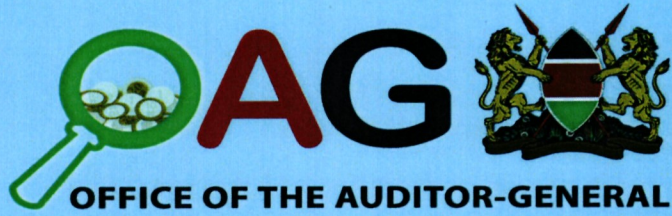
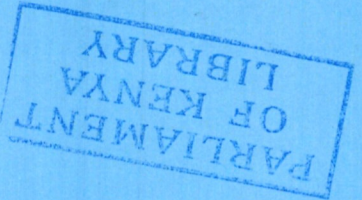


REPUBLIC OF KENYA



Enhancing Accountability



REPORT


THE NATIONAL ASSEMBLY
PAPERS LAYD

DATE: 15 FEB 2023

DAY:
Wed.

OF

TABLED
BY

Deputy Majority leader

SECRETARY
FOR PARLIAMENT

F. MURUKI

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**



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OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY
29 SEP 2021
RECEIVED



GICHUGU CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021**

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

***GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

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**GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016. The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, 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

**GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

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.

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The GICHUGU Constituency NG-CDF 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 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Margaret N. Rugiri
2.	Sub-County Accountant	James K. Nderi
3.	Chairman NGCDFC	Geofrey K. Nduru
4.	Member NGCDFC	James M. Mwendia

(d) Fiduciary Oversight Arrangements

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

P.O. Box 234-10301
DCC COMPOUND
KIANYAGA
KIRINYAGA, KENYA

GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

(f) GICHUGU Constituency NGCDF Contacts

Telephone: (254) 234-10301 Kianyaga
E-mail: cdfgichugu@ngcdf.go.ke
Website: www.cdf.go.ke

(g) GICHUGU Constituency NGCDF Bankers

1. FAMILY BANK
KUTUS BRANCH
P.O BOX 74145-00200
NAIROBI

(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. NG-CDFC CHAIRMAN'S REPORT

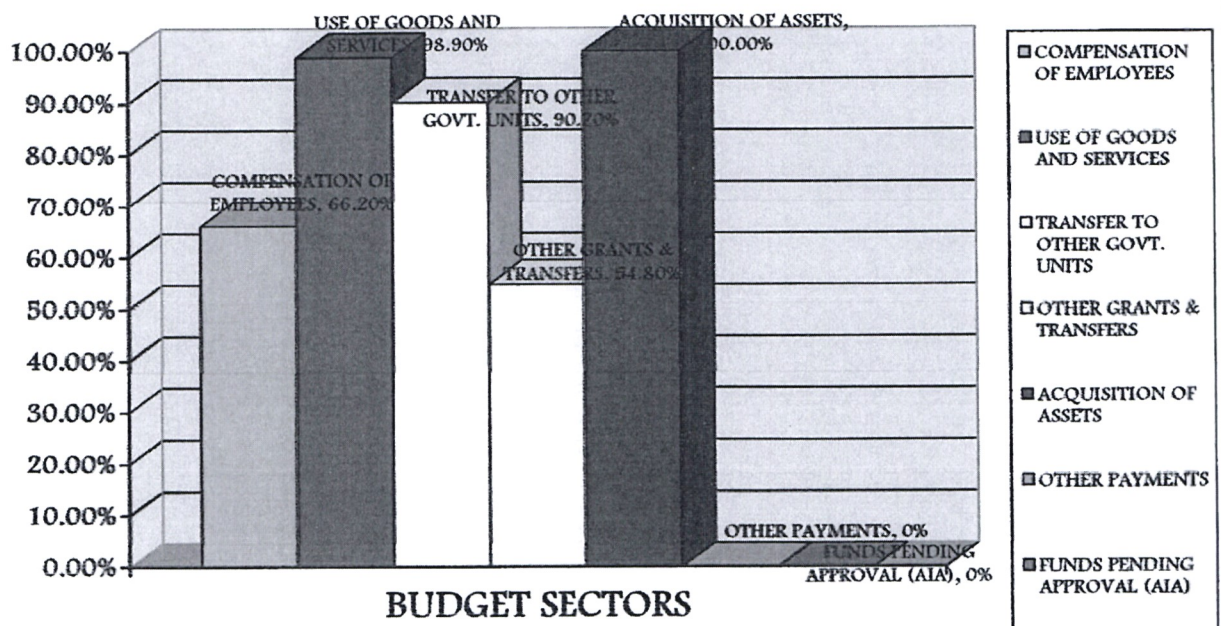


GEOFFREY K. NDURU

On behalf of the constituents and the NG-CDF Gichugu office, it's my utmost honour and privilege to present the financial report for the year ended 30th June 2021.

During the financial year 2020/2021 the management had a total budget of Kshs. 227,964,074 which included Kshs. 137,088,879 being the allocation for the year and balances brought forward from the previous year amounting to Kshs. 90,875,195. However, the management received a total of Kshs. 182,875,195 during the year translating to 80% of the expected amount. A total of Kshs. 45,088,879 still owed from the NG-CDF board as at 30th June 2021. Of the received amount the management spent Kshs. 163,205,137 on projects and other administrative costs which translate to 72% of the budgeted amount.

BUDGET PERFORMANCE AGAINST ACTUAL AMOUNTS, FY 2020/2021



**GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

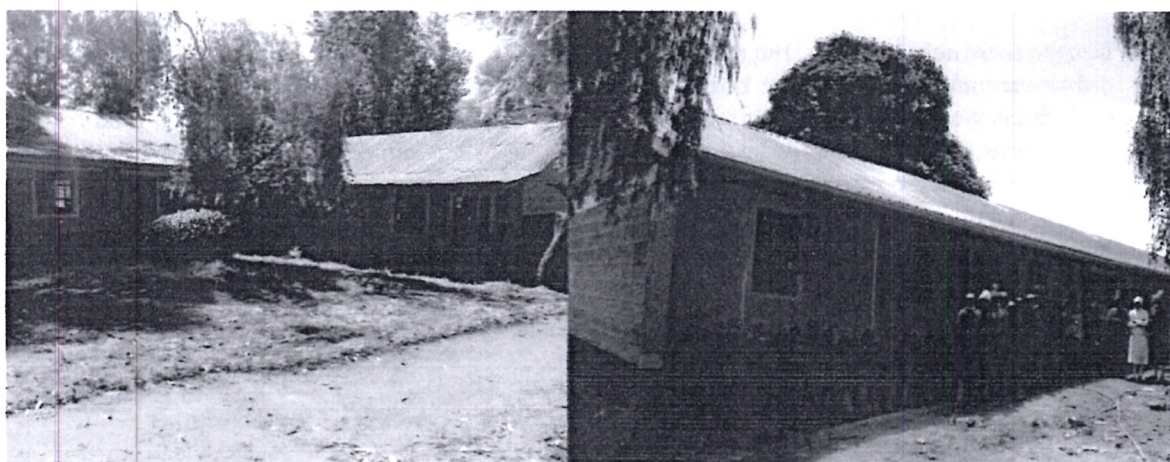
During this financial year 2020/2021, the NG-CDF Gichugu managed to complete and implement a good number of projects from the financial year 2020/2021 and a couple from the financial year 2019/2020 whose funds were received from the board in the financial year 2020/2021. This was made possible by good co-operation between the NG-CDF committee, the PMCs and other stakeholders despite the covid-19 challenge. Among them were renovations at Kavote Primary School, Nyanja Primary School and Gaciongo Primary School. A dining hall and a multipurpose hall that had been pending from the previous financial year due to late disbursement of funds were also completed at Kimunye Secondary School and Kavote Secondary School respectively. A number of chief's and assistant chief's offices were also completed for security and administrative duties among them being Ngerwe assistant chief's office and Kanjuu assistant chief's office.



BEFORE

AFTER

RENOVATION AT KAVOTE PRIMARY SCHOOL

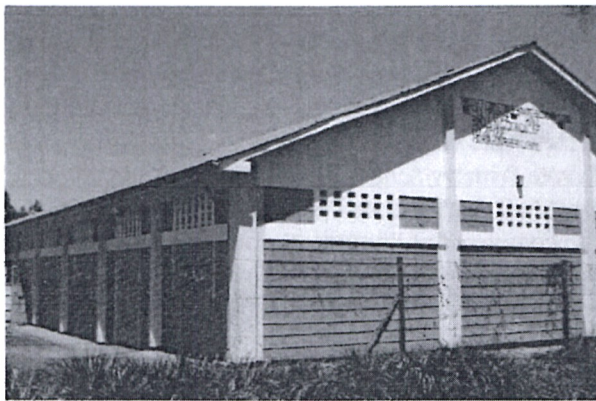


BEFORE

AFTER

RENOVATION AT NYANJA PRIMARY SCHOOL

**GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**



MULTI PURPOSE HALL AT KAVOTE SEC. SCH.



DINING HALL AT KIMUNYE SEC. SCH.



NGERWE ASST. CHIEF'S OFFICE



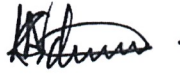
KANJUU ASST. CHIEF'S OFFICE

Despite these achievements, the management experienced a number of challenges among them delay in disbursement of funds from the board, high number of requests by some of the institutions within the constituency especially boarding secondary schools where many required immediate intervention in terms of dormitories, dining halls and classrooms construction to accommodate high number of students enrolling following the 100% transition of student from Primary to secondary Schools as per the Government policy and the need for social distancing in the learning institutions as a result of the covid-19 pandemic to minimise transmission. There were also a good number of very old primary schools that were in need of renovations.

That notwithstanding, early disbursement of funds by the board would go a long way to ensure that projects budgeted are completed within the provided timeline. The management will resort to sampling a few schools that are in extreme need of renovation while awaiting intervention by the board for the remainder.

**GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Signature



CHAIRMAN NGCDF COMMITTEE



III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

The key development objectives of GICHUGU Constituency 2018-2022 plan are to:

- a) Enhance security infrastructure, housing for security/administration staff and surveillance.
- b) Improve learning infrastructure environment in primary, secondary and tertiary institutions.
- c) Enhance availability and access to affordable, quality, universal healthcare.
- d) Build resilient, all-weather infrastructures for accelerated rural development.
- e) Mainstream environmental conservation in all development initiatives through community driven environmental programs.
- f) Empower the community to engage in economic and livelihood improvement for constituency development

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 Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	<p>-In FY 20/21 the Gichugu NG-CDF renovated 5 primary schools, completed 3 dining halls, 3 classrooms and drilled a borehole complete with a water pump to provide safe drinking water for students, all intended to improve learning conditions in our institutions.</p> <p>- Bursary beneficiaries at all levels were as per the attached schedule.</p>

GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Security	Enhance security infrastructure, housing for security/administration staff	Increased security for the residents of the constituency.	-Usable physical infrastructure build in the constituency.	In the FY 20/21 the Gichugu NG-CDF completed 8 offices for the area Chiefs and Assistant chiefs in the constituency aimed at improving service delivery to our constituents in matters of security and administration.
Environment				
Sports				
Emergency				

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

GICHUGU NG-CDF 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 ensure sustainability of GICHUGU NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** GICHUGU NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid-19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a

GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

In the financial year 2020/2021 Gichugu NG-CDF had set aside Kshs. 2,500,000 to fund 10 schools to purchase 10,000 litres water tanks and construct hand washing points to be used by the students in a bid to fight against covid-19 pandemic. This project is under implementation.

3. Employee welfare

We invest in providing the best working environment for our employees. GICHUGU constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal. The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. GICHUGU constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

GICHUGU NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interests

5. Community Engagements-

GICHUGU NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

GICHUGU NG-CDF have continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

V. 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.

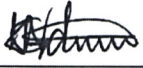
The Accounting Officer in charge of the NGCDF-GICHUGU Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. 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-GICHUGU 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 constituency's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- GICHUGU Constituency further confirms the completeness of the accounting records maintained for the constituency, 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.

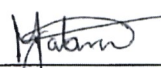
The Accounting Officer in charge of the NGCDF GICHUGU Constituency confirms that the constituency has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the 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- GICHUGU Constituency financial statements were approved and signed by the Accounting Officer on 28/08 2021.



Chairman NGCDF Committee
Name: GEORGEY K. NDURU

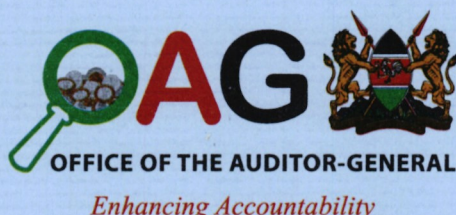


Fund Account Manager
Name: Margaret N. Rugin



REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
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 - GICHUGU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Gichugu Constituency set out on pages 14 to 44, which comprise the statement of assets and liabilities as at 30 June, 2021, and the

Report of the Auditor-General on National Government Constituencies Development Fund - Gichugu Constituency for the year ended 30 June, 2021

statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Gichugu Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund (NGCDF) Act, 2015.

Basis for Qualified Opinion

1. Unsupported Bursary Awards

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an expenditure of Kshs.65,651,553 in respect of other grants and other payments which includes amounts totalling to Kshs.26,374,869 and Kshs.9,528,000 in respect of bursaries to secondary schools and tertiary institutions respectively. However, bursary awards totalling to Kshs.7,971,238 were not supported with information such as names, particulars of beneficiaries and receipts confirmations by the respective recipient institutions. Further, the Fund did not have a bursary policy guideline to ensure efficient and effective management of the bursary funds and lacks procedures on identification of beneficiaries and management of the bursary funds.

In the circumstances, the completeness and accuracy of other grants and transfers totalling to Kshs.7,971,238 could not be confirmed.

2. Over Expenditure on Sports Projects

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects an expenditure of Kshs.65,651,553 in respect of other grants and other payments which includes an amount of Kshs.4,128,684 for sports projects. Review of project records indicate that two invoices in respect to sports project were overpaid by an amount of Kshs.350,734 as indicated in the table below;

Payment Voucher	Invoice Amount (Kshs.)	Amount Paid (Kshs.)	Overpaid Amount (Kshs.)
1030107	1,372,210	1,380,070	7,860
1030064	2,405,740	2,748,614	342,874
			350,734

No explanation was provided for the overpayments.

In the circumstances, accuracy of the expenditure totalling to Kshs.4,128,684 on sports projects could not be confirmed and the Fund could lose the overpaid amount of Kshs.350,734 if it is not recovered.

3. Inaccuracy in Comparative Balance

Note 17.2 to the financial statements reflects a nil comparative balance for pending staff payables. However, the audited financial statements for the year ended 30 June, 2020 reflects an amount Kshs.554,280 for the same item. This is contrary to IPSAS 1, Section 53, which stipulate that, except when an IPSAS permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the financial statements.

In the circumstances, the financial statements provided for the audit were not in accordance with the reporting template prescribed by the Public Sector Accounting Standards Board (PSASB).

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Gichugu 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 reflects final receipts budget and actual on comparable basis of Kshs.228,002,074 and Kshs.182,913,195 respectively resulting to underfunding of Kshs.45,088,879 or 20% of the budget. Similarly, the Fund expended Kshs.163,205,137 against an approved budget of Kshs.228,002,074, resulting to an under expenditure of Kshs.64,796,337 or 28% of the budget.

In the circumstances, the under-funding and under expenditure may have impacted negatively on service delivery to the residents of Gichugu Constituency.

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board reporting template and The National Treasury Circular Ref.AG.4/16/2vol.3(72) of 30 June, 2021.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Land Without Ownership Documents

Annex 4 on the summary of fixed assets register reflects a total of Kshs.18,698,066 which includes an amount of Kshs.6,179,329 in respect of buildings and structures relating to the Fund's office building. However, the Fund does not have ownership title for the land on which the building is situated. Further, the Fund had not insured the assets against risks.

In the circumstances, the ownership status of the Fund buildings and structures valued at Kshs.6,179,329 is in doubt.

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, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Failure to Update Fuel Register

The statement of receipts and payments and as disclosed Note 5 to the financial statements reflects an expenditure of Kshs.8,855,577 in respect of use of goods and services which includes an amount of Kshs.800,000 in respect to fuel, oil and lubricants. However, the fuel register was not updated with entries for goods received numbers (GRNs), order numbers, signatures of the receiving officers and details of the vehicles drawing fuel.

In the circumstance, the existence of effective internal controls mechanism on the utilization of the fuel drawn could not be established.

2. Weak Stock Management

Review of the management of stock indicated that the Fund's stores ledger was not updated with information on quantities received, issue dates, quantities and to whom issues were made, issue voucher numbers and the stock balances.

In the circumstances, the effectiveness of internal controls and risk management on stores could not be confirmed.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of 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 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 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

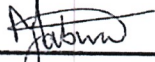
29 July, 2022

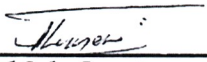
GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

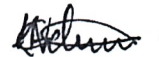
VII. STATEMENT OF RECEIPTS AND PAYMENTS

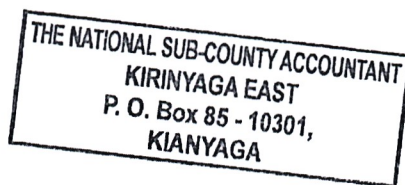
	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	169,367,724	120,777,082
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	38,000	11,000
TOTAL RECEIPTS		169,405,724	120,788,082
PAYMENTS			
Compensation of employees	4	3,530,893	1,872,960
Use of goods and services	5	8,855,577	8,049,138
Transfers to Other Government Units	6	79,718,614	81,997,000
Other grants and transfers	7	65,651,553	21,645,651
Acquisition of Assets	8	5,448,500	294,300
Other Payments	9	0	500,000
TOTAL PAYMENTS		163,205,137	114,359,049
SURPLUS/(DEFICIT)		6,200,587	6,429,033

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GICHUGU Constituency financial statements were approved on 28/08/2021 and signed by:


 Fund Account Manager
 Name: Margaret N. Rugin


 National Sub-County
 Accountant
 Name: JAMES K. NDERU
 ICPAK M/No:


 Chairman NG-CDF Committee
 Name: GEOFFREY K. NDUAU

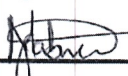


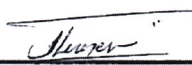
GICHUGU Constituency
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VIII. STATEMENT OF ASSETS AND LIABILITIES

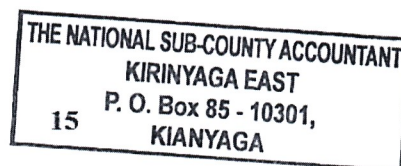
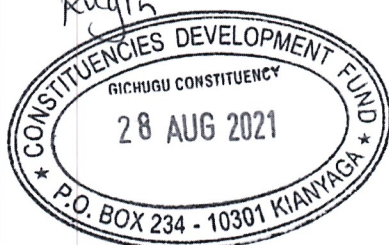
	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	19,708,058	13,507,471
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		19,708,058	13,507,471
Accounts Receivable			
Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		19,708,058	13,507,471
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	0	0
Gratuity	12B	0	1,108,483
TOTAL FINANCIAL LIABILITES		0	1,108,483
NET FINANCIAL ASSETS		19,708,058	12,398,988
REPRESENTED BY			
Fund balance b/fwd		13,507,471	7,078,439
Prior year adjustments	14	0	0
Surplus/Deficit for the year		6,200,587	6,429,033
NET FINANCIAL POSITION		19,708,058	13,507,471

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GICHUGU Constituency financial statements were approved on 28/08/2021 and signed by:


 Fund Account Manager
 Name: Margaret N. Rugiri


 National Sub-County
 Accountant
 Name: JAMES K. NDEM
 ICPAK M/No:


 Chairman NG-CDF Committee
 Name: GEOFFREY K. NDURU

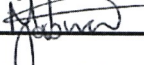



GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

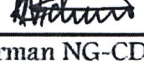
IX. STATEMENT OF CASHFLOW

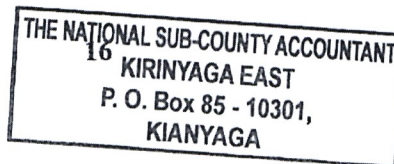
		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	169,367,724	120,777,082
Other Receipts	3	38,000	11,000
Total receipts		169,405,724	120,788,082
Payments for operating activities			
Compensation of Employees	4	3,530,893	1,872,960
Use of goods and services	5	8,855,577	8,049,138
Transfers to Other Government Units	6	79,718,614	81,997,000
Other grants and transfers	7	65,651,553	21,645,651
Other Payments	9	0	500,000
Total payments		157,756,637	114,064,749
Total Receipts Less Total Payments		11,649,087	6,723,333
Adjusted for:			
Decrease/ (Increase) in Accounts receivable: (Outstanding imprest)	15	0	0
Increase/ (Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	0	0
Prior year adjustments	14	0	0
Net cash flow from operating activities		11,649,087	6,723,333
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	8	(5,448, 500)	(294,300)
Net cash flows from Investing Activities		(5,448, 500)	(294,300)
NET INCREASE IN CASH AND CASH EQUIVALENT		6,200,587	6,429,033
Cash and cash equivalent at BEGINNING of the year	10	13,507,471	7,078,439
Cash and cash equivalent at END of the year		<u>19,708,058</u>	<u>13,507,471</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GICHUGU Constituency financial statements were approved on 28/08/2021 and signed by:


Fund Account Manager
Name: Margaret N.


National Sub-County Accountant
Name: JAMES K. NOERI
ICPAK M/No:


Chairman NG-CDF Committee
Name: GEOFFREY K. NSURU



GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

X. SUMMARY STATEMENT OF APPROPRIATION

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a	b	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements				
RECEIPTS	2020/2021				2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers from NGCDF Board	197,088,879	19,507,471	77,367,724		227,964,074	182,875,195	45,088,879	80.2%
Proceeds from Sale of Assets					0	0	0	0.0%
Other Receipts (AIA)		38,000			38,000	38,000	0	100.0%
TOTALS	197,088,879	19,545,471	77,367,724		228,002,074	182,913,195	45,088,879	80.2%
PAYMENTS								
Compensation of Employees	3,729,320	1,608,160	0		5,337,480	3,530,893	1,806,587	66.2%
Use of goods and services	7,655,588	1,295,091	0		8,950,679	8,855,577	95,102	98.9%
Transfers to Other Government Units	64,540,000	0	23,800,000		88,340,000	79,718,614	8,621,386	90.2%
Other grants and transfers	61,163,971	5,352,588	53,567,724		120,084,283	65,851,553	54,232,730	54.8%
Acquisition of Assets	0	5,250,000	0		5,250,000	5,248,500	1,500	100.0%
Other Payments	0	1,632	0		1,632	0	1,632	0.0%
Funds pending approval (AIA)	0	38,000	0		38,000	0	38,000	0.0%
TOTALS	197,088,879	19,545,471	77,367,724		228,002,074	163,205,137	64,796,937	71.6%

GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

- i.) The NG-CDF Gichugu had hoped to spend a total of Kshs. 227,964,074 during the year 2020/2021 during which a total of Kshs. 182,875,195 was received. As at 30th June 2021, a total of Kshs. 45,088,879 had not been received from the board. The changes between the original budget of Kshs. 137,088,879 and the final budget translating to Kshs. 227,964,074 was as a result of amounts not received from the board from the previous financial year, 2019/2020.
- ii.) On a compensation of employees' salaries, the management spent a total of Kshs. 3,530,893 which was inclusive of gratuity payments to employees at the end of the contract period. A total of Kshs. 1,806,587 as at 30th June 2021 was unutilized on compensation of employees. This is because payment of employees' salaries is a sensitive matter therefore the NG-CDF committee from previous years' experiences had provided an extra amount in the budget to ensure smooth running of office operations, late disbursement of funds from the board not-withstanding.
- iii.) The management hoped to spend a total of Kshs. 120,084,283 in regard to other grants and transfers. However, a total of Kshs. 54,232,730 was yet to be received from the board.
- iv.) In other payments, a total of Kshs. 1,632 had remained from payments of the strategic plan.
- v.) A total of Kshs. 38,000 was received as appropriation in aid and was pending approval from the board.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	64,796,937
Less undischursed funds receivable from the Board as at 30 th June 2021	(45,088,879)
	19,708,058
Add Accounts payable	0
Less Accounts Receivable	(0)
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	19,708,058

The NGCDF-GICHUGU Constituency financial statements were approved on 28/08/2021 and signed by:

[Signature]
Fund Accountant Manager

Name: *[Signature]* N. Rujin

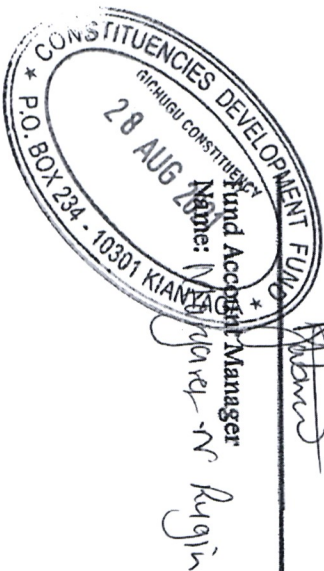
[Signature]
National Sub-County Accountant

Name: *[Signature]* K. NDERI
ICPAK M/No:

THE NATIONAL SUB-COUNTY ACCOUNTANT
KIRINYAGA EAST
P. O. Box 85 - 10301,
KIANYAGA

[Signature]
Chairman NG-CDF Committee

Name: *[Signature]* G. NDUQU



GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget 2020/2021 Kshs	Adjustments		Final Budget 2020/2021 Kshs	Actual on comparable basis 30/06/2021 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	3,729,320	1,608,160		5,337,480	3,530,893	1,806,587
1.2 Committee allowances	1,236,002	0		1,236,002	1,236,002	0
1.3 Use of goods and services	2,317,590	0		2,317,590	2,317,590	0
1.4 Acquisition of assets						
2.0 Monitoring and evaluation						
2.1 Capacity building	1,741,998	2,210,452		3,952,450	4,341,157	-388,707
2.2 Committee allowances	1,170,998	960,909		2,131,907	1,648,098	483,809
2.3 Use of goods and services	1,189,000	-1,876,270		-687,270	-687,270	0
3.0 Emergency						
3.1 Primary Schools				-3,780,646	6,850,000	-10,630,646
3.2 Secondary schools				-1,320,000	2,300,000	-3,620,000
3.3 Tertiary institutions						
3.4 Security projects				-1,086,000		-1,086,000
3.5 Allocated funds	7,192,207	152,588	14,066,575	21,411,370	200,000	21,211,370
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools	26,000,000		25,400,000	51,400,000	26,374,869	25,025,131
4.3 Tertiary Institutions	12,059,766		12,059,767	24,119,533	9,528,000	14,591,533
4.4 Constituency Revision books Projects	0	4,000,000		4,000,000	4,000,000	0
4.5 Social Security						

GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/B) and AIA	Previous Years' Outstanding Disbursements			
5.0 Sports						
5.1 Bal b/d						
5.2 Allocated funds	2,741,998		4,129,414	6,371,412	4,128,684	2,742,728
5.3						
6.0 Environment						
6.1 Muegura Primary School			1,200,000	1,200,000		1,200,000
6.2 Githage Primary School			348,614	348,614		348,614
6.3 Kiamciri Sec School						0
6.4 Gatugura Primary School			1,200,000	1,200,000		1,200,000
6.5 St Thomas Mbari Primary School						0
6.6 Karjau Primary School						0
6.7 Rwambiti Primary School						0
6.8 Kiamvathi Primary School						0
6.9 Mwarinjau Primary School						0
7.0 Githure Primary School						0
7.1 Nyanja Primary School						0
7.2 Karumandi Boys High School						0
7.3 Thuya Primary School	250,000			250,000.00		250,000
7.4 Muegura Secondary School	250,000			250,000.00		250,000
7.5 Kiamciri Primary School	250,000			250,000.00		250,000
7.6 Kabare boys primary school	250,000			250,000.00		250,000
7.7 Gituba primary School	250,000			250,000.00		250,000
7.8 Ngaritatu Primary School	250,000			250,000.00		250,000
7.9 Kiarjira Primary School	250,000			250,000.00		250,000
8.0 Kiandai Primary School	250,000			250,000.00		250,000

GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
8.1 Mhuri Primary School	250,000			250000.00		250,000
8.2 Karucho Primary School	250,000			250000.00		250,000
8.3 Allocated funds				0.00		0
7.0 Primary Schools Projects (List all the Projects)						
7.1 Mwanianjau Primary School				0		0
7.2 Githage Primary School					348,614	-348,614
7.3 Kiburia Primary School			1,200,000	1,200,000	1,200,000	0
7.4 Land Kamwana Primary School			8,000,000	8,000,000	8,000,000	0
7.5 Rairimu Primary School	500,000			500,000		500,000
7.6 Muegura Primary School				0	1,500,000	-1,500,000
7.7 Gatuguru Primary School				0		0
7.8 Nyanja Primary School	4,800,000			4,800,000	4,800,000	0
7.9 Guama primary school	3500000.00			3500000.00	3,500,000	0
8.0 Kavote Primary Pefool	6000000.00			6000000.00	6,000,000	0
8.1 Gacionge Primary School	5400000.00			5400000.00	5,400,000	0
8.2 Githure primary school	5500000.00			5500000.00	5,500,000	0
8.3 Kiaumbui primary school	1470000.00			1470000.00	1,470,000	0
8.4 Thumaita East Primary School.	1200000.00			1200000.00	1,200,000	0
8.5 Kiamugumo primary school	270000.00			270000.00		270,000
8.6 Mugumo Primary School.	6700000.00			6700000.00	6,700,000	0
8.7 Kiajiru Primary School	400000.00			400000.00	400,000	0
8.8 Kimunywe Primary School	1300000.00			1300000.00		1,300,000
8.9 Muegura Primary School	1500000.00			1500000.00		1,500,000

GICHU/GU Constituency
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Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
9.0 Ngungu Primary School	2020/2021				1,000,000	-1,000,000
8.0 Secondary Schools Projects (List all the Projects)						
8.1 Kiaryaga boys Secondary School			1,500,000	1,500,000	1,500,000	0
8.2 Kavole Secondary School				0		
8.3 Nguriamu Secondary School			1,300,000	1,300,000	1,300,000	0
8.4 Karjua Secondary School			3,800,000	3,800,000	3,800,000	0
8.5 St Bakhita Kiburia girls Secondary School			600,000	600,000	600,000	0
8.6 St Marks Girls Secondary School - Thumaita			5,500,000	5,500,000	5500000	0
8.7 Ngungu Secondary School				0		0
8.8 Kiaumbui Secondary School		5000000.00	1,900,000	6,900,000	5,000,000	1,900,000
8.9 Kianguenyi Secondary school		3500000.00		3,500,000	3,500,000	0
9.0 Kiaryambo Secondary school		3500000.00		3,500,000	3,500,000	0
9.1 Kavole Secondary		1300000.00		1,300,000	1,300,000	0
9.2 Kiandui Secondary School		1300000.00		1,300,000	1,300,000	0
9.3 Mugumo Secondary School		6000000.00		6,000,000		6,000,000
9.4 Rukanya secondary school		3700000.00		3,700,000	3,700,000	0
9.5 Gaciongo Secondary School		1700000.00		1,700,000	1,700,000	0
9.0 Tertiary Institutions Projects (List all the Projects)						
9.1						
10.0 Security Projects						
10.1 ACC and DCC offices Furniture projects		1,200,000		1,200,000	1200000	0

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Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
10.2 Kathoge Ap Post			150,000	150,000		150,000
10.3 Kutus Police Post			1,200,000	1,200,000		1,200,000
10.4 Ngerwe Assistant Chief Office	1450000.00			1,450,000	1,450,000	0
10.5 Kanjuu Assistant Chief	1450000.00			1,450,000	1,450,000	0
10.6 Mirichi Assistant Chief Office	1450000.00			1,450,000	1,450,000	0
10.7 Mutige Assistant Chief	1200000.00			1,200,000	1,200,000	0
10.8 Kirima Chief Office	550000.00			550,000	550,000	0
10.9 Njuki-ini North Chief Office	720000.00			720,000	720,000	0
11.0 kiritini Assistant Chief	1550000.00			1,550,000	1,550,000	0
11.1 Karucho Assistant Chief	250000.00			250,000	850,000	-600,000
11.2 Rungeto Assitant Chief	150000.00			150,000	150,000	0
11.3 Gachigi Assistant Chief	250000.00			250,000	250,000	0
11.4 Kiajiru Assistant Chief	250000.00			250,000	250,000	0
11.5 Kirinyaga East Assistant County Commissioner.	1400000.00			1,400,000	1,400,000	0
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)		5,250,000		5,250,000	5,248,500	1,500
11.2 Construction of CDF office equipment						
11.3 Purchase of furniture and equipment						
11.4 Purchase of computers						
11.5 Purchase of land						
12.0 Others						
12.1 Strategic Plan		1,632		1,632		1,632
12.2 Innovation Hub						

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Programme/Sub-programme	Original Budget	Adjustments		Final Budget	Actual on	Budget utilization
	2020/2021	Opening Balance (C/B) and AIA	Previous Years' Outstanding Disbursements	2020/2021	comparable basis 30/06/2021	difference
13.0 Funds pending approval		38,000		38,000		38,000
13.1 AIA						
Total	137,088,879	13,545,471	77,367,724	228,002,074	163,205,137	64,796,937

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

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XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

Transfers from the National Government Constituency Development Fund (NG-CDF)

Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets

Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance 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 constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions

In-kind contributions are donations that are made to the constituency 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 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 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 (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in

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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. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. 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 are 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 financial 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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is 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 30th June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.

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 2021.

14. Errors

Material prior period errors are 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

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
	1		4,736,206
AIE NO. B047147			
	2		42,079,978
AIE NO. B047170			
	3		4,000,000
AIE NO. B047416			
	4		20,000,000
AIE NO. B041458			
	5		6,000,000
AIE NO. B047888			
	6		2,180,800
AIE NO. B041405			
	7		14,000,000
AIE NO. B049266			
	8		24,000,000
AIE NO. B104288			
	9		2,780,097.50
AIE NO. B104124			
	10		1,000,000
AIE NO. B104217			
	1	8,000,000	
AIE NO. B096884			
	2	58,867,724.10	
AIE NO. B104857			
	3	8,000,000	
AIE NO. B124717			
	4	5,500,000	
AIE NO. B124841			
	5	8,500,000	
AIE NO. B124940			
	6	12,000,000	
AIE NO. B119795			
	7	6,900,000	
AIE NO. B128085			
	8	7,000,000	
AIE NO. B128395			
	9	6,000,000	
AIE NO. B132140			
	10	12,000,000	
AIE NO. B138808			
	11	7,000,000	
AIE NO. B126104			
	12	12,600,000	
AIE NO. B126393			
	13	12,000,000	
AIE NO. B140539			
	14	5,000,000	
AIE NO. B105138			
TOTAL		169,367,724	120,777,082

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
Total	0	0

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from sale of tender documents	38,000	11,000
Hire of plant/equipment/facilities	0	0
Unutilized funds from PMCs	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	38,000	11,000

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,868,169	1,872,960
Personal allowances paid as part of salary		
House Allowance	0	0
Transport Allowance	0	0
Leave allowance	0	0
Gratuity to contractual employees	1,662,724	0
Employer Contributions Compulsory national social security schemes	0	0
Total	3,530,893	1,872,960

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	0	0
Utilities, supplies and services	921,347	432,901
Electricity	43,692	49,312
Communication, supplies and services	84,098	9,450
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	660,000	39,440
Rentals of produced assets	0	0
Training expenses	0	232,000
Hospitality supplies and services	0	0
Other committee expenses	0	0
Committee allowance	2,884,100	2,868,550
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	0	0
Fuel, oil & lubricants	800,000	600,000
Other operating expenses	3,428,720	3,798,965
Bank service commission and charges	33,620	18,520
Routine maintenance – vehicles and other transport equipment	0	0
Routine maintenance – other assets	0	0
Total	8,855,577	8,049,138

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	47,018,614	45,247,000
Transfers to secondary schools (see attached list)	32,700,000	36,750,000
Transfers to tertiary institutions (see attached list)	0	0
TOTAL	79,718,614	81,997,000

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	26,374,869	1,069,370
Bursary – tertiary institutions (see attached list)	9,528,000	447,000
Revision Books (see attached list)	4,000,000	0
Mock & CAT (see attached list)	0	0
Social Security programmes (NHIF)	0	0
Security projects (see attached list)	12,470,000	11,710,000
Sports projects (see attached list)	4,128,684	800,000
Environment projects (see attached list)	0	3,917,006
Emergency projects (see attached list)	9,150,000	3,702,275
Total	65,651,553	21,645,651

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	5,200,000	0
Purchase of Bicycles & Motorcycles	248,500	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	294,300
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialized Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	5,448,500	294,300

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	0	500,000
ICT Hub	0	0
	0	500,000

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
Family Bank, Kutus Branch, A/c No. 020000002893, Kshs	19,708,057.97	13,507,471
Total	19,708,057.97	13,507,471
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>specify</i>)	0	0
Total	0	0
<i>[Provide cash count certificates for each]</i>		

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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>
Total				0

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1 st July (A)	0	0
Retention held during the year (B)	0	0
Retention paid during the Year (C)	0	0
Closing Retention as at 30 th June D= A+B-C	0	0

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1 st July (A)	0	0
Gratuity held during the year (B)	1,662,724	0
Gratuity paid during the Year (C)	1,662,724	0
Closing Gratuity as at 30 th June D= A+B-C	0	0

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13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	13,507,471.07	7,078,439
Cash in hand		
Imprest		
Total	13,507,471.07	7,078,439

14. PRIOR YEAR ADJUSTMENTS

Description of the error	Balance b/f FY 2019/2020 as per Audited Financial statements Kshs	Adjustments Kshs	Adjusted Balance b/f FY 2020/2021 Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others (<i>specify</i>)	0	0	0
TOTAL	0	0	0

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2020-2021 KShs	2019-2020 KShs
Outstanding Imprest as at 1 st July (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
closing accounts in account receivables D= A+B-C	0	0

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2021 KShs	2019 – 2020 KShs
Deposit and Retentions as at 1 st July (A)	0	0
Deposit and Retentions held during the year (B)	1,662,724	0
Deposit and Retentions paid during the Year (C)	1,662,724	0
closing account payables D= A+B-C	0	0

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17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	0	1,108,483
Others (<i>specify</i>)	0	0
	0	1,108,483

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	1,806,587	1,608,160
Use of goods and services	95,102	1,284,091
Amounts due to other Government entities (see attached list)	8,621,386	18,900,000
Amounts due to other grants and other transfers (see attached list)	54,232,730	58,084,107
Acquisition of assets	1,500	5,250,000
Others (<i>strategic plan</i>)	1,632	1,632
Funds pending approval	38,000	11,000
	64,796,937	85,138,990

17.4: FMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
FMC account balances (see attached list)	77,440,000	39,433,300
	77,440,000	39,433,300

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1. John Gititu	Clerk of Works	08/04/2018	0	
2. Felix Njeru	Accounts Assistant	08/04/2018	0	
3. Mary Muriage	Secretary	08/04/2018	0	
4. Gershon Wachira	Driver	08/04/2018	0	
5. Rancy Wanjira	Tea Lady	08/04/2018	0	
6. Eric Masyimi	Messenger	08/04/2018	0	
7. Gabriel Muchira	Watchman	08/04/2018	0	
Sub-Total			0	
Grand Total			0	

**GICHUGU Constituency
National Government Constituencies Development Fund (NGCDF)
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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees		1,806,587	1,608,160.00	
Use of goods & services		95,102.00	1,284,091.00	
Amounts due to other Government entities		8,621,386.00	18,900,000.00	
Sub-Total		10,523,075.00	21,792,251	
Amounts due to other grants and other transfers				
Emergency		5,874,724.00	2,776,631.08	
Revision Books			4,000,000.00	
Security Projects		750,000.00	1,640,000.00	
Sports		2,742,728.00	0	
Environment		5,248,614.00		
Bursary		89,616,664.00	0	
Amount owed from the board			49,667,476.00	
Sub-Total		54,232,730.00	58,084,107.08	
Acquisition of assets		1,500.00	5,250,000.00	
Others (strategic plan)		1,632.00	1,632.00	
Sub-Total		1,632.00	1,632.00	
Funds pending approval		98,000.00	11,000.00	
Grand Total		64,796,937.00	85,158,990.08	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	0			0
Buildings and structures	6,179,329			6,179,329
Transport equipment	4,994,637.99	5,498,500.00		10,493,137.99
Office equipment, furniture and fittings	1,406,300			1,406,300
ICT Equipment, Software and Other ICT Assets	563,000			563,000
Other Machinery and Equipment	56,300			56,300
Heritage and cultural assets	0			0
Intangible assets	0			0
Total	13,199,566.99	5,498,500.00		18,698,066.99

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Nyarja Primary School	Family Bank	020000004717	4,800,000.00	
Karumandi South Primary School	Family Bank	020000003794		3,500,000
Githure Primary School	Family Bank	020000003798	5,500,000.00	1,200,000
Ngirambu Primary School	Family Bank	020000003797		3,000,000
Kianjiru Primary School	Family Bank	020000004736	400,000.00	
Guama Primary School	Family Bank	020000004745	3,500,000.00	
Kianguenyi Primary School	Family Bank	057000036599		4,400,000
Kianguenyi Secondary School	Family Bank	020000004765	3,500,000.00	
Kianyambo Primary School	Equity Bank	0190299368306		4,000,000
Ack Gatunguru Primary School	Equity Bank	0100290221332		270,000
Mucagaru Primary School	Equity Bank	0100297364286	1,500,000.00	
Thumata East Primary School	Family Bank	020000004729	1,200,000.00	
Rukenya Primary School	Equity Bank	0100192089477		4,000,000.00
Kamwana Primary School	Family Bank	020000004783	1,000,000.00	
Raimu Primary School	KCB	1250761824		5,000,000.00
Mwanjarjau Primary School	Equity Bank	0100297976123		4,000,000.00
Mugumo Primary School	Equity Bank	0100293477257	6,700,000.00	
Kimuye Sec Sch	Equity Bank	0100299295393		3,500,000
Rukenya Sec Sch	Equity Bank	0100293737523	3,700,000.00	
Gatuguru Sec Sch	Equity Bank	0100294095454		3,500,000.00
Gaciongo Sec Sch	Equity Bank	0190296322445	1,700,000.00	

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Gaciong Primary Sch	Equity Bank	0100291126606	5,400,000.00	
Kiandai Secondary School	Equity Bank	0100294253443	1,300,000.00	
Kiaumbui Secondary School	Equity Bank	0190293948598	5,000,000.00	
Kianyambo Secondary School	Family Bank	020000004730	3,500,000.00	
St Marks Girls Thumaita	Equity Bank	0100293767152	11,000,000.00	
Kavote Secondary School	Equity Bank	0100295456144	1,300,000.00	1,000,000.00
Kavote Primary School	Equity Bank	0100273470257	6,000,000.00	
Kianjiru Asst. Chiefs Office	Family Bank	020000002826	250,000.00	
Karacho Asst. Chiefs Office	Family Bank	020000003270	250,000.00	
Kiritini Asst. Chief Office	Family Bank	020000004695	1,500,000.00	
Rungeto Asst. Chief Office	Family Bank	020000004754	150,000.00	
Mutige Asst. Chiefs Office	Family Bank	020000004677	1,200,000.00	
Kirima Chiefs Office	Family Bank	020000004676	550,000.00	
Ngerwe Asst. Chief Office	Family Bank	020000004657	1,450,000.00	
Mirichi Asst. Chief Office	Family Bank	020000004656	1,450,000.00	
Kanjuu Asst. Chief Office	Family Bank	020000004655	1,450,000.00	
Njukini North Chiefs Office	Family Bank	020000004654	720,000.00	
Njuuki-Ini Asst. County Commissioner Office	Family Bank	020000002851		2,000,000.00
Kiaumbui Primary School	Equity Bank	0190194210400	1,470,000.00	
Total			77,440,000.00	39,370,000.00

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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 and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
EH/AUD /NG-CDF/GI CHUGU C/2019-20/7	<p>Other Grants and Other Payments - Security Projects</p> <p>Note 7 to the financial statements for the year ended 30 June 2020 reflects Kshs 21,645,651 in respect to other grants and other payments which includes Kshs 11,710,000 in respect to security projects undertaken within the constituency. Included in the Kshs 11,710,000 is Kshs 6,310,000 in respect to three (3) security projects as follows; Kianjiru Assistant Chiefs' Office 3,200,000; Gacigi Police Post 2,050,000; Kimuruye Police Post 1,060,000</p> <p>However, although the three (3) projects were completed and handed over in March 2020 they had not put to use as at the time of verification in November 2020. Further, included in Kshs 11,710,000 is Kshs 2,000,000 in respect to Njuki-Ini Assistance County Commissioner's office whereby funds were disbursed but not implemented due to site dispute.</p> <p>In the circumstances, the value for money equivalent to Kshs 8,310,000 disbursed during the year ended 30 June 2020 could not be confirmed.</p>	<p>The NG-CDF management notes that the projects were complete, ready for use and handed over to the user. However, some offices were lacking furniture like kianjiru assistant chief and gacigi chief's offices. The NG-CDF management has made a provision in 2020/2021 budget to purchase furniture for those offices and construct a waiting bay for clients. This will make the offices fully functional. Further, the management is in communication with the assistant county commissioner, who is also a member of the committee, to ensure that the offices are fully used. On the issue of site dispute, it has been resolved by the assistant county commissioner and the project has been moved to a new site and implementation is ongoing.</p>	<p>Not Resolved</p>	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
EH/AUD /NG- CDF/GI CHUGU C/2019-20/7	<p>Cash and Cash Equivalents</p> <p>Note 10A to the financial statements reflects Kshs. 13,507,471 in respect to cash and cash equivalents balance as at 30 June 2020 held in one bank account. However, the respective bank reconciliation statement reflects unrepresented cheques totaling Kshs. 560,107 which further includes nineteen (19) stale cheques totaling Kshs. 158,549 and which had not been replaced or reversed in the cash book as at 30 November 2020 thereby understating the cash and cash equivalents balance of Kshs. 13,507,471 by the same amount.</p> <p>In view of the above, the validity and accuracy of the cash and cash equivalents balance of Kshs. 13,507,471 as at 30 June, 2020 could not be ascertained.</p>	<p>The amount totaling to Kshs. 560,107 in terms of unrepresented cheques at the end of the financial year, were mainly bursary cheques and payments to government institutions (some made just days before the close of the financial year). The management noted that those bursary cheques were issued just before schools were closed amid covid-19 pandemic and therefore the institutions had yet to present these cheques to the bank. However, Kshs. 401,558 of Kshs. 560,107 has been presented to the bank translating to 72%. The management is making follow ups to ensure the remaining cheques are presented for payment.</p>	Not Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
EH/AUD/NG-CDF/GI CHUGU C/2019-20/7	<p>Accuracy of Financial Statements</p> <p>Annex 4 to the financial statements for the year under review reflects an opening balance of Kshs. 12,330,267 in respect to historical cost of fixed assets. However, the previous financial statements reflected a closing balance of Kshs. 12,905,267 in respect to same item resulting to an unexplained and unreconciled variance of Kshs. 575,000.</p> <p>In the circumstances, the accuracy of the Kshs. 12,330,267 historical cost balance for the year ended 30 June 2020 could not be ascertained.</p>	The issue has been noted and rectified in the financial statement.	Resolved	

