

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

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THE NATIONAL ASSEMBLY
PAPER NO. 10

DATE: 23 FEB 2022

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BY:

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Hon. E. Wangwe, mp.

CLERK-AT
THE-TABLE:

Benson Inzofu.

REPORT

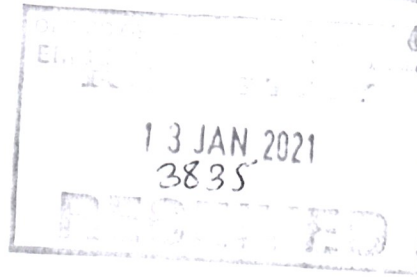
OF

THE AUDITOR-GENERAL

ON

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

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND –

GICHUGU CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2020

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

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

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

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

GICHUGU CONSTITUENCY

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Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NGCDF GICHUGU Constituency day-to-day management is under the following key organs:

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	A.I.E holder	MARGARET N. RUGIRI
2.	Sub-County Accountant	FREDRICK MURIITHI KAGAU
3.	Chairman NGCDFC	GEOFFREY K. NDURU
4.	Member NGCDFC	JANET W. NYAGA

(d) Fiduciary Oversight Arrangements

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

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

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

(f) NGCDF GICHUGU Constituency Contacts

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

(g) NGCDF GICHUGU Constituency Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. 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
GOP 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)
GICHUGU CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

ILFORWARD BY THE CHAIRMAN NGCDF COMMITTEE

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 2020.

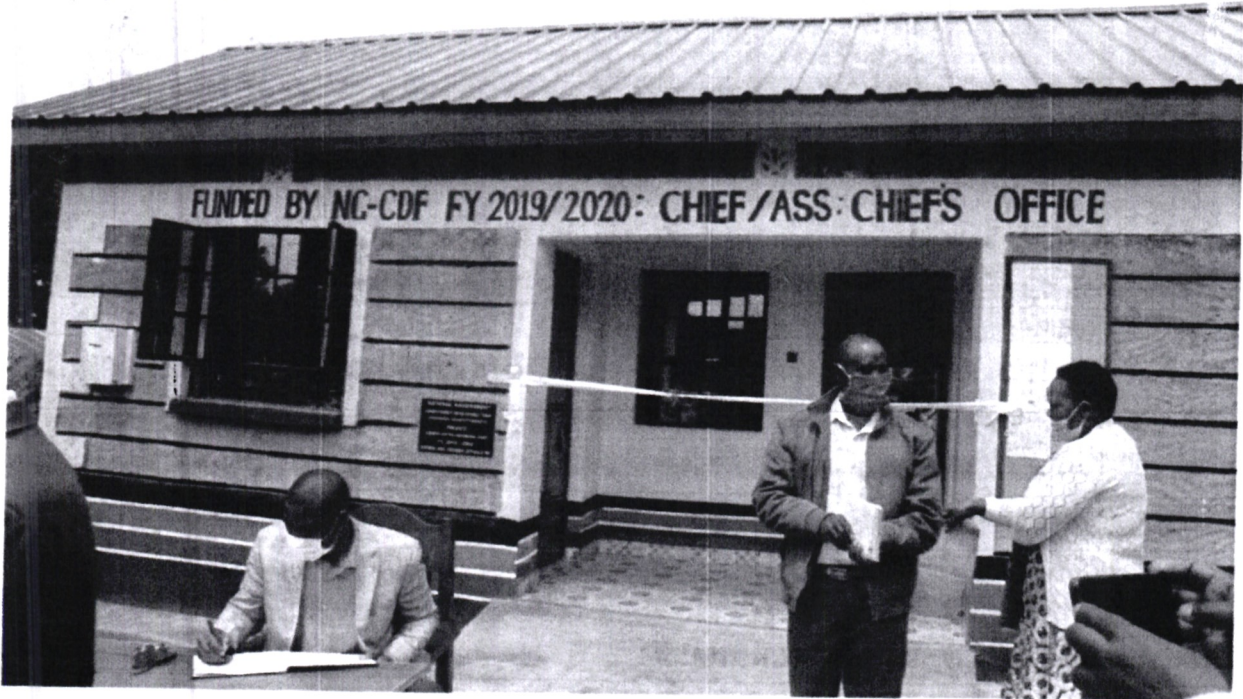
During the financial year 2019/2020 the management had a total budget of Kshs. 199,620,724 which included Kshs. 137,620,724 being the allocation for the year and balances brought forward from the previous year amounting to Kshs. 61,866,315. However, the management received a total of Kshs. 127,855,520 during the year translating to 64% of the expected amount. A total of Kshs. 71,631,519 still owed from the NG-CDF board as at 30th June 2020. Of the received amount the management spent Kshs. 114,359,049 on projects and other administrative costs which translate to 57% of the budgeted amount.

During the financial year 2019/2020 the NG-CDF Gichugu managed to implement and complete a good number of projects. This was made possible by good co-operation between the NG-CDF committee, the PMCs and other stakeholders. The management also completed some ongoing project which had remained outstanding for a long time key among them a library block at Mugumo Secondary school and a multipurpose hall at Kiaumbui Secondary School. The management constructed a 67,000 litres septic tank at St Ann Gituba girls Secondary School where the girls were commissioned to use a dormitory that was constructed by the NG-CDF but could not be used without the septic tank, Several area chief's and assistant chiefs offices to improve on security and administration. A number of classrooms and toilets were constructed in various schools and are already in use. Key among them include a class at Gacatha Secondary school, Raimu Primary school, Mburi Christian Primary school and Karumandi Boys Secondary school.

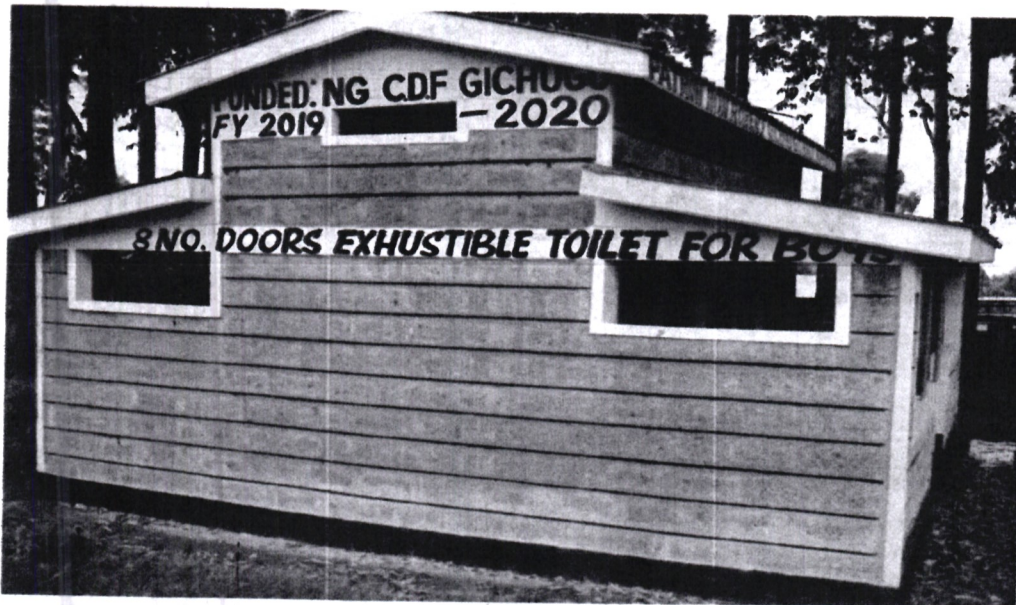


ST ANN GITUBA GIRLS SEC SCH DORMITORY

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

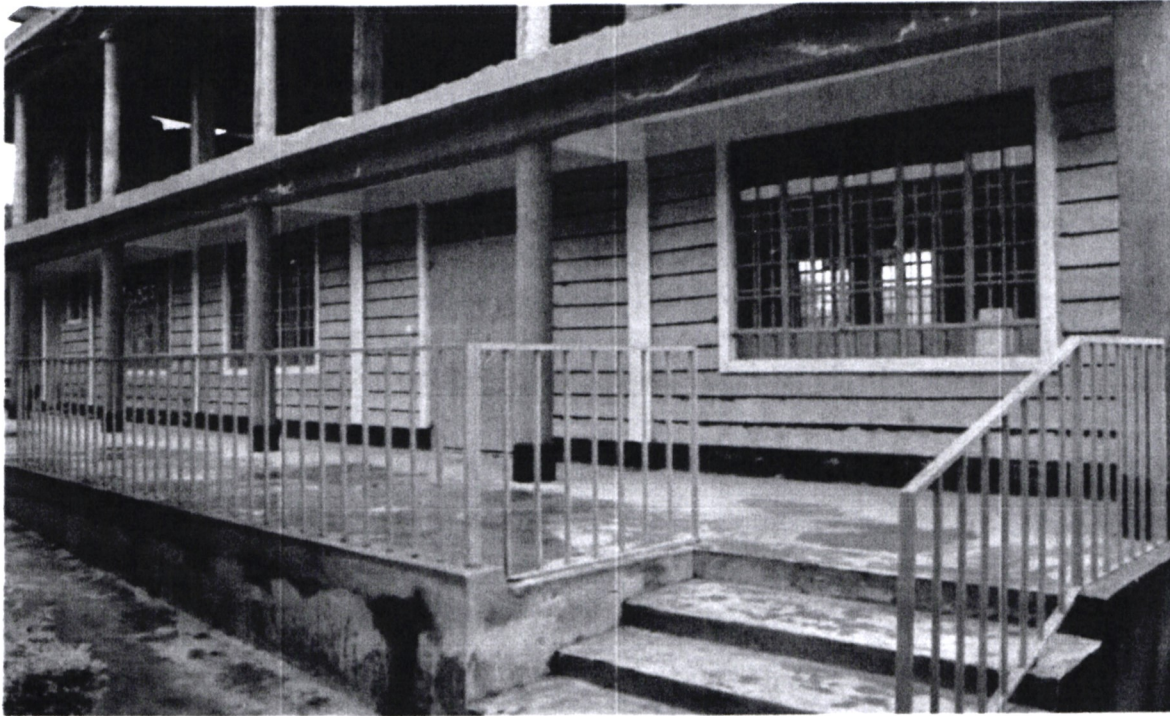


NGARIAMA EAST CHIEF'S OFFICE

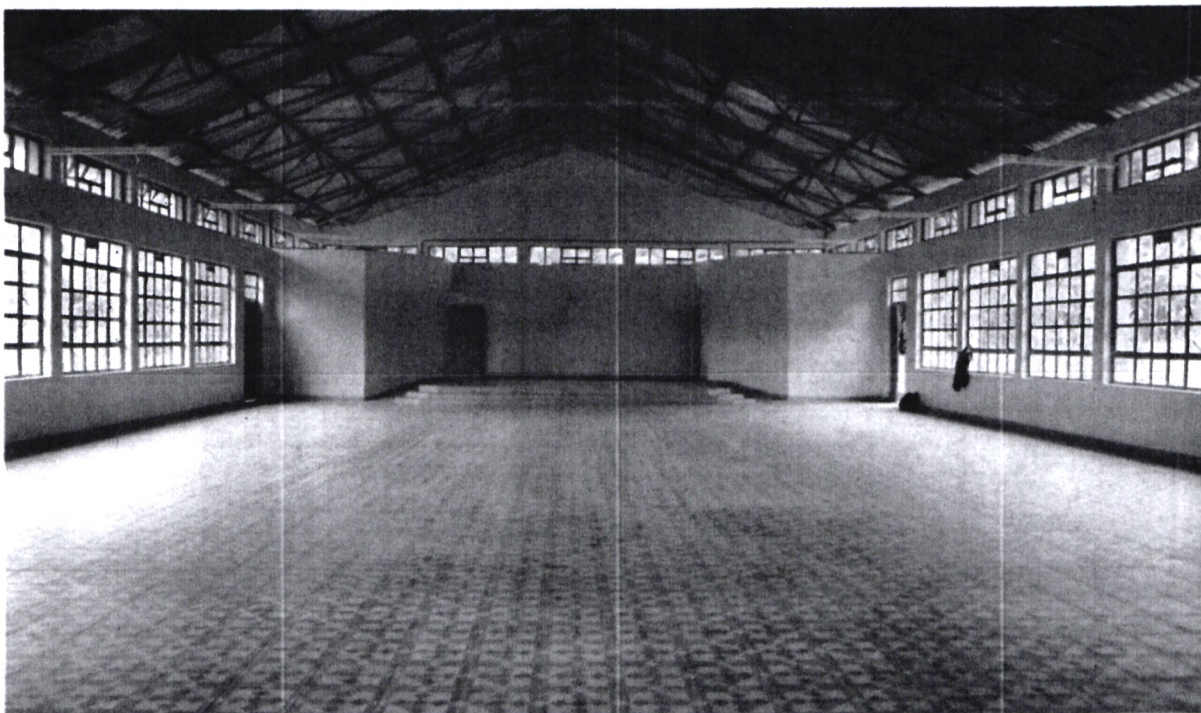


KAVOTE PRIMARY SCHOOL

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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MUGUMO SEC SCH LIBRARY BLOCK PHASE 1



KIAUMBUI SEC SCH MULTIPURPOSE HALL

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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Reports and Financial Statements

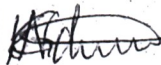
For the year ended June 30, 2020

Despite these achievements, the management experienced a number of challenges among them high number of requests by some of the institutions within the constituency, especially boarding secondary schools where many required immediate intervention in terms of dormitory 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.

The Primary schools' facilities having been in existence for a number of years were calling for major renovations in the classrooms and toilets. Meeting the high demand of funds to cater for all the facilities was quite a challenge for the NG-CDF management. The management however endeavoured to utilize the available funds effectively and hope that in future the National Government will consider increasing the NG-CDF allocation to enable implementation of more projects.

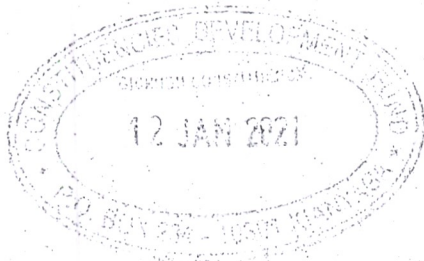
The NG-CDF Gichugu also faced the covid-19 challenge that befell the country in the course of the financial year. Therefore, the funds that had been allocated for award of bursary couldn't be disbursed since the schools were closed following government directive. The NG-CDF committee in this regard embarked on other approved projects majority of which were renovations in various primary and secondary schools. By the time the students report back, those schools will be renovated to completion.

SIGNATURE:



NAME: **GEOFFREY K. NDURU**

CHAIRMAN NGCDF COMMITTEE



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

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

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

The key development objectives of NGCDF-GICHUGU Constituency's 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 Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions	In FY 19/20 the gichugu NG-CDF completed several 3 classrooms, 8 toilet blocks, 2 library blocks, 4 multipurpose halls, 2 dormitory blocks all intended to improve learning conditions in our schools.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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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 19/20 the gichugu NG-CDF completed 5 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	Mainstream environmental conservation in all development initiatives through community driven environmental programs.	-Improve the living conditions through improved environmental conditions.	-Increased tree cover, clean water within the constituency among others.	During the FY 19/20 the gichugu NG-CDF undertook a project to plant trees in the local primary schools, and provided 7 10,000 litre water tanks to help provide clean water to the most affected schools.
Sports				

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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**IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY
REPORTING**

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

1. Environmental performance

The Gichugu NG-CDF was involved in various activities to help improve the learning environment in several of our primary schools through provision of water tanks and gutters to harvest rain water which will help in a long way in provision of clean drinking water in the schools. Gichugu NG-CDF also made a point of planting trees outside the security offices that were completed as at 30th June 2020 with the intention of improving the environment.

2. Employee welfare

During the financial year ended 30th June 2020, the NG-CDFC's and employees at the Gichugu NG-CDF were taken for training and capacity building activities at the Kenya School of Government in Mombasa. This was aimed at improving their skills and motivate them improve service delivery at the constituency level.

3. Community Engagements -

The Gichugu NG-CDF through personal initiatives by the chairman oversight committee assisted by the NG-CDFC members was involved in several activities to help the constituents survive through the covid-19 pandemic by providing water tanks, face masks and sanitizers at the public places.

The Gichugu NG-CDF through personal initiatives provided trophies to the best performing schools and students during the Kirinyaga East education day celebrations.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

GICHUGU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

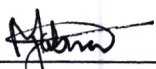
The Accounting Officer in charge of the NGCDF-GICHUGU Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020.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


The Accounting Officer in charge of the NGCDF-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 entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-GICHUGU Constituency further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NGCDF-GICHUGU Constituency financial statements were approved and signed by the Accounting Officer on 12/01 2020/1

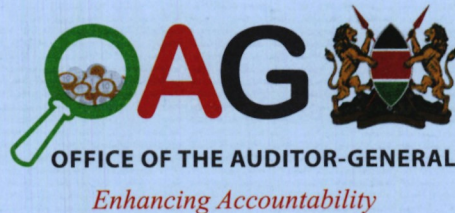

Fund Account Manager
Name: *Margaret N. Rugira*


Sub-County Accountant
Name: *Fredrick M. Kagau*
ICPAK Member Number: *17635*



REPUBLIC OF KENYA

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NAIROBI

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

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 13 to 47, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and 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 2010 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 - Gichugu Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

Stale Cheques

As disclosed under Note 10 to the financial statements, the statement of assets and liabilities as at 30 June, 2020 reflects a balance of Kshs.13,507,471 in respect to cash and cash equivalents balance. However, the bank reconciliation statement reflects unrepresented cheques totalling to Kshs.560,107 which includes nineteen (19) stale cheques totalling to Kshs.158,549 and which had not been replaced or reversed in the cash book thereby understating the cash and cash equivalents balance of Kshs.13,507,471 by the same amount.

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.

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

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development reflects final receipts budget and actual on comparable basis of Kshs.199,498,039 and Kshs.127,866,520 respectively resulting to an under-funding of Kshs.71,631,519 or 36% of the budget. Similarly, the Fund expended Kshs.114,359,049 against an approved budget of Kshs.199,498,039 resulting to an under-expenditure of Kshs.85,138,990 or 43% of the budget.

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. Presentation of the Financial Statements

The Fund's financial statements include summary statement of appropriation - recurrent and development combined and summary statement of appropriation - recurrent which are not signed by the Fund Management as required by the International Public Sector Accounting Standards (Cash Basis) reporting template issued in June, 2020 by the Public Sector Accounting Standards Board (PSASB).

In the circumstances, the Fund's financial statements for the year ended 30 June, 2020 are not prepared in accordance with IPSAS and the PSASB prescribed format.

2. Unimplemented Projects

Review of the project implementation status report reflects that one hundred and two (102) projects worth Kshs.186,538,462 were budgeted to be implemented during the year. However, only sixty-four (64) projects worth Kshs.44,879,281 were completed,

twenty-four (24) projects worth Kshs.98,460,567 were on going and fourteen (14) projects worth Kshs.43,198,614 had not started as at 30 June, 2020.

In view of the foregoing, the constituents did not get the expected services for the year ended 30 June, 2020. This is an indication of inappropriate project planning and implementation mechanism.

3. Completed Projects not Put into Use

As disclosed under Note 7 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.21,645,651 in respect to other grants and transfers which includes expenditure amounting to Kshs.11,710,000 in respect to security projects undertaken within the constituency. Included in the amount is Kshs.6,310,000 in respect to three (3) security projects.

However, although the three (3) projects were completed and handed over in March, 2020 they had not been put to use as at the time of audit in November, 2020. Further, included in the amount of Kshs.11,710,000 is a balance amounting to 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.

In the circumstances, the value for money amounting to Kshs.8,310,000 comprising of Kshs.6,310,000 and Kshs.2,000,000, respectively disbursed during the under review could not be confirmed.

4. Untagged Assets

Annex 4 to the financial statements reflects a balance of Kshs.13,199,567 in respect to fixed assets historical cost as at 30 June, 2020. However, included in the balance are assets valued at Kshs.2,025,600 which were not tagged for ease of tracking and identification contrary to Section 139 (1) (b) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, the Fund is in breach of the law.

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 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 so as to obtain assurance about whether effective processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability 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 abolish the Fund or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the 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 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 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 the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 February, 2022

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

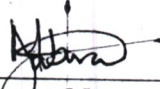
Reports and Financial Statements


For the year ended June 30, 2020

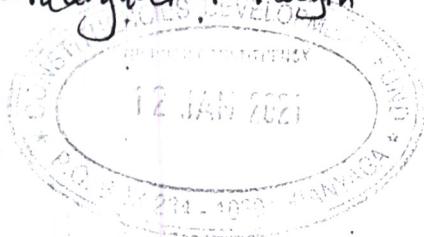
VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2020

	NOTES	2019-2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	120,777,082	104,448,277
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	11,000	253,000
TOTAL RECEIPTS		120,788,082	104,701,277
PAYMENTS			
Compensation of employees	4	1,872,960	2,029,040
Use of goods and services	5	8,049,138	7,585,448
Transfers to Other Government Units	6	81,997,000	46,290,000
Other grants and transfers	7	21,645,651	50,744,302
Acquisition of Assets	8	294,300	0
Other Payments	9	500,000	7,175,395
TOTAL PAYMENTS		114,359,049	113,824,185
SURPLUS/(DEFICIT)		6,429,033	-9,122,908

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 12/01/2020 and signed by:


Fund Account Manager
Name: Margaret N. Rugin


National Sub-County Accountant
Name: Fredrick M. Kagau
ICPAK Member Number: 17635



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

VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2020

	Note	2019-2020 Kshs	2018-2019 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	13,507,471	7,078,439
Cash Balances (cash at hand)	10B	0	0
Total Cash and Cash Equivalents		13,507,471	7,078,439
Accounts Receivable			
Outstanding Imprests	11	0	0
TOTAL FINANCIAL ASSETS		13,507,471	7,078,439
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	0	0
Deposits (Gratuity)	12B		
TOTAL FINANCIAL LIABILITES		0	0
NET FINANCIAL ASSETS		<u>13,507,471</u>	<u>7,078,439</u>
REPRESENTED BY			
Fund balance b/fwd	13	7,078,439	16,201,347
Prior year adjustments	14	0	0
Surplus/Deficit for the year		6,429,033	-9,122,908
NET FINANCIAL POSITION		<u>13,507,471</u>	<u>7,078,439</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 12/01/2020 and signed by:

Fund Account Manager

Name: Margaret W. Rugin



National Sub-County Accountant

Name: Fredrick M. Kagau
ICPAK Member Number: 17635

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

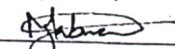
Reports and Financial Statements

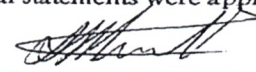
For the year ended June 30, 2020

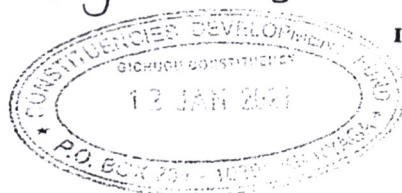
IX. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2020

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	120,777,082	104,448,277
Other Receipts	3	<u>11,000</u>	<u>253,000</u>
Total receipts		120,788,082	104,701,277
Payments for operating expenses			
Compensation of Employees	4	1,872,960	2,029,040
Use of goods and services	5	8,049,138	7,585,448
Transfers to Other Government Units	6	81,997,000	46,290,000
Other grants and transfers	7	21,645,651	50,744,302
Other Payments	9	500,000	7,175,395
Total payments		114,064,749	113,824,185
Total Receipts Less Total Payments		6,723,333	-9,122,908
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15	0	0
Increase/(Decrease) in Accounts Payable	16	0	0
Prior year Adjustments	14	0	0
Net cash flow from operating activities		6,723,333	-9,122,908
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	8	(294,300)	0
Net cash flows from Investing Activities		(294,300)	0
NET INCREASE IN CASH AND CASH EQUIVALENT		6,429,033	-9,122,908
Cash and cash equivalent at BEGINNING of the year	13	7,078,439	16,201,347
Cash and cash equivalent at END of the year		<u>13,507,471</u>	<u>7,078,439</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 12/01/2020 and signed by:


Fund Account Manager
Name: Margaret N. Rugon


National Sub-County Accountant
Name: Fredrick M. Kagau
ICPAK Member Number: 17635



NATIONAL GOVERNMENT CONSUENCIENCIES DEVELOPMENT FUND (NGCDF) –

GICHUGU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,620,724	61,866,315	199,487,039	127,855,520	71,631,519	65%
Proceeds from Sale of Assets	-	-	-	-	-	0%
Other Receipts	-	11,000	11,000	11,000	-	0%
TOTALS	137,620,724	61,877,315	199,498,039	127,866,520	71,631,519	65%
PAYMENTS						
Compensation of Employees	2,926,840	554,280	3,481,120	1,872,960	1,608,160	54%
Use of goods and services	5,268,648	4,358,881	9,333,229	8,049,138	1,284,091	86%
Transfers to Other Government Units	64,020,000	36,877,000	100,897,000	81,997,000	18,900,000	83%
Other grants and transfers	60,155,236	19,574,522	79,729,758	21,645,651	58,084,107	27%
Acquisition of Assets	-	-	294,300	294,300	-	100%
Other Payments (NGCDF Motorvehicle & Motorcycle)	5,250,000	501,632	5,751,632	500,000	5,251,632	9%
Unallocated funds (AIA)		11,000	11,000	-	11,000	0%
TOTALS	137,620,724	61,877,315	199,498,039	114,359,049	85,138,990	58%
Surplus			0	13,507,471	(13,507,471)	7%

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
GICHUGU CONSTITUENCY

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

i) SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE YEAR ENDED 30 JUNE 2020

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	8,195,488	4,618,861	12,814,349	9,922,098	2,892,251	77.43%
Proceeds from Sale of Assets	0	0	0	0	0	0
Other Receipts (AIA)	0	11,000	11,000	11,000	0	0
	8,195,488	4,629,861	12,825,349	9,933,098	2,892,251	77.43%
PAYMENTS						
Compensation of Employees	2,926,840	554,280	3,481,120	1,872,960	1,608,160	53.80%
Use of goods and services	5,268,648	4,064,581	9,333,229	8,049,138	1,284,091	86.24%
Unallocated funds (AIA)	0	11,000	11,000	0	11,000	0.00%
TOTALS	8,195,488	4,629,861	12,825,349	9,922,098	2,903,251	77.43%
Surplus	-	-	-	11,000	(11,000)	7%

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

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

ii) SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2020

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	129,425,236	57,247,454	186,672,690	117,933,422	68,739,268	63%
PAYMENTS						
Transfers to Other Government Units	64,020,000	36,877,000	100,897,000	81,997,000	18,900,000	81.00%
Other grants and transfers	60,155,236	19,574,522	79,729,758	21,645,651	58,084,107	27.15%
Acquisition of Assets	0	294,300	294,300	294,300	0	100.00%
Other Payments	5,250,000.00	501,632	5,751,632	500,000	5,251,632	8.69%
TOTALS	129,425,236	57,247,454	186,672,690	104,436,951	82,235,739	44%
Surplus	-	-	-	13,496,471	(13,496,471)	-

i. The NG-CDF Gichugu had hoped to spend a total of Kshs. 199,487,039 during the year 2019/2020 a total of Kshs. 127,855,520 was received. As at 30th June 2020 a total of Kshs 71,631,519 had not been received from the board.

ii. On compensation to employees the management spent a total of Kshs. 1,872,960. A total of Kshs. 554,280 was set aside and retained in the account to cater for employees' gratuity at the end of the contract period.

- iii. In regard to use of goods and services the management hoped to spend a total of Kshs. 9,333,229. However, a total of Kshs. 1,284,091 had not been received from the board.
- iv. In regard to transfer to other government units, the management had hoped to spend a total of Kshs. 100,897,000. However, a total of Kshs. 18,900,000 had not been received from the board.
- v. The management hoped to spend a total of Kshs. 79,729,758 in regard to other grants and transfers. However, a total of Kshs. 58,084,107 was yet to be received from the board.
- vi. In regard to other payments the management hoped to spend a total of Kshs. 5,751,632. However, a total of Kshs. 5,251,632 had not been received from the board.

The NGCDF-GICHUGU Constituency financial statements were approved on _____ 2020 and signed by:

Fund Account Manager
Name:



Sub-County Accountant

Name: *Friedrich M. Nagau*
ICPAK Member Number: *17635*

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

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,926,840	554,280	3,481,120	1,872,960	1,608,160
1.2 Committee allowances	1,195,003	865,776	2,060,779	2,060,779	0
1.3 Use of goods and services	1,800,000	632,038	2,432,038	2,432,038	0
Sub-Totals	5,921,843	2,052,094	7,973,937	6,365,777	1,608,160
2.0 Monitoring and evaluation					
2.1 Capacity building	1,071,226	1,371,226	2,442,452	232,000	2,210,452
2.2 Committee allowances	800,000	968,680	1,768,680	807,771	960,909
2.3 Use of goods and services	402,419	226,861	629,280	2,516,550	-1,887,270
Sub-Totals	2,273,645	2,566,767	4,840,412	3,556,321	1,284,091
3.0 Emergency					
3.1 Primary Schools		-1,200,000	-1,200,000	2,692,275	-3,892,275
3.2 Secondary schools		-560,000	-560,000	760,000	-1,320,000
3.3 Tertiary institutions					
3.4 Security projects		-836,000	-836,000	250,000	-1,086,000
3.5 Allocated funds	7,198,241	7,020,922	14,219,163	0	14,219,163
Sub-Totals	7,198,241	4,424,922	11,623,163	3,702,275	7,920,888
4.0 Bursary and Social Security					
4.1 Primary Schools					
4.2 Secondary Schools	25,400,000	-182,000	25,218,000	1,069,370	24,148,630
4.3 Tertiary Institutions	12,059,767	4,110,000	16,169,767	447,000	15,722,767
4.4 Constituency Revision books Projects	4,000,000		4,000,000	0	4,000,000
Sub-Totals	41,459,767	3,928,000	45,387,767	1,516,370	43,871,397

GICHUGU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

5.0 Sports								
5.1 Bal b/d			0					
5.2 Allocated funds	2,748,614	2,180,800	4,929,414	800,000				4,129,414
Sub-Totals	2,748,614	2,180,800	4,929,414	800,000				4,129,414
6.0 Environment								
6.1 Mucagara Primary School	1,200,000	218,080	1,200,000					1,200,000
6.2 Githage Primary School	348,614		348,614					348,614
6.3 Kiamiciri Sec School		218,080	218,080					218,080
6.4 Gatugura Primary School	1,200,000	218,080	1,418,080					1,418,080
6.5 St Thomas Mhuri Primary School		218,080	218,080					218,080
6.6 Kanjuu Primary School		218,080	218,080					218,080
6.7 Rwambiti Primary School		218,080	218,080					218,080
6.8 Kiamwathi Primary School		218,080	218,080					218,080
6.9 Mwanianjau Primary School		218,080	218,080					218,080
7.0 Githure Primary School		218,080	218,080					218,080
7.1 Nyanja Primary School		218,080	218,080					218,080
7.2 Karumandi Boys High School		218,080	218,080					218,080
7.3 Allocated funds		0	0				3,917,006	-3,917,006
Sub-Totals	2,748,614	2,180,800	4,929,414				3,917,006	1,012,408
7.0 Primary Schools Projects (List all the Projects)								
7.1 Gacatha Primary School	1,550,000		1,550,000				1,550,000	
7.2 Rwambiti Primary School	3,500,000		3,500,000				3,500,000	
7.3 Karumandi Primary School	3,500,000		3,500,000				3,500,000	
7.4 Mwanianjau Primary School	4,000,000	400,000	4,400,000				5,700,000	-1,300,000
7.5 Kianyambo Primary School	4,000,000		4,000,000				4,000,000	
7.6 Rukenya Primary School	4,000,000		4,000,000				4,000,000	
7.7 Ngiriambu Primary School	3,000,000		3,000,000				3,000,000	
7.8 Kianguenyi Primary School	4,400,000		4,400,000				4,400,000	

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

7.9 Githage Primary School	1,200,000	527,000	1,727,000	1,727,000	1,727,000
8.0 Githure Primary School	1,200,000		1,200,000	1,200,000	
8.1 Kiburia Primary School	1,200,000		1,200,000	0	1,200,000
8.2 Gatunguru Primary School	270,000		270,000	270,000	
8.3 Kavote Primary School	1,200,000		1,200,000	1,200,000	
8.4 Kiambatha Primary School		300,000	300,000	300,000	
8.5 Guama Primary School		5,000,000	5,000,000	0	5,000,000
8.6 Land Kamwana Primary School		8,000,000	8,000,000	0	8,000,000
8.7 Gikumbo Primary School		600,000	600,000	600,000	
8.8 Mugumo Primary School		400,000	400,000	400,000	
8.9 Kiathi Primary School		500,000	500,000	500,000	
9.0 Kariru Primary School		1,000,000	1,000,000	1,000,000	
9.1 Kiandai Primary School		1,000,000	1,000,000	1,000,000	
9.2 Raimu Primary School				5,000,000	-5,000,000
9.3 Mucagara Primary School				1,200,000	-1,200,000
9.4 Gatugura Primary School				1,200,000	-1,200,000
Sub-Totals	33,020,000	17,727,000	50,747,000	45,247,000	5,500,000
8.0 Secondary Schools Projects					
(List all the Projects)					
8.1 Mutige Secondary School	8,400,000		8,400,000	8,400,000	
8.2 Kimunye Secondary School	3,500,000		3,500,000	3,500,000	
8.3 Kianyaga boys Secondary School	1,500,000		1,500,000	0	1,500,000
8.4 Kavote Secondary School	1,000,000		1,000,000	1,000,000	
8.5 Ngariama Secondary School	1,300,000	1,700,000	3,000,000	1,700,000	1,300,000
8.6 Kanjuu Secondary School	3,800,000		3,800,000	0	3,800,000
8.7 Kiaumbui Secondary School	1,900,000	4,900,000	6,800,000	4,900,000	1,900,000
8.8 St Bakhita Kiburia Girls Secondary School	600,000		600,000	0	600,000
8.9 St Marks Girls Secondary School-Thumaita	5,500,000		5,500,000	0	5,500,000

GICHUGU CONSTITUENCY

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For the year ended June 30, 2020

9.0 Gatugura Secondary School	3,500,000			3,500,000		
9.1 Githure Secondary School		700,000		700,000		
9.2 Gacatha Secondary School		3,000,000		3,000,000		
9.3 Rukenya Secondary School		800,000		800,000		
9.4 Mugumo Girls Secondary School		5,050,000		5,050,000		
9.5 St Anne Gituba Girls Secondary School		3,000,000		3,000,000		
9.6 Ngungu Secondary School		0		0		-1,200,000
Sub-Totals	31,000,000	19,150,000		50,150,000	36,750,000	13,400,000
9.0 Tertiary institutions Projects						
(List all the Projects)						
9.1						
9.2						
10.0 Security Projects						
10.1 Njuki-ini county comm. Office	2,000,000			2,000,000		
10.2 ACC and DCC offices Furniture projects	1,200,000			1,200,000	0	1,200,000
10.3 Assistant chief office ngiroche	1,500,000			1,500,000		
10.4 Kiarjiru asst chief office	1,300,000	1,900,000		3,200,000		
10.5 Kiaruri Assistant chief camp		250,000		250,000		
10.6 Kathoge Ap Post		150,000		150,000	0	150,000
10.7 Gichonjoini Chiefs Camp		250,000		250,000		
10.8 Gachigi Police Post		2,050,000		2,050,000		
10.9 Kimunye Police Post		1,060,000		1,060,000		
11.0 Kutus Police Post		1,200,000		1,200,000	0	1,200,000
11.1 Karucho Asst chief office				0	1,400,000	-1,400,000
Sub-Totals	6,000,000	6,860,000		12,860,000	11,710,000	1,150,000
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						
11.2 Construction of CDF office						
11.3 Purchase of furniture and equipment	0	294,300		294,300		0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

GICHUGU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

11.4 Purchase of computers						
11.5 Purchase of land						
Sub-Totals	0	294,300	294,300	294,300	294,300	0
12.0 Others						
12.1 NG-CDF vehicle	5,000,000		5,000,000			5,000,000
12.2 NG-CDF motorcycle	250,000		250,000			250,000
12.3 Strategic Plan		501,632	501,632	500,000		1,632
12.4 Unallocated funds (AIA)		11,000	11,000			11,000
Sub-Totals	5,250,000	512,632	5,762,632	500,000	5,262,632	85,138,990
GRAND TOTAL	137,620,724	61,877,315	199,498,039	114,359,049	85,138,990	

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Entity'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) –
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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 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.

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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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 Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalentents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
	AIE NO. B047147	4,736,206.00	
	AIE NO. B047170	42,079,978.00	
	AIE NO. B047416	4,000,000.00	
	AIE NO. B041458	20,000,000.00	
	AIE NO. B047888	6,000,000.00	
	AIE NO. B041405	2,180,800.00	
	AIE NO. B049266	14,000,000.00	
	AIE NO. B104288	24,000,000.00	
	AIE NO. B104124	2,780,097.50	
	AIE NO. B104217	1,000,000.00	
	AIE NO. A892727		400,000.00
	AIE NO. B005304		28,000,000.00
	AIE NO. B005274		22,048,277.15
	AIE NO. B030241		10,000,000.00
	AIE NO. B006336		6,000,000.00
	AIE NO. B030395		10,000,000.00
	AIE NO. B042739		14,000,000.00
	AIE NO. B042996		14,000,000.00
TOTAL		120,777,082	104,448,277

2. PROCEEDS FROM SALE OF ASSETS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	11,000	253,000
Other Receipts Not Classified Elsewhere	0	0
Total	11,000	253,000

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,872,960	2,029,040
Personal allowances paid as part of salary		
Pension and other social security contributions (Gratuity)		
Employer Contributions Compulsory national social security schemes		
Total	1,872,960	2,029,040

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5. USE OF GOODS AND SERVICES

Description	2019-2020	2018-2019
	Kshs	Kshs
Utilities, supplies and services	432,901	85,133
Electricity	49,312	
Water & sewerage charges		
Office rent		
Communication, supplies and services	9,450	9,450
Domestic travel and subsistence		
Printing, advertising and information supplies & services	39,440	142,680
Rentals of produced assets		
Training expenses	232,000	340,000
Hospitality supplies and services		
Other committee expenses		
Committee allowance	2,868,550	1,424,000
Insurance costs		
Specialised materials and services		
Office and general supplies and services		983,335
Fuel , oil & lubricants	600,000	0
Other operating expenses	3,798,965	2,883,950
Bank service commission and charges	18,520	
Security operations		
Routine maintenance - vehicles and other transport equipment		1,676,900
Routine maintenance- other assets		40,000
TOTAL	8,049,138	7,585,448

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	0	0
Transfers to primary schools	45,247,000.00	13,440,000
Transfers to secondary schools	36,750,000.00	32,850,000
Transfers to tertiary institutions	0	0
Transfers to health institutions	0	0
TOTAL	81,997,000	46,290,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools	1,069,370.00	23,564,510
Bursary – tertiary institutions	447,000.00	11,070,000
Bursary – special schools		
Mock & CAT		
Security projects	11,710,000.00	7,650,000
Sports projects	800,000.00	1,963,762
Environment projects	3,917,006.00	
Emergency projects	3,702,275.00	6,496,000
Total	21,645,651	50,744,272

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	–	–
Construction of Buildings	–	–
Refurbishment of Buildings	–	–
Purchase of Vehicles and Other Transport Equipment	–	–
Overhaul of Vehicles and Other Transport Equipment	–	–
Purchase of Household Furniture and Institutional Equipment	–	–
Purchase of Office Furniture and General Equipment	294,300	–
Purchase of ICT Equipment, Software and Other ICT Assets	–	–
Purchase of Specialised Plant, Equipment and Machinery	–	–
Rehabilitation and Renovation of Plant, Machinery and Equip.	–	–
Acquisition of Land	–	–
Acquisition of Intangible Assets	–	–
Total	294,300	0

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	500,000.00	2,498,368
ICT Hub	0	4,677,027
	500,000.00	7,175,395

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Family Bank, Kutus Branch, A/c No. 020000002893, Kshs</i>	13,507,471.07	7,078,439
Total	13,507,471.07	7,078,439
10B: CASH IN HAND		
Location 1	–	–
Location 2	–	–
Location 3	–	–
Other Locations (<i>specify</i>)	–	–
Total	–	–
<i>[Provide cash count certificates for each]</i>		

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11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	–	–	–
<i>Name of Officer or Institution</i>	dd/mm/yy	–	–	–
<i>Name of Officer or Institution</i>	dd/mm/yy	–	–	–
<i>Name of Officer or Institution</i>	dd/mm/yy	–	–	–
<i>Name of Officer or Institution</i>	dd/mm/yy	–	–	–
<i>Name of Officer or Institution</i>	dd/mm/yy	–	–	–

Total

12A. RETENTION

	2019 - 2020	2018-2019
	Kshs	Kshs
Supplier 1	–	–
Supplier 2	–	–
Supplier 3	–	–
Total	–	–

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	Kshs	Kshs
John Gititu	130,200	130,200
Felix Njeru	130,200	130,200
Mary Murage	93,000	93,000
Gershom Wachira	55,800	55,800
Bancy Wanjira	55,800	55,800
Erick Musyimi	55,800	55,800
Gabriel Muchira	33,480	33,480
Add as appropriate		
Total	554,280	554,280

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	7,078,439	16,201,347
Cash in hand	0	0
Imprest	0	0
Total	7,078,439	16,201,347

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	–	–	–
Cash in hand	–	–	–
Accounts Payables	–	–	–
Receivables	–	–	–
Others (<i>specify</i>)	–	–	–
	–	–	–

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	–	–
Imprest issued during the year (B)	–	–
Imprest surrendered during the Year (C)	–	–
Net changes in account receivables D= A+B-C	–	–

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

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17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	554,280	554,280
Others (<i>specify</i>)	0	0
	554,280	554,280

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	1,608,160	571,570
Use of goods and services	1,284,091	3,957,845
Amounts due to other Government entities (see attached list)	18,900,000	-
Amounts due to other grants and other transfers (see attached list)	58,084,107	2,549,024
Acquisition of assets	5,250,000	
Others (<i>Strategic Plan, Unallocated A.i.A</i>)	12,632	-
	85,138,990	7,078,439

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17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	39,433,300	16,856,271
	39,433,300	16,856,271

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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.					
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 2019/20	Outstanding Balance 2018/19	Comments
		a	b	c	d=a-c		
NGCDF Staff salary							
1.							
2.							
3.							
Sub-Total							
NGCDF Staff gratuity							
1. John Githitu					130,200	130,200	
2. Felix Njeru					130,200	130,200	
3. Mary Murage					93,000	93,000	
4. Gershom Wachira					55,800	55,800	
5. Bancy Wanjira					55,800	55,800	
6. Erick Musyimi					55,800	55,800	
7. Gabriel Muchira					33,480	33,480	
Sub-Total					554,280	554,280	
Others (Specify)							
Sub-Total							
Grand Total					554,280	554,280	

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		1,608,160.00	571,570	
Use of goods & services		1,284,091.00	3,957,845	
Sub-Total		2,892,251.00	4,529,415	
Amounts due to other Government entities		18,900,000.00	0	
Sub-Total		18,900,000.00	0	
Amounts due to other grants and other transfers			2,549,024	
Emergency		2,776,631.08		
Revision Books		4,000,000.00		
Security Projects		1,640,000.00		
Amount owed from the board		49,667,476.00		
Sub-Total		58,084,107	2,549,024	
Acquisition of assets				
Motor vehicle		5,000,000		
Motorcycle		250,000		
Sub-Total		5,250,000		
Others (<i>specify</i>)				
Strategic Plan		1,632	0	
A.I.A		11,000		
Sub-Total		12,632	0	
Grand Total		85,198,990	7,078,439	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land	0			0
Buildings and structures	6,179,329			6,179,329
Transport equipment	4,994,637.99			4,994,637.99
Office equipment, furniture and fittings	1,112,000	294,300		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	12,905,267	294,300.00		13,199,567

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Gichonjo-ini Primary School	Equity Bank	,0190193415299		0
Karumandi South Primary School	Family Bank	,020000003794	3,500,000	
Githure Primary School	Family Bank	,020000003798	1,200,000	
Ngiriambu Primary School	Family Bank	,020000003797	3,000,000	
Rwambiti Secondary School	Equity Bank	,0100295110138		0
Kiamutugu Secondary School	KCB	1103987364		0
Kiathi Primary School	Equity Bank	,0100293801118		0
Kianguenyi Primary School	Family Bank	,057000036599	4,400,000	
Kianyambo Primary School	Equity Bank	,0190299368306	4,000,000	
Ack Gatunguru Primary School	Equity Bank	,100290221332	270,000	
Kibaro Primary School	Equity Bank	,0100293933628		0
Kathunguri Primary School	Equity Bank	,0190201389432		0
Gatugura Pri Sch	Equity Bank	,0100294095454		0
Mburi Christian Primary School	Equity Bank	,0100295030216		0
Rukenya Primary School	Equity Bank	,0100192089477	4,000,000	0
Thuiya Primary School	Equity Bank	,0100193658331		0
Karucho Primary School	Co-op Bank	,01139034849102		0
Raimu Primary School	KCB	1250761824	5,000,000	0
Mwanianjau Primary School	Equity Bank	,0100297976123	4,000,000	0
Mugumo Primary School	Equity Bank	,0100293477257		300,000
Kimunye Sec Sch	Equity Bank	,0100299295393	3,500,000	
Rukenya Sec Sch	Equity Bank	,0100293737523		0
St. Ann Gituba Girls	Equity Bank	,0100293794041		0
Gacatha Sec Sch	Equity Bank	,0100293992370		0

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Gatugura Sec Sch	Equity Bank	,0100294095454	3,500,000	0
Gaciongo Sec Sch	Equity Bank	,0190296322445		0
Githage Sec School	Equity Bank	,0100267522642		0
Nyagithuci Sec Sch	Equity Bank	,0100294624468		0
Karumandi Boys High	Equity Bank	,0100293932439		0
Ngariama Sec Sch	KCB	1103985752		0
St Ann Gituba Sec School	Equity Bank	,0100293794041		0
St Marks Girls Thumaita	Equity Bank	,0100293767152		5,500,000
Mutige Boys Sec Sch	Equity Bank	,0100293590678		0
Kiamwathi Sec Sch	KCB	1103985574		0
Kiamugumo Girls Secondary School	Equity Bank	,0100293981095		5,000,000
Kavote Day Secondary School	Equity Bank	,0100295456144	1,000,000	1,900,000
Kutus Ap Post	Family Bank	,020000002904		1,000,000
Gichugu East Asst. Commissioner Office	Family Bank	,020000002911		1,550,000
Gichugu West Asst. Commissioner Office	Family Bank	,020000002888		0
Njuki-Ini Asst. County Commissioner Office	Family Bank	,020000002851	2,000,000	1,550,000
Karumandi Ap Post	KCB	1258795124		0
Kiaumbui Primary School	Equity Bank	,0190194210400		0
Kiamugumo Primary Sch	Equity Bank	,0190193251170		0
Kiamiciri Primary School	Co-op Bank	,0409051507		0
Kiamwathi Sec Sch	KCB	1103985574		0
St Thomas Mhuri Pri Sch	Equity Bank	,0100295030216		56,271
Kianyaga Police Station	KCB	1259635813		0
Gichugu Sports Project	Family Bank	20000003632	63,300	
Total			<u>39,433,300</u>	<u>16,856,271</u>

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

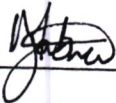
Referen ce No. on the externa l audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timefram e: (Put a date when you expect the issue to be resolved)
EH/AU D/NG- CDF/G ICHUG U/201 8-19/ (05)	Budget control and performance During the audit it was noted that Gichugu National Constituency Development fund had an approved budget of Kshs 175,690,500 while the actual receipts was Ksh. 120,902,624 resulting to a budget shortfall of Kshs. 54,787,876.	The management wishes to communicate that a total of Ksh. 54,787,876 had not been received from the board as at 30 th June 2019. However, Kshs. 42,079,978 has since been released via AIE NO. 047170 while the remaining amount totalling to Kshs. 12,707,898 has not been received. Copy of the AIE received after the closure of the year has been attached for your review	Fund Manager	Not Resolved	
EH/AU D/NG- CDF/G ICHUG U/201 8-19/ (05)	Wasteful Expenditure on the ICT Innovation Hubs During the audit it was noted a total of Kshs. 4,677,027 was spent in respect to ICT Hubs. A review of project file for installation of the internet access and associated services for ICT innovation Hub showed that the project was to be undertaken by the constituency as per circular NGCDFB/circulars Vol 1(121) dated 25 th July, 2017.	NGCDF Gichugus' management wishes to note that the allocation of Kshs. 4,677,027 was issued as a condition grant to the constituencies whereby the consultation had been undertaken by the NGCDF Board and the Ministry of Information, Communication and Technology. The responsibilities of the parties involved in the Constituency Innovation Hubs agreement was well articulated and therefore the NGCDF management was in no capacity to ensure that the project goes through the normal public participation process and subsequent approval by the board. The	Fund Manager	Not 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)
		management through the NGCDF Board is in communication with Telkom to fast track the implementation of the process. Copy of the agreement contract and order form is hereby attached for your review			
EH/AU D/NG-CDF/G ICHUGU/2018-19/(05)	<p>Unacknowledged Bursary Funds During the audit, it was noted that the financial statements reflected Kshs. 50,744,302 in respect to other grants and other payments which includes Kshs. 23,564,510 and Kshs. 11,070,000 in respect to bursary to secondary schools and tertiary institutions respectively both totaling to Kshs. 34,634,510 as at 30 June 2019. Out of these only Kshs. 28,746,643 (83%) was acknowledged from the schools and tertiary institutions of the intended beneficiaries. Therefore, it could not be ascertained whether the unacknowledged bursaries amounting to Kshs. 5,887,867 (17%) reached the intended beneficiaries. In the circumstance, it has not been possible to ascertain whether the</p>	<p>The Gichugu NGCDF management wishes to indicate that bursary was issued in the month of May 2019 and the criteria used in the disbursement of the bursary cheques to various institutions was as follows;</p> <ul style="list-style-type: none"> • NGCDF vehicle was used to distribute cheques to institutions within Kirinyaga county and the neighboring counties of Embu, Nyeri and Murang'a to improve on the acknowledgements. • Some of the cheques relating to institutions far from the constituency and bearing huge amounts e.g Masinde Muliro Muliro University, Maseno University, Rongo University, Taita Taveta University, Pwani University, Egerton University were sent through the 	Fund Manager	Not Resolved	

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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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)
	Kshs. 5,887,867 bursaries were received by the respective schools and institutions and whether the same was expended as appropriated during the year ended 30 June 2019.	<p>Postal Corporation of Kenya to help ensure that the cheques are received at the intended institutions and help improve acknowledgement of the same.</p> <ul style="list-style-type: none"> • Other cheques were issued to individual beneficiaries <p>The above measures have boosted the level of acknowledgement and the management is still looking for ways to improve further and hopefully to achieve a 100% acknowledgment from the current 83%.</p>			


Fund Account Manager

Name: Margaret -N. Ruyin





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