,000.00	2,990,000.00	2,990,000.00	2,990,000.00	-
7.27Miugu Primary Sch		2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	-
7.28Muchakai Primary Sch		875,000.00	875,000.00	875,000.00	875,000.00	-
7.29Miiri Primary Sch		2,990,000.00	2,990,000.00	2,990,000.00	2,990,000.00	-
7.30Munyaka Primary Sch		1,955,000.00	1,955,000.00	1,955,000.00	1,955,000.00	-
7.31 Kamwirigi Primary Sch		1,725,000.00	1,725,000.00	1,725,000.00	1,725,000.00	-
7.50 retention b/f		2,300,000.00	2,300,000.00	2,300,000.00	2,300,000.00	-
Sub-Total	49,347,168.00	42,041,206.89	91,388,374.89	49,231,038.89	42,157,336.00	-
8.0 Secondary Schools Projects						
8.1Rumwe Secondary	450,000.00		450,000.00	450,000.00	450,000.00	-
8.2 IHM Girls Secondary	450,000.00		450,000.00	450,000.00	450,000.00	-
8.3Kiriko Secondary	2,000,000.00		2,000,000.00	2,000,000.00	2,000,000.00	-
8.4 Mukuruwe Secondary	1,800,000.00		1,800,000.00	1,800,000.00	1,800,000.00	-
8.5 Mwea Secondary Sch		4,140,000.00	4,140,000.00	4,140,000.00	4,140,000.00	-
8.6Mukurwe Secondary Sch		2,235,115.00	2,235,115.00	2,235,115.00	2,235,115.00	-
8.7 Gatei Secondary school		2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	-
8.8 Mariaini Secondary School		3,500,000.00	3,500,000.00	3,500,000.00	3,500,000.00	-
8.9 Kanjuku Secondary School		2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	-
8.10 retention b/f		-	-	-	-	-
Sub-Total	4,700,000.00	13,875,115.00	18,575,115.00	16,775,115.00	1,800,000.00	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GATUNDU NORTH CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

9.0 Health institutions Projects								
9.1 balances b/f								
10.0 Security Projects								
Kamwangi Police Station	6,995,300.00				6,995,300.00			6,995,300.00
10.9 retention b/f								
11.0 Acquisition of assets								
11.1 Motor Vehicles								
11.2 Construction of CDF office								
11.3 Purchase of furniture and equipment								
11.4 Purchase of computers								
Sub-Total	6,995,300.00				6,995,300.00			6,995,300.00
12.0 ROADS								
13.0 Others								
13.1 Strategic Plan		3,000,000.00			3,000,000.00		2,940,000.00	60,000.00
13.2 Innovation Hub		4,677,027.20			4,677,027.20		2,338,513.60	2,338,513.60
13.2 Ngongoro social hall	3,004,700.00				3,004,700.00		3,004,700.00	
Sub-Total	3,004,700.00	7,677,027.20			10,681,727.20		8,283,213.60	2,398,514
GRAND TOTALS	109,040,876	79,883,152			188,924,028		114,691,657	74,232,371

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – GATUNDU NORTH CONSTITUENCY
Reports and Financial Statements

For the year ended June 30, 2019

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
GATUNDU NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

IX. 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-GATUNDU NORTH Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

The NGCDF-Gatundu North Constituency recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the NGCDF-Gatundu North Constituency

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. The NGCDF-Gatundu North Constituency did not collect any such receipts in the period under review.

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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
GATUNDU NORTH CONSTITUENCY
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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 2018, 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 NGCDF-Gatundu North Constituency recognises all payments when the event occurs and the related cash has actually been paid out by the NGCDF-Gatundu North Constituency.

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
GATUNDU NORTH CONSTITUENCY
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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at 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) –
GATUNDU NORTH CONSTITUENCY
Reports and Financial Statements
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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 2018 for the period 1st July 2018 to 30th June 2019 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 2018.

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) –
GATUNDU NORTH CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

IX. NOTES TO THE FINANCIAL STATEMENT

I. NOTES TO THE FINANCIAL STATEMENTS				
1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES				
Description		2018-2019	2017-2018	
		Kshs	Kshs	
NGCDF Board	1			
AIE NO...855808	2		5,500,000	
AIE NO...892992	3		37,905,172	
	1	43,405,173.00		
AIE NO..B030023	2	11,379,310.35		
AIE NO..B030160	3	10,000,000.00		
AIE NO..B030174	4	10,000,000.00		
AIE NO..B030392	5	6,000,000.00		
AIE NO..B006333	6	11,000,000.00	-	
AIE NO..A699047	7	17,000,000.00		
		108,784,483	43,405,172	
2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS				
Description		2018-2019	2017-2018	
		Kshs	Kshs	
Receipts from the Sale of Buildings		-	-	
Receipts from the Sale of Vehicles and Transport Equipment		-	-	
Receipts from the Sale Plant Machinery and Equipment		-	-	
Receipts from the Sale of office and general equipment		-	-	
	Total	-	-	
3 OTHER RECEIPTS				
Description		2018-2019	2017-2018	
		Kshs	Kshs	
Interest Received		-	-	
Rents		-	-	
Sale of tender documents		-	-	
Other Receipts Not Classified Elsewhere		-	-	
Total		-	-	
4 COMPENSATION OF EMPLOYEES				
Description		2018-2019	2017-2018	
		Kshs	Kshs	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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Basic wages of contractual employees		1,146,826	791,040
Basic wages of casual labour		-	-
Personal allowances paid as part of salary		-	-
House allowance		-	-
Transport allowance		-	-
Leave allowance		-	-
Other personnel payments		-	-
employer contribution to NSSF		23,040	19,440
gratuity - Paid		-	129,580
-Accrued		-	-
Other personnel payments		-	-
		-	-
Total		1,169,866	940,060
5 USE OF GOODS AND SERVICES			
Description		2018-2019	2017-2018
		Kshs	Kshs
Utilities, supplies and services		-	32,295
Electricity			30,000
Water & sewerage charges			10,000
Office rent			
Communication, supplies and services		85,000.00	10,960
Domestic travel and subsistence		141,500.00	250,000
Printing, advertising and information supplies & services		142,000.00	166,622
Rentals of produced assets			
Training expenses		1,595,000.00	200,000
Other committee expenses		1,557,300.00	874,500
Committee allowance		2,639,500.00	1,860,560
Hospitality supplies and services		-	-
Insurance costs		-	-
Specialised materials and services		-	-
Office and general supplies and services		1,169,277.00	
Fuel ,oil & lubricants		350,000.00	-
Other operating expenses			119,420
Routine maintenance – vehicles and other transport equipment		480,386.90	-
Bank charges		22,875	
Total		8,182,838	3,554,357

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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6 TRANSFER TO OTHER GOVERNMENT ENTITIES				
Description	2018-2019		2017-2018	
	Kshs		Kshs	
Transfers to National Government entities	3,004,700		-	
Transfers to primary schools (see attached list)	49,231,039		-	
Transfers to secondary schools (see attached list)	16,775,115		-	
Transfers to tertiary institutions (see attached list)	-		-	
Transfers to health institutions (see attached list)			-	
TOTAL	69,010,854		-	
7 OTHER GRANTS AND OTHER PAYMENTS				
Description	2018-2019		2017-2018	
	Kshs		Kshs	
Bursary -Secondary	17,492,215		10,000,000	
Bursary -Tertiary, cats	5,849,000		8,754,808	
Bursary-Special	473,370.00		-	
Mocks & CAT	-		-	
water/Sewers	-		-	
Agriculture (Markets)	-		-	
Electricity projects	-		-	
Security	-		-	
Roads	-		-	
Sports	-		-	
Environment	-		-	
Emergency Projects (specify)	6,850,000		-	
Development - factories/stadiums	-		-	
CIT Hubs	-		-	
Total	30,664,585		18,754,808	
8 ACQUISITION OF ASSETS				
<u>Non Financial Assets</u>	2018-2019		2017-2018	
	Kshs		Kshs	
Purchase of Buildings	-		-	
Construction of Buildings			-	
Refurbishment of Buildings	-		-	
Purchase of Vehicles	-		-	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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Purchase of Bicycles & Motorcycles		-	-
Overhaul of Vehicles		-	-
Purchase of Office furniture and fittings		-	-
Purchase of computers ,printers and other IT equipments			-
Purchase of photocopier		-	-
Purchase of other office equipments		-	-
Acquisition of Land		-	-
Total		-	-

9 OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
strategic plan	2,940,000	-
ICT Hub	2,338,514	-
		-
TOTAL	5,278,514	-

10A: Bank Balances (cash book bank balance)

Name of Bank	Account Number	2018-2019	2017-2018
		Kshs (30/6/2019)	Kshs (30/6/2018)
KCB Gatundu Branch		19,191,495	25,167,707
Total		19,191,495	25,167,707

10B: CASH IN HAND

	2018-2019	2017-2018
	Kshs (30/6/2019)	Kshs (30/6/2018)
Location 1		-
Total	-	-
		[Provide cash count certificates for each]

11: OUTSTANDING IMPRESTS

Name of Officer	Date imprest taken	Amount Taken	Amount Taken	Balance (30/6/2019)
		Kshs	Kshs	Kshs
Evans Machira		-		385,000.00
Total				385,000.00

12A Retention

	2018-2019	2017-2018
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Supplier/Contractor	PV No.		
		-	-
TOTAL		-	-
12B STAFF GRATUITY OUTSTANDING			
		2018-2019	2017-2018
NAME 1		-	-
Total		-	-
13 BALANCES BROUGHT FORWARD			
		2018-2019	2017-2018
		Kshs (1//7/2018)	Kshs (1//7/2017)
KCB Gatundu Branch		25,167,707	4,919,730
Cash in hand			
Imprest		-	
Total		25,167,707	4,919,730
<i>[Provide short appropriate explanations as necessary]</i>			
14 PRIOR YEAR ADJUSTMENTS			
		2018-2019	2017-2018
		Kshs	Kshs
Bank accounts		69,038	92,030
Cash in hand		-	-
Imprest		-	-
Total		69,038	92,030
15 OTHER IMPORTANT DISCLOSURES			
15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)			
		2018-2019	2017-2018
		Kshs	Kshs
Construction of buildings		-	
Construction of civil works		-	
Supply of goods		-	
Supply of services		-	
TOTAL		-	
15.2: PENDING STAFF PAYABLES (See Annex 2)			
		2018-2019	2017-2018
		Kshs	Kshs

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Senior management		-	
Middle management		-	
Unionisable employees		-	
Others (<i>specify</i>)-Unexpensed gratuity		-	
15.3: : UNUTILIZED FUND (See Annex 3)			
		2018-2019	2017-2018
		Kshs	Kshs
Compensation of employees		-	
Use of goods and services		-	
Amounts due to other Government entities (see attached list)		-	
Amounts due to other grants and other transfers (see attached list)		-	
Acquisition of assets			
Others (<i>specify</i>)			
15.4: : PMC account balances (See Annex 5)			
		2018-2019	2017-2018
		Kshs	Kshs
PMC account Balances (see attached list)		22,951,218.61	3,484,205.31
TOTAL			

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2019 d=a-c	Comments
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Comments
		a	b	c	d=a-c	
Senior Management						
1.						
2.						
3.						
Sub-Total						
Middle Management						
4.						
5.						
6.						
Sub-Total						
Unionisable Employees						
7.						
8.						
9.						
Sub-Total						
Others (specify)						
10.						
11.						
12.						
Sub-Total						
Grand Total						

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	-	-	-	-
Buildings and structures	24,067,000.00	-	-	24,067,000.00
Transport equipment	5,457,448.00	-	-	5,457,448.00
Office equipment, furniture and fittings	1,301,413.00	-	-	1,301,413.00
ICT Equipment, Software and Other ICT Assets	1,904,976.00	-	-	1,904,976.00
Other Machinery and Equipment	20,849.00	-	-	20,849.00
Heritage and cultural assets	-	-	-	
Intangible assets	-	-	-	
Total	32,751,686.00	-	-	32,751,686.00

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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Gichuka Primary School	Equity	0660293019456	1,199,780	1,199,780
Igegania Primary School	Equity	0660177713264	145,445.00	0.00
James Njenga Primary School	Equity	0660293081930	219.55	219.55
Kamwirigi Secondary School	Equity	0660164578311	990.00	990.00
Kanyoni AP Post	Equity	0660164193133	479.00	479.00
Mataara AP Post	Equity	0660296833955	7,111.00	7,111.00
Mataara Primary School	Equity	0660193058647	2,850.00	2,850.00
Murata wa Twana Primary School	Equity	0660173272859	9,780.00	9,780.00
NG-CDF Chania Primary School	Equity	0660278487808	5,175,487.50	0.00
NG-CDF Gacege Primary School	Equity	0660278597206	950,022.50	0.00
NG-CDF Gikindu Girls Sec School	Equity	0660177723826	2,184.00	0.00
NG-CDF Gakoe Primary School	Equity	0660278606576	1,098,688.50	0.00
NG-CDF Gatei Mixed Sec School	Equity	0660278489406	101,627.50	0.00
NG-CDF Gatundu North Bursary	Equity	0660268191687	256,524.00	1,762,995.76
NG-CDF IHM Kairi Girls School	Equity	0660278595089	367.50	0.00
NG-CDF Kairi Rumwe Sec School	Equity	0660278690546	807.50	0.00
NG-CDF Kairi Primary School	Equity	0660278501152	107,752.50	0.00
NG-CDF Kangaita Primary School	Equity	0660278680846	3,762,567.50	0.00
NG-CDF Kanjuku Secondary School	Equity	0660278535294	101,013.50	0.00
NG-CDF Kamwirigi Primary School	Equity	0660278488583	177,480.20	0.00
NG-CDF Kiangunu Primary School	Equity	0660177725018	738.00	0.00
NG-CDF Kiriko Primary School	Equity	0660177793145	22,819.13	0.00
NG-CDF Makohokoho Pri School	Equity	0660278488208	133,080.35	0.00
NG-CDF Maria-ini Sec School	Equity	0660278487897	3,500,487.50	0.00
NG-CDF Miiri Primary School	Equity	0660278495571	167,280.50	0.00

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
NG-CDF Miugu Primary School	Equity	0660278488022	1,222,544.50	0.00
NG-CDF Muchakai Primary School	Equity	0660278582468	151,859.50	0.00
NG-CDF Muirigo Primary School	Equity	0660278488743	158,437.65	0.00
NG-CDF Mukurwe Primary School	Equity	0660177721278	494.00	0.00
NG-CDF Mukurwe Sec School	Equity	0660278654796	356,176.50	0.00
NG-CDF Mukuyu-ini Pri School	Equity	0660278603745	949,487.50	0.00
NG-CDF Munyaka Primary School		0660278477461	95,570.50	0.00
NG-CDF Mutuma Primary School	Equity	0660278494926	309,517.50	0.00
NG-CDF Mwea Secondary School	Equity	0660177804075	258,009.23	0.00
NG-CDF Ngethu Secondary School	Equity	0660177723942	22,380.00	0.00
NG-CDF Njathaini Primary School	Equity	0660278462276	126,592.50	0.00
NG-CDF Nyamathumbi Pri School	Equity	0660177778231	75.00	0.00
NG-CDF Wandui Primary School	Equity	0660278458291	172,215.50	0.00
Nyamang'ara Chief Office	Equity	0660173209327	500,000	500,000
Nyamang'ara Primary School	Equity	0660278910379	1,702,276.00	0.00
TOTAL			22,951,218.61	3,484,205.31

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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)
4.1.1	<p>Cash and Cash Equivalent Examination of Financial statement and Bank Certificate of Gatundu North revealed that the Statement of Financial Assets as at 30th June 2017 reflects Bank Balance of Kshs. 25,075,677.00 However, the certificate of Bank balance from KCB for A/C No. 1102763853 as at 30th June 2017 shows a balance of Kshs. 25,167,707.01.</p>	<p><i>We concur that there was an unexplained variance of Ksh 92,030 between the Statement of Financial Asset and the Bank Certificate for Gatundu North. This was an error and has been corrected and the Financial Statements amended to reflect the correct position. We have attached the amended copy of the Financial Statements for your perusal.</i></p>	Jesece Mbuthia FAM	Resolved	
4.1.2	<p>Total financial Assets figure. Examination of Statement of Assets and Liabilities revealed the following Anomalies. -The omission of the word 'Liabilities,' The statement of assets as at 30th June 2018 reflects total financial assets of Kshs. 50,151,354.00b as per the financial statement presented for audit. While the same statement as per supporting schedule provided for audit shows a balance of Kshs. 25,075,677.00. No explanation has been</p>	<p><i>We concur there was the Omission of the Word Liabilities. We also concur that the Statement of Assets as at 30th June 2018 reflects Total financial Assets of Ksh 50,151,354.00 as pe the Financial Statements presented for Audit while the same statement as per the supporting schedules provided for audit reflects of Ksh 25,075,677.00. This was a postig error and has been corrected and the Financial Statements amended reflected the correct position. See the</i></p>	Jesece Mbuthia FAM	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	provided for this anomalies	<i>attached ammended Financial Statements</i>			
4.1.3	PMC bank balances Note 15.4(annex 5) to the financial statement reflects a total of Kshs. 4,093,966.45 on PMC accounts. However, the certificates of balances for the PMC accounts held at equity bank reflects a total of Kshs. 3,530,656.16 as shown below.	<i>Its true that the Financial Statements reflects a wrong figure of Ksh 4,093,966.45 as Pmc as at 30th June 2018 instead of Ksh 3,530,591.96. This was an error and has been corrected and the Financial Statemen t note on Pmc updated. A copy of the Ammended Financial Statement has been submitted for your Perusal.</i>	Jesee Mbuthia FAM	Resolved	
4.2	Irregular payment of Gratuity allowances. Review of the Statement of Receipts and Payments reflects Compensation of Employees of Kshs. 940,060.00. Included in this expenditure is an amount of Kshs. 129,580.00 being gratuity allowance paid to office assistant. Gratuity has been calculated using gross pay and not basic leading to an over payment by Kshs. 41,230.00. Further, the applicable tax has not been applied.	<i>We concur that gratuity has been calculated using Gross pay and not basic pay leading to an overpayment by Ksh 41,230 and that the applicable tax law has not been applied. We submit that the beneficiary has since been terminated from service. However this anomaly has been duly noted by the NG CDFC to ensure that it does not recur in the future.</i>	Jesee Mbuthia FAM	Resolved	
4.3	Under Utilization of Budget During the financial year ended 30 June 2018,Gatundu North CDF had an approved	We concur that there was under-utilization of budget. This was because of the delay in disbursement of Funds from	Jesee Mbuthia FAM	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	budget of Kshs.103,109,384.82.the summary Statement of Appropriation: Recurrent and Development Combined reflect overall expenditure totaling Kshs.23,249,225 equivalents to 22.5% absorption rate leaving a variance to budgeted amount of Kshs.79,860,159.82 (77.5%).	the NG-CDF Board. We have attached the A.I.E.s received against the budget to confirm the dates of Funds disbursement.			
4.3	Unutilized Funds (Gichuka Primary School Kshs. 1,199,780) Examination of records availed for audit revealed that an amount of Kshs. 1,199,780 for A/c No. 0660173209327 at Equity Bank Gatundu Branch was meant for purchase of land ¼ ac at Gichuka Primary School. As at time of audit verification the land had not been purchased because of ownership issues. This unutilized funds should be re allocated to better use so that value for money can be realized as per the act.	We Concur that an amount of Ksh 1,199,780.00 for purchase of a ¼ of land at Gichuka Pry School had not been used to purchase the land because of ownership issues. However the matter has been considered and deliberated in NG-CDFC meeting MIN:08/04/2019 PMC ACCOUNTS and a resolution arrived at that the Gichuka PMC be assisted to utilize the funds in any eligible project. We have attached a copy of the minute for your perusal.	Jesee Mbuthia FAM	Resolved.	