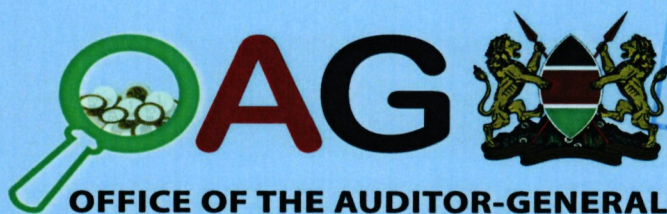


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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REPORT

OF

THE AUDITOR-GENERAL

DATE:	23 MAR 2022	WOD (pm)
TABLED BY:	ON	L.O.M.
CLERK AT THE TABLE:	M20R	

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

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



Revised Template 30th June 2020



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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	2
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE.....	5
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY’S PREDETRMINED OBJECTIVES.....	9
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	12
V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES.....	15
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- KIAMBU CONSTITUENCY</i>	16
VII. STATEMENT OF RECEIPTS AND PAYMENTS.....	17
VIII. STATEMENT OF ASSETS AND LIABILITIES	18
IX. STATEMENT OF CASHFLOW	19
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	20
XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES	22
XII. SIGNIFICANT ACCOUNTING POLICIES	18
XIII. NOTES TO THE FINANCIAL STATEMENTS.....	22

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Reports and Financial Statements

For the year ended June 30, 2020

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 KIAMBU 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:

N	Designation	Name
o		
1.	A.I.E holder	Gumato Sharamo Budha
2.	Sub-County Accountant	Jackline Wasilwa
3.	Chairman NGCDFC	Stephen Mwaura Ngugi
4.	Member NGCDFC	Josephine W. Mwangi

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1767 - 00900
Kugeria Estate (Ha-Ngethe) After Gratom Babz Security Offices Kiambu
Kiambu Road
KIAMBU, KENYA

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

(f) NGCDF KIAMBU Constituency Contacts

Telephone: (254) 725753171
E-mail: kiambutowncdf@gmail.com

(g) NGCDF KIAMBU Constituency Bankers

1. Equity Bank (Kenya) Limited
Kiambu Branch
P.O. Box 783
Kiambu, 00900
Kiambu, Kenya

2. Equity Bank (Kenya) Limited

Kiambu National Government Constituency Development Fund
A/C Number: 0640261707042

(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)

KIAMBU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

I am pleased to present the unaudited financial statements for Kiambu Constituency for the Financial Year ended 30th June 2020. During the year, the Constituency was allocated a total of Kshs 137,367,724

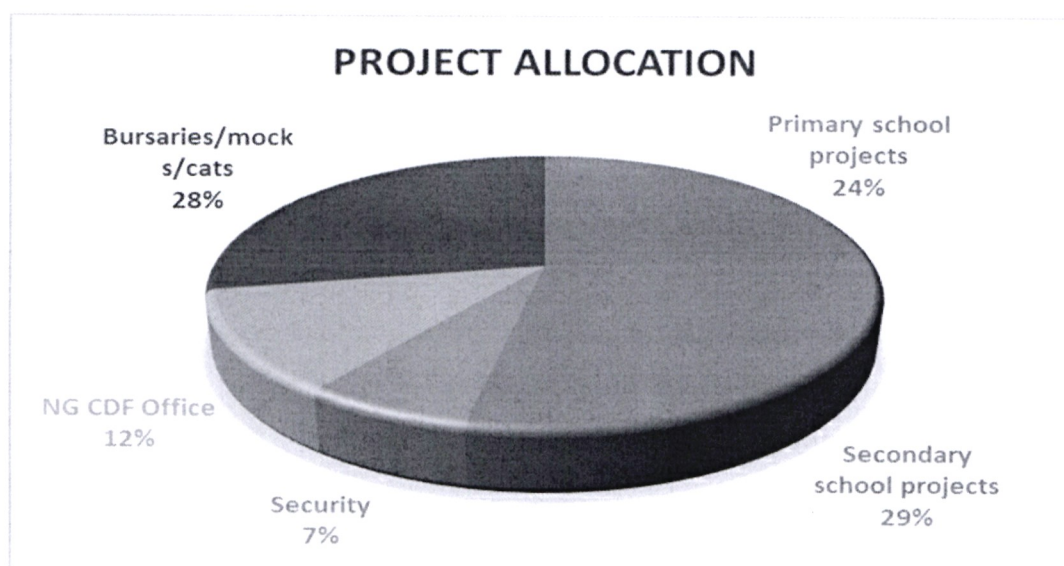
On receipt of the above allocations, Kiambu Constituency National Government Constituencies Development Fund Committee (NGCDFC) pursuant to the provisions of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to the priorities of the public participation meetings held across the Constituency.

Sector Prioritization

During the year, a total of Kshs 83,800,000 was allocated as transfers to other Government Units which consist of transfers to primary schools, secondary schools, tertiary institutions, security and CDF Office Construction

The bulk of the funds was allocated to the education sector. A total of Kshs. 61,800,000 was allocated to the sector with primary school getting Kshs. 28,000,000 and secondary school receiving Kshs. 33,800,000. A total of Kshs. 116,300,000 was allocated towards development.

Project allocation	Amount allocated	%age
Primary school projects	28,000,000	24%
Secondary school projects	33,800,000	29%
Security	8,000,000	7%
NG CDF Office	14,000,000	12%
Bursaries/mocks/cats	32,500,000	28%
Total	116,300,000	



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KIAMBU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

The committee is proud to have completed three mega projects during the year.

Bursary was allocated Kshs. 32,500,000. These funds were however not disbursed due to the closure of schools as a result of the corona virus pandemic.

Sectoral Allocation FY2018-2019

Source: KIAMBU NGCDF Records (2019)

The NG-CDF (Amendment) Act 2015 introduced a major shift in the scope of projects eligible to be funded. Under this Act only projects falling within the functions of the National Government as outlined in the Constitution of Kenya 2010 will be funded. This effectively means that the Fund has since been concentrating primarily on education, security, sports and environment sectors as well as other National Government residual functions. During the FY 2018/2019, the Committee undertook to expedite the disbursement of funds to earmarked projects in accordance with the provisions of the NGCDF Act, 2015, as amended in 2016, and the requirements of the Annual Performance Contract. The disbursements saw the implementation of approved project activities across the Constituency. As at the close of the fiscal year 2019/2020 on 30th June 2020, the Constituency had received half of its allocation and the overall funds utilization and absorption rate stood at 50 percent. Funds absorption is based on funding received from the NGCDF Board.

The low absorption rate was majorly attributed to the delay in receiving funds from treasury due to the pandemic (corona virus) which the country is currently battling.

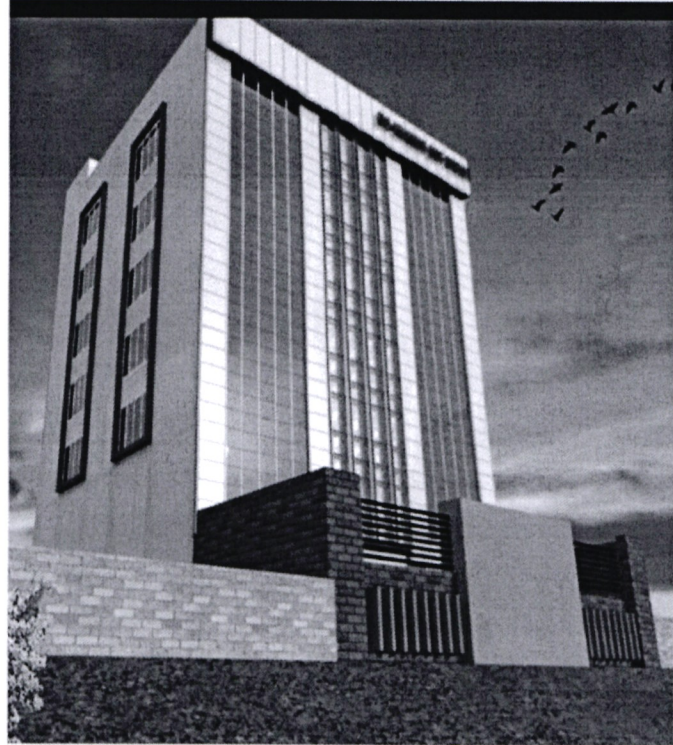
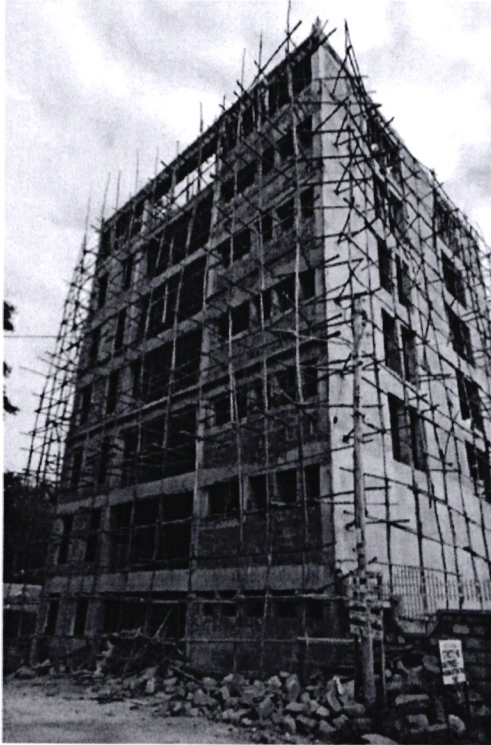
Achievements and Major Undertakings

During the year, the committee is proud to have completed three ongoing mega projects. Major physical facilities funded are infrastructure such as classrooms, administration blocks, dormitories, toilets, lockers and chairs.

KIAMBU NG-CDF office project was allocated Kshs.14,000,000 during the financial year. The project is progressing well as shown in picture below.

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

Proposed Kiambu NG-CDF office



The continued funding towards the education sector in the Constituency has contributed to increased enrolment in primary, secondary and tertiary institutions whilst increasing retention and transition rates while equally reducing the burden of education for low income families. Kiambu NG-CDFC has continued funding mega project in day secondary schools. There are currently 2 ongoing mega projects in the constituency with completion rates between 50-90%

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

*Kiu river secondary school- complete project
(Administration, classrooms and library block)*



*St Joseph Riabai secondary school- complete project
(Administration, classrooms and library block)*



Sign 
CHAIRMAN NGCDF COMMITTEE

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

Kiambu Constituency's strategic focus can be said to be anchored on the following five thematic Areas or strategic pillars. Each pillar has its own strategic interventions that will drive attainment Of the Kiambu Constituency's Strategic Plan. The strategic interventions consolidate the expected Initiatives collected from constituents during the open forums and have been mapped accordingly.

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

Education

- Improving access to primary and secondary education through increasing capacity schools in terms of infrastructure such as classrooms, dormitories and laboratories.
- Facelift all public primary schools and gradually equip with lockers to improve learners moral.
- Build modern septic ablution blocks in all primary schools
- Digitalise learning in schools through provision of wifi to schools

Security

- Build new police post, chiefs offices and ACC offices
- Renovation of administrative offices, police stations and police posts.
- Upgrading police post to police stations
- Purchase of security patrol vehicles

Youth empowerment

- Build two fully equipped youth empowerment centers within the constituency
- Set up ICT hubs where youths can access internet-based economic opportunities
- Effecting the 30% tender opportunities for youth and women (AGPO) in every financial year.
- Impacting youths livelihoods through sports and talents

People/staff

- Create conducive working environment for the CDF staff
- Capacity building for the CDF staff and committee members
- Benchmark and harmonize salaries/wages of the CDF employees
- Effect performance management to ensure remuneration is aligned to performance geared towards improving service delivery.

Others

- Complete construction of 6 storey Kiambu NG-CDF offices
- Facelift all special needs classes within the primary schools

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KIAMBU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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	<p>To have all children of school going age attending school</p> <p>Improve the transition rate from primary to secondary school</p> <p>To ensure quality education by providing all necessary infrastructure</p>	<p>Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions</p>	<p>Number of usable physical infrastructure built in primary, secondary and tertiary institution.</p> <p>Number of bursary beneficiary</p>	<p>In FY 19/20 -we increased number of classrooms by 30</p> <p>Constructed 2 dormitories with capacity of 100 beds.</p> <p>completed construction of 3 secondary schools complete with classrooms, library and administration block</p> <p>Facelifted all 22 primary school</p> <p>Provided WIFI and printers to all 22 primary schools</p>
Security	<p>to equip the security agents with necessary infrastructure to handle insecurity cases within the constituency</p>	<p>Improved security within the constituency</p>	<p>Number of physical infrastructure built in chiefs offices and police stations</p>	<p>Constructed 2 ACCS OFFICES</p> <p>Constructed 4 chiefs and assistant chiefs office</p>
Youth empowerment	<p>Create infrastructure for youth engagement to enable youths to tap into existing</p>	<p>Improved social and economic welfare of the youths.</p> <p>Reduced crime rates within the constituency.</p>	<p>Number of a youth empowerment centre ICT hubs in Kiambu town.</p> <p>Number of beneficiaries from sports activities</p>	<p>Ongoing construction of youth empowerment center</p> <p>3 meeting</p>

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KIAMBU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

	economic opportunities.			rooms completed Ict hub ongoing Held kiambu sports day dubbed “improving livelihoods of the youths” with Over 100 beneficiaries
People	To develop human resources capabilities to help achieve set objectives	Low staff turn over Motivated staff who are able to meet set performance targets.	Number of staff leaving the organisation. Number of staff unable to meet set performance targets	Held 2 staff training during the year. Salaries are benchmarked with neighbouring constituencies

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

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

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Kiambu Constituency projects itself to be the most developed sub-county in Kiambu County and countrywide. The leadership of the constituency has continued delivering services to all its constituents and has now aligned itself in attaining high economic, social and environmental standards as outlined in the ensuing 2019-2023 Strategic Plan.

Our development objectives will be achieved whilst focusing on key strategic pillars (education, youth empowerment, security) and two supporting pillars (financial management and people). Achieving our strategic objectives will be vital in alleviating living standards of all constituents.

At a global level, this gives us leeway to eliminate poverty and offer access to quality education. These two objectives are among the Sustainable Development Goals (SDGs) set by the United Nations General Assembly in 2015 for the year 2030

1. Sustainability strategy and profile

In developing the strategic direction of the constituency, The Kiambu NG-CDF ensured involvement of both internal and external stakeholders. The key objectives of improving living standards, ensuring equity and accountability in service delivery is clearly stated in our vision, mission and core value statements.

Vision statement: “Community with Sustainable Livelihoods”

Mission statement: “To efficiently and effectively facilitate and supervise implementation of Community based development programmes to alleviate poverty and improve living standards in Kiambu Constituency”

Core values:

- i. Accountability and integrity
- ii. Transparency via commitment to popular participation
- iii. Respect to gender, rights and diversity
- iv. Professionalism and competence
- v. Commitment and teamwork

Kiambu Constituency’s NG-CDFC has identified strategic pillars that are anchored under the country’s Vision 2030 strategy, CDF Act 2013 and Constitution of Kenya of 2010. These strategic pillars have been identified as Education, Youth empowerment, Security, Financial management and People. To achieve the above pillars, the following institutional corporate strategies have been developed;

- i. Improve access to quality education
- ii. Improve economic and social standards of youths and women
- iii. Build and increase security capacity within the constituency
- iv. Ensure efficient utilization, transparency and accountability in the use of CDF funds
- v. Improve productivity and effectiveness of service delivery

2. Environmental performance

Kiambu NG CDF while noting the negative impact of climate change and environmental degradation on the living standards of the residents of Kiambu, has identified key areas in which the committee can directly or indirectly minimise environmental degradation.

- i. Ensuring compliance to relevant environmental laws and regulations at both national and county level.

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

Reports and Financial Statements

For the year ended June 30, 2020

-
- ii. Ensuring consideration of the environment while undertaking project planning. These include constructing where minimal damage is done to the environment. Planting trees, water harvesting, installation of renewable energy
 - iii. Reducing air water and land pollution to the environment by adopting emerging technologies such as bio digester, septic toilets in schools etc
 - iv. Ensuring waste is disposed in a responsible manner by setting up bins in schools and our offices
 - v. Regular communication of our environmental policies to our stakeholders both internal and external
 - vi. Benchmarking our environmental performance with national and internationally set standards to ensure continuous improvement.

3. Employee welfare

Kiambu NG-CDF recognises that human resources is a major driver in achievement of strategic objectives. As such should be managed well by ensuring issues of recruitment, remuneration and promotion of employees is given utmost importance. This will ensuring that employees are motivated and productive. The committee has outlined the following:

- i. Ensuring competitive and transparent recruitment process for all category of employees. This can be achieved by ensuring that that education and skills match the responsibilities of the job. And that the selection process is free and fair.
- ii. Offering Competitive remuneration packages for the different position and ensuring remuneration is based on the responsibilities of the job
- iii. Ensure that employees are well inducted in their respective position
- iv. Ensure that salaries and gratuities are paid promptly
- v. Continuous Capacity building for the CDF staff.
- vi. Effect performance management to ensure remuneration is aligned to performance geared towards improving service delivery.
- vii. Maintaining a healthy and safe working conditions to minimise personal injury cases

4. Market place practices-

NG-CDF was established to fight grassroots poverty through equitable distribution of resources. The main objectives is alleviating living standards of all constituents through Fair and equitable distribute on of resources.

Responsible competition practice –this can be achieved through competitive tendering, recruitment processes.

Responsible supply chain and supplier relations- the committee is aware that suppliers are a vital stakeholders in project implantations process which in turn translates to achievement of the strategic objectives. Therefore Kiambu NG-CDF strives to pay all suppliers promptly after service delivery

Responsible marketing and advertising- Kiambu NG-CDF advertises for tenders, recruitments, bursary applications publicly and are free from manipulation and unfair practices

Product stewardship- Kiambu NG-CDF has put in place a service charter. This highlights our promise to provide services in an efficient and timely manner.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KIAMBU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

5. Community Engagements-

Community engagements, participation and awareness is at the heart of Kiambu NG-CDF operations. This begins with the public participation in project identification, implementation and monitoring as stipulated in section 27, 1&2 of NG-CDF act 2015 as amended in 2016. The act requires that open Public forums /Barazas are held every two years in each ward to deliberate about development matter and to collect views from the public on the priority projects. As such the committee is committed to engaging the public before undertaking any development within the constituency.

Kiambu NG CDF strategic Plan was also arrived at through consultative process that involved all stakeholders within Kiambu Constituency. Input was received from representatives of the national government, county government, MCAs and general public from all wards in Kiambu Constituency. Under NG CDF act 2015 as amended in 2016, only projects falling within the functions of the National Government as outlined in the Constitution of Kenya 2010 will be funded. This effectively means that the Fund has since been concentrating primarily on education, security, sports and environment sectors as well as other National Government residual functions.

This above is clear in the development objectives of Kiambu NG-CDF which will be achieved whilst focusing on key strategic pillars (education, youth empowerment, security) and two supporting pillars (financial management and people). Achieving the strategic objectives will be vital in alleviating living standards of all constituents

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KIAMBU 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, 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-KIAMBU 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-KIAMBU 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 charge of the NGCDF-KIAMBU 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-KIAMBU 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-KIAMBU Constituency financial statements were approved and signed by the Accounting Officer on _____ 2020.

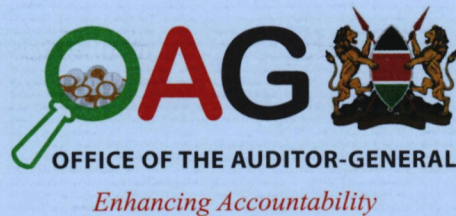
**Fund Account Manager
Name:**



**Sub-County Accountant
Name: Jackline Elshah
ICPAK Member Number: 10875**

REPUBLIC OF KENYA

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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 - KIAMBU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kiambu Constituency set out on pages 17 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 the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Kiambu 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 Opinion

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

Key Audit 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

83,280,435 x
The summary statement of appropriation – recurrent and development combined reflects a final receipts budget and actual receipts on comparable basis of Kshs.83,290,435 and Kshs.152,658,159 respectively, resulting into an under-funding of Kshs.69,357,724 or 45% of the budget. Similarly, the Fund expended Kshs.80,458,568 against an approved budget of Kshs.152,658,159 resulting into an under-expenditure of Kshs.72,199,591 or 47% of the budget.

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

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 of 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

Delay in Completion of National Government Constituencies Development Fund (NGCDF) - Kiambu Office Tower

Note 7 to the financial statements reflects other grants and other payments of Kshs.24,711,167 of which Kshs.7,000,000 related to the construction of the NGCDF - Kiambu Office. The tender for the construction was awarded on 21 January, 2019 at a contract sum of Kshs.39,732,100 and the total allocation to the Project amounted to Kshs.36,000,000 as at 30 June, 2020. The works were set for completion in forty (40) calendar weeks to 29 December, 2019. However, an audit inspection carried out in January, 2021 established that the works had not been completed and the value of certified works was Kshs.33,136,636 or 83% and the Project was behind schedule by eighty (80) weeks. Roofing, internal plastering, electrical installations, mechanical installations, external plastering and doors and windows were incomplete. It was not clear when and if the project would be completed.

As a result of the delay, value for money for the expenditure of Kshs.36,000,000 could not be ascertained. In addition, public resources may be lost through cost escalations and contract variations.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the ability of the National Government Constituencies Development Fund - Kiambu Constituency to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern basis of accounting unless the 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 the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the 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 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 going concern 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 sustaining 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

20 January, 2022

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KIAMBU CONSTITUENCY


Reports and Financial Statements

For the year ended June 30, 2020

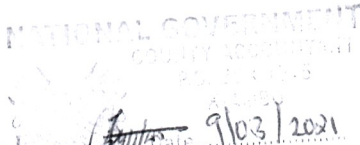
VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	68,000,000	126,020,186
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	10,000	-
TOTAL RECEIPTS		68,010,000	126,020,186
PAYMENTS			
Compensation of employees	4	1,174,344	1,154,468
Use of goods and services	5	8,434,064	7,802,937
Transfers to Other Government Units	6	46,138,993	66,350,000
Other grants and transfers	7	24,711,167	44,447,031
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		80,458,568	119,754,436
SURPLUS/(DEFICIT)		(12,448,568)	6,265,750

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIAMBU Constituency financial statements were approved on _____ 2020 and signed by:



Fund Account Manager
Name:



National Sub-County Accountant
Name: *Jackline Wanjiku*
ICPAK Member Number: *10825*

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

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020 Kshs	2018-2019 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	2,831,867	15,280,435
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		2,831,867	15,280,435
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		2,831,867	15,280,435
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
TOTAL FINANCIAL LIABILITES		-	-
NET FINANCIAL ASSETS		2,831,867	15,280,435
REPRESENTED BY			
Fund balance b/fwd	13	15,280,436	9,014,681
Prior year adjustments	14	-	-
Surplus/Defict for the year		(12,448,568)	6,265,750
NET FINANCIAL POSITION		2,831,867	15,280,431

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIAMBU Constituency financial statements were approved on _____ 2020 and signed by:

Fund Account Manager
Name:

NATIONAL GOVERNMENT
COUNTY ACCOUNTANT
P.O. BOX 1945
KIAMBURU
9/30/2021
National Sub-County Accountant
Name: *Jackline Hgasilus*
ICPAK Member Number: *10875*

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

Reports and Financial Statements


For the year ended June 30, 2020

IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	68,000,000	126,020,186
Other Receipts	3	10,000	-
Total receipts		68,010,000	126,020,186
Payments for operating expenses			
Compensation of Employees	4	1,174,344	1,154,468
Use of goods and services	5	8,434,064	7,802,937
Transfers to Other Government Units	6	46,138,993	66,350,000
Other grants and transfers	7	24,711,167	44,447,031
Other Payments	9	-	-
Total payments		80,458,568	
Total Receipts Less Total Payments		(12,448,568)	6,265,750
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		-	
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		(12,448,568)	6,265,750
Cash and cash equivalent at BEGINNING of the year	13	15,280,436	9,014,681
Cash and cash equivalent at END of the year		<u>2,831,867</u>	<u>15,280,431</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KIAMBU Constituency financial statements were approved on _____ 2020 and signed by:

Fund Account Manager
Name:



National Sub-County Accountant
Name: *Jackline Kariuki*
ICPAK Member Number: *10875*

Date: *9/03/2021*

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIAMBU CONSTITUENCY

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

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,724	15,280,435	152,648,159	83,280,435	69,367,724	54.6%
Proceeds from Sale of Assets						
Other Receipts-A-I-A		10,000	10,000	10,000		
TOTAL RECEIPTS	137,367,724	15,290,435	152,658,159	83,290,435	69,357,724	54.6%
PAYMENTS						
Compensation of Employees	1,603,023		1,603,023	1,174,344	428,679	73.3%
Use of goods and services	8,166,460	3,124,197	11,290,657	8,434,064	2,856,592	74.7%
Transfers to Other Government Units	61,800,000		61,800,000	46,138,993	15,661,007	74.7%
Other grants and transfers	65,798,241	12,156,238	77,954,479	24,711,167	53,243,312	31.7%
Acquisition of Assets						
Other Payments						
Unutilized funds		10,000	10,000		10,000	
TOTALS	137,367,724	15,290,435	152,658,159	80,458,568	72,199,591	52.7%

- i. The funds absorption rate of 54% is attributed to delay in receiving funds from the NG-CDF board.
- ii. Compensation to employees balance of due to amount carried forward from previous year as a result of one of the employees resignation
- iii. The low absorption of other grants and transfers is as a result of education bursary which was not disbursed as at the end of the financial year resulting from closure of schools due to the Covid 19 pandemic

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

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	1,603,023.00		1,603,023.00	1,174,344.00	428,679.00
1.2 Committee allowances	3,000,000.00	2,622,315.00	5,622,315.00	3,800,000.00	1,822,315.00
1.3 Use of goods and services	2,566,460.00		2,566,459.76	1,834,064.00	732,395.76
Sub Total	7,169,483.00	2,622,315.00	9,791,797.76	6,808,408.00	2,983,390.00
2.0 Monitoring and evaluation					
2.1 Capacity building	300,000.00		300,000.00	300,000.00	0.00
2.2 Committee allowances	1,800,000.00	501,882.00	2,301,882.00	2,000,000.00	301,882.00
2.3 Use of goods and services	500,000.00		500,000.00	500,000.00	0.00
Sub Total	2,600,000.00	501,882.00	3,101,882.00	2,800,000.00	301,882.00
3.0 Emergency					
Emergency	7,198,241.00		7,198,241.38	2,784,800.00	4,413,441.38
3.1 Primary Schools					
Kiu River Primary School		300,000.00	300,000.00	300,000.00	0.00
Ndumberi Primary School		500,000.00	500,000.00	500,000.00	0.00
Karunga Primary School		1,738,993.00	1,738,993.00	1,738,993.00	0.00
Ndumberi Primary School		1,700,000.00	1,700,000.00	1,700,000.00	0.00
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
Sub Total	7,198,241.00	4,238,993.00	11,437,234.38	7,023,793.00	4,413,441.38
4.0 Bursary and Social Security					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIAMBU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
4.1 Primary Schools					
4.2 Secondary Schools	16,500,000.00	2,240,218.00	18,740,218.00	4,049,340.00	14,690,878.00
4.3 Tertiary Institutions	16,000,000.00		16,000,000.00	-	16,000,000.00
4.4 Universities					
4.5 Social Security					
Sub Total	32,500,000.00	2,240,218.00	34,740,218.00	4,049,340.00	30,690,878.00
5.0 Sports					
5.1 Kiambu sports day	2,600,000.00		2,600,000.00	500,000.00	2,100,000.00
5.2					
Sub Total	2,600,000.00	0.00	2,600,000.00	500,000.00	2,100,000.00
6.0 Environment					
6.1 Leveling and landscaping Kiambu Primary School field	1,500,000.00		1,500,000.00	1,500,000.00	0.00
6.2					
Sub Total	1,500,000.00	-	1,500,000.00	1,500,000.00	0.00
7.0 Primary Schools Projects (List all the Projects)					
Chief Wandie Primary School	5,000,000.00		5,000,000.00	5,000,000.00	0.00
Ting'ang'a Model Primary School	5,500,000.00		5,500,000.00	5,500,000.00	0.00
Riabai Primary School	2,000,000.00		2,000,000.00	2,000,000.00	0.00
Kiambu Primary School	1,000,000.00		1,000,000.00	1,000,000.00	0.00
Kamiti Anmer Primary School	2,500,000.00		2,500,000.00		2,500,000.00
Thindigua Primary School	1,200,000.00		1,200,000.00	1,200,000.00	0.00
Gichocho Primary School	300,000.00		300,000.00	200,000.00	100,000.00
Ndumberi Primary School	600,000.00		600,000.00	600,000.00	0.00
Ndumberi Primary School	300,000.00		300,000.00	300,000.00	0.00

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
Kiambu Primary School	3,000,000.00		3,000,000.00		3,000,000.00
Riara Primary School	1,500,000.00		1,500,000.00	1,500,000.00	0.00
Printers For Primary Schools	1,100,000.00		1,100,000.00	1,100,000.00	0.00
Desks For Primary Schools	4,000,000.00		4,000,000.00	1,400,000.00	2,600,000.00
Gicoco Primary School		800,000.00	800,000.00	800,000.00	0.00
Sub Total	28,000,000.00	800,000.00	28,800,000.00	20,600,000.00	8,200,000.00
8.0 Secondary Schools Projects (List all the Projects)					
Kiu River Secondary School	4,000,000.00		4,000,000.00	4,000,000.00	0.00
Kasarini Secondary School	4,000,000.00		4,000,000.00	4,000,000.00	0.00
A.C.K Riabai Secondary School	3,000,000.00		3,000,000.00	3,000,000.00	0.00
Kanunga High School	4,000,000.00		4,000,000.00	4,000,000.00	0.00
Kiambu Township Secondary School	3,000,000.00		3,000,000.00	-	3,000,000.00
Swimming Pool at St Peter's High School Ndumberi	4,500,000.00		4,500,000.00	-	4,500,000.00
Riabai High School	3,000,000.00		3,000,000.00	-	3,000,000.00
H.G.M Ting'ang'a Secondary School	4,800,000.00		4,800,000.00	4,800,000.00	0.00
Ting'ang'a Secondary School	2,000,000.00		2,000,000.00	-	2,000,000.00
Kiambu High School	1,500,000.00		1,500,000.00	1,500,000.00	0.00
Sub Total	33,800,000.00	0.00	33,800,000.00	21,300,000.00	12,500,000.00
9.0 Tertiary institutions Projects (List all the Projects)					
9.1					
Sub Total		-	-	-	-

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
10.0 Security Projects					
Ting'ang'a Assistant County Commissioners Office	3,000,000.00		3,000,000.00		3,000,000.00
Ngegu Assistant Chiefs Office	1,200,000.00		1,200,000.00	1,200,000.00	0.00
Rungu Assistant Chiefs Office	1,200,000.00		1,200,000.00	1,200,000.00	0.00
Kanunga Chief Office	1,000,000.00		1,000,000.00	1,000,000.00	0.00
Karunga Chief Office	1,000,000.00		1,000,000.00	1,000,000.00	0.00
Riabai Chiefs Office	600,000.00		600,000.00	600,000.00	0.00
Riabai Chiefs Office		1,200,000.00	1,200,000.00	1,200,000.00	0.00
Karunga And Kanunga Chiefs Office		2,677,027.00	2,677,027.00	2,677,027.00	0.00
Sub total	8,000,000.00	3,877,027.00	11,877,027.00	8,877,027.00	3,000,000.00
11.0 Acquisition of assets					
11.1 Motor Vehicles (including motorbikes)	0.00				
11.2 Construction of CDF office					
11.3 Purchase of furniture and equipment					
11.4 Purchase of computers					
11.5 Purchase of land					
12.0 Others					
NG-CDF Office	14,000,000.00		14,000,000.00	7,000,000.00	7,000,000.00
Kagongo water project		1,000,000.00	1,000,000.00		1,000,000.00
Unutilized fund		10,000	10,000		10,000
Sub Total	14,000,000.00	1,000,000.00	15,000,000.00	7,000,000.00	8,000,000.00
Grand Total	137,367,724.00	15,290,435.00	152,658,159.14	80,458,568.00	72,199,591.14

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

(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) –
KIAMBU CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2020

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 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.

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

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO B041358	1	4,000,000	
AIE NO B047780	2	16,000,000	
AIE NO B047832	3	7,000,000	
AIE NO B049304	4	15,000,000	
AIE NO B104329	5	10,000,000	
AIE NO B096582	6	16,000,000	
AIE NO B005044	1		11,379,310.35
AIE NO B030005	2		5,600,000.00
AIE NO B030185	3		10,000,000
AIE NO B030433	4		13,000,000
AIE NO B006375	5		7,000,000
AIE NO A699125	6		11,000,000
AIE NO B042908	7		13,000,000
AIE NO B047587	8		55,040,875.50
TOTAL		68,000,000	126,020,186

2. PROCEEDS FROM SALE OF ASSETS

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

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	10,000	-
Other Receipts Not Classified Elsewhere	-	-
Total	10,000	-

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	847,320	831,314
Personal allowances paid as part of salary		-
Pension and other social security contributions (Gratuity)	264,600	252,000
Employer Contributions Compulsory national social security schemes	62,424	71,154
Total	1,174,344	1,154,468

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses		
Utilities, supplies and services	20,880	15,660
Office Rent	420,000	390,000
Communication, supplies and services	92,560	99,275
Domestic travel and subsistence		
Printing, advertising and information supplies & services	250,114	93,960
Rentals of produced assets		
Training expenses	482,000	1,661,000
Hospitality supplies and services		
Insurance costs		
Committee Allowance	6,213,500	4,146,000
Specialized materials and services		
Office and general supplies and services	600,000	850,000
Other operating expenses		
Bank service commission and charges	91,010	285,318
Security operations	264,000	261,724
Routine maintenance – vehicles and other transport equipment		
Routine maintenance – other assets		
Total	8,434,064	7,802,937

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	24,838,993	34,350,000
Transfers to secondary schools (see attached list)	21,300,000	32,000,000
Transfers to tertiary institutions (see attached list)		
Transfers to health institutions (see attached list)		
TOTAL	46,138,993	66,350,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	2,129,340	15,400,000
Bursary – tertiary institutions (see attached list)		9,186,686
Bursary – special schools (see attached list)		
Mock & CAT (see attached list)	1,920,000	
Security projects (see attached list)	8,877,027	7,032,759
Sports projects (see attached list)	500,000	2,227,586
Environment projects (see attached list)	1,500,000	1,600,000
Emergency projects (see attached list)	2,784,800	
Others – CDF Office	7,000,000	9,000,000
Total	24,711,167	44,447,031

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

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		
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	-	-

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
	2,831,867	15,280,436
EQUITY BANK, KIAMBU BANCH		
A/C NO. 0640261707042		
Total	2,831,867	15,280,436
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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

Reports and Financial Statements

For the year ended June 30, 2020

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>
<i>Name of Officer or Institution</i>	-	-	-	-
<i>Name of Officer or Institution</i>		-	-	-
<i>Name of Officer or Institution</i>		-	-	-
<i>Name of Officer or Institution</i>		-	-	-
<i>Name of Officer or Institution</i>		-	-	-
<i>Name of Officer or Institution</i>		-	-	-
<i>Total</i>				-

[Include an annex if the list is longer than 1 page.]

12A. RETENTION

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

[Provide short appropriate explanations as necessary]

12B. GRATUITY DEPOSITS

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

[Provide short appropriate explanations as necessary]

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

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	15,280,436	9,014,681
Cash in hand		
Imprest		
Total	15,280,436	9,014,681

[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 2019/2020
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 – OUTSTADING IMPREST

	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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

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

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	428,679	498,555
Use of goods and services	2,856,593	2,625,462
Amounts due to other Government entities (see attached list)	23,700,000	-
Amounts due to other grants and other transfers (see attached list)	45,204,319	12,156,238
Acquisition of assets	-	-
Others (<i>specify</i>)-reciept from sale of tenders	10,000	-
	72,199,591	15,280,431

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	26,363,610	33,929,805
	26,363,610	33,929,805

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIAMBU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		A	b	C	d=a-c	
Senior Management						
1.						
2.						
3.						
	Sub-Total					
Middle Management						
4.						
5.						
6.						
	Sub-Total					
Unionisable Employees						
7.						
8.						
9.						
	Sub-Total					
Others (specify)						
10.						
11.						
12.						
	Sub-Total					
	Grand Total					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIAMBU CONSTITUENCY

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

ANNEX 3 – UNUTILIZED FUND

ANNEX 3 - ANALYSIS OF UNUTILIZED FUND					
Name	Brief Transaction Description	Outstanding Balance 2019/2020	Outstanding Balance 2018/19	Comments	
Compensation of employees		428,679	498,555	a staff left during the year	
Use of goods & services		2,856,593	2,625,642		
Amounts due to other Government entities					
Kamiti Animer Primary School		2,500,000	-	delay in funds receipt	
Gichocho Primary School		100,000	-	delay in funds receipt	
Kiambu Primary School		3,000,000	-	delay in funds receipt	
Desks for primary schools		2,600,000	-	delay in funds receipt	
Kiambu Township Secondary School		3,000,000	-	delay in funds receipt	
Swimming Pool at St. Peters High School Ndumberi		4,500,000	-	delay in funds receipt	
Riabai High School		3,000,000	-	delay in funds receipt	
Ting'ang'a Secondary School		2,000,000	-	delay in funds receipt	
Ting'ang'a Assistant County Commissioner's Office		3,000,000	-	delay in funds receipt	
Sub-Total		23,700,000	0		
Amounts due to other grants and other transfers					
Bursaries		30,690,878	-	schools closed due to Covid 19	
Sports		2,100,000	-	Sports suspended due to Covid 19	
Emergency		4,413,441	-		
NG- CDF office		7,000,000	-	delay in funds receipt	
Kagongo water project		1,000,000			
Sub totals		45,204,319	12,156,238		
Others					
Unutilised funds		10,000	-		
Grand Totals		72,199,591	15,280,481		

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

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

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/2020	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land				
Buildings and structures				
Transport equipment				
Office equipment, furniture and fittings				
ICT Equipment, Software and Other ICT Assets	849,390.00			849,390.00
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	849,390			849,390.00

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

Reports and Financial Statements

For the year ended June 30, 2020

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
A C K Riabai Secondary School	Equity Bank	0640261649215	3,446,140.00	1,439,740.50
Tinganga Hgm Primary School	Equity Bank	0640263334109		1,040,465.00
Benson Njau Primary School	Equity Bank	0640266349626		60,140.00
Riabai Primary School	Equity Bank	0640266233156		1,000,941.00
Kiu River Primary School	Equity Bank	0640271052869		29,227.00
Kasarini Secondary School	Equity Bank	0640262104265		2,116,166.50
Riara Primary School	Equity Bank	0640268968054	2,903,994.00	7,344,121.00
Kiambu Primary School	Equity Bank	0640270186102	1,018,293.00	2,079,450.00
Riara High School	Equity Bank	0640261892945		612,311.00
Desks For Primary Schools	Equity Bank	0640277396070		3,701,375.00
Kiambu Police Post	Equity Bank	0640277970362		173,253.00
Gichocho Primary School	Equity Bank	0640262890132	60,072.00	2,075,225.00
Ting'ang'a Model Primary School	Equity Bank	0640277396136	1,159,407.00	262,604.00
Kiambu Township Secondary School	Equity Bank	0640277980382	699,150.00	6,999,820.00
Kasarini Secondary School	Equity Bank	0640262104265	1,913,912.00	2,116,166.50
Karunga Primary School	Equity Bank	0640262914038	2,139,627.00	2,014,334.00
Kiambu Cdf Office Construction	Equity Bank	0640264558705	6,702,091.00	
Kanunga High School	Equity Bank	0640279022742	1,164,623.00	
Ndumberi Primary School	Equity Bank	0640263841367	655,497.00	
Swimming Pool at St Peters Ndumberi High School	Equity Bank	0640279031108	4,500,000.00	
Ting'ang'a HGM secondary school	Equity Bank	0640263333290	804.00	
TOTAL			26,363,610	33,929,805

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

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

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
CEN/HUB/KIAMBU CDF/10/1B/2, dated 9 th April 2020,	<p>1. VARIANCE BETWEEN THE STATEMENT OF RECEIPTS AND PAYMENTS AND SUMMARY STATEMENT OF APPROPRIATION</p> <p>It was found that Kiambu NG-CDF had a variance in the transfers from NG CDF Board between the Statement of Receipts \$ Payments and the Actual on Comparable Basis of the figures in the summary statement of appropriation as shown below;</p>	<p>We would like to clarify (9,014,681) was the closing cash balance at the end of the financial year. Attached is the statement of receipt and expenditure.</p>	FAM	Resolved	

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

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)
	Description	Statement of Receipts and Payments	Actual on Comparable Basis	Variance				
	Transfers from NGCDF Board	126,020,186.00	135,034,867.00	(9,014,681.00)				
CEN/HUB/KIAMBU CDF/10/1B/2, dated 9 th April 2020,	<p>2. EXPENDITURE OMITTED FROM THE FINANCIAL STATEMENTS</p> <p>During the examination of the payment vouchers provided for audit, you have indicated that there were disbursements made for bursaries during the Financial Year 2018/2019 that were not disclosed in the Financial Statements. The</p>				<p>I would wish to clarify that the disbursement of bursary amounting to ksh 480,203 could not have been reflected in the Financial Statement of FY 2018/2019 since; this was FY 2017/2018 Bursary Vote Balance which was not expended. The same was processed on 10th January 2019</p>	FAM		

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

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)										
	<p>disbursements amounted to ksh 480,203 as shown below;</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Payee</th> <th>Details</th> <th>Cheque No.</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>10/01/2019</td> <td>Bursary Beneficiaries</td> <td>Bursary</td> <td>5054-5499</td> <td>480,203.00</td> </tr> </tbody> </table>	Date	Payee	Details	Cheque No.	Amount	10/01/2019	Bursary Beneficiaries	Bursary	5054-5499	480,203.00	<p>to benefit the needy students who had challenges in joining form 1. The Financial Statement for the year ending 30th June 2019 has no expenditure omission.</p>			
Date	Payee	Details	Cheque No.	Amount											
10/01/2019	Bursary Beneficiaries	Bursary	5054-5499	480,203.00											
CEN/HUB/KIAMBU CDF/10/1B/2, dated 9 th April 2020,	<p>3. PROJECT IMPLEMENTATION ANALYSIS</p> <p>During your audit review, it was noted that the Statement of Appropriation showed 96.5% and 79% budget utilization of transfers to Other Government Units and Other Grants and Transfers respectively. However, a detailed analysis of project implementation showed the following;</p>	<p>I would wish to state that the Kiambu NG CDF was allocated ksh 109,040,875.52 in FY 2018/2019. The Constituency had delayed disbursements amounting to ksh 16,979,310.35 from FY 2017/2018. In total the Transfer from NG CDF Board in FY 2018/2019 was ksh 126,020,185.87 and not Ksh 146,420,563 as indicated.</p>	FAM	Resolved											
		<p>On the same note, I also wish to</p>													

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

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)																								
	<table border="1"> <thead> <tr> <th>Project category</th> <th>No. of projects</th> <th>No. of projects implemented</th> <th>Amount budgeted</th> <th>Amount spent</th> <th>% of budget utilization</th> </tr> </thead> <tbody> <tr> <td>Transfer to other government units</td> <td>33</td> <td>33</td> <td>98,200,000</td> <td>64,850,000</td> <td>66%</td> </tr> <tr> <td>Other grants and transfers</td> <td>10</td> <td>10</td> <td>48,220,563</td> <td>46,149,987.20</td> <td>96%</td> </tr> <tr> <td>Total</td> <td>43</td> <td>43</td> <td>146,420,563</td> <td>110,999,872.20</td> <td>76%</td> </tr> </tbody> </table>	Project category	No. of projects	No. of projects implemented	Amount budgeted	Amount spent	% of budget utilization	Transfer to other government units	33	33	98,200,000	64,850,000	66%	Other grants and transfers	10	10	48,220,563	46,149,987.20	96%	Total	43	43	146,420,563	110,999,872.20	76%	<p>notify you that the last batch for FY 2018/2019 amounting to Ksh 55,040,875.50 (as shown below) was received on 12th June 2019 and the committee was not able to fully utilize their budget provisions as planned and this resulted to under expenditure of funds.</p> <p>The anomaly has since been rectified since the projects have been implemented and going forward, the committee will implement approved projects without undue delay and still, they will continually work on improving the absorption rates of funds to ensure funds benefit those intended.</p>			<p>It was further noted that the NG-CDF Kiambu Constituency was allocated ksh 146,420,563 in the</p>
Project category	No. of projects	No. of projects implemented	Amount budgeted	Amount spent	% of budget utilization																								
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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIAMBU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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		FINANCIAL YEAR	AMOUNT ALLOCATED	A/E NO.	A/E DATE	A/E AMOUNT			
	FY2018/2019 for project implementation of 43 projects. However, total disbursements received were Ksh 126,020,186 from the NG-CDF Board out of which Ksh 16,979,310.35 was delayed disbursements from the FY 2017/2018. However, a total of ksh 110,999,987.20 was spent resulting in an underutilization of funds by ksh 35,420,575.80 thus delaying the benefit of the project to the community.	2018/2019	109,040,875.52	B 0301 85	10.01.2019	10,000,000.00			
		"	"	B 0063 75	22.02.2019	7,000,000.00			
		"	"	B 0304 33	22.02.2019	13,000,000.00			
		"	"	A 6991 25	02.04.2019	11,000,000.00			
		"	"	B 0429 08	10.05.2019	13,000,000.00			
		"	"	B 0475 87	12.06.2019	55,040,875.50			
			TOTAL			109,040,875.50			

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

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)
CEN/HUB/KIAMB U CDF/10/1B/2, dated 9 th April 2020,	<p>4. PROCUREMENT OF BACK FILLING, RAISING THE COMPOUND AND CREATING THE PARADE GROUND AT KARUNGA PRIMARY SCHOOL</p> <p>During the audit of the year under review, it was found that the NG-CDF Kiambu Constituency procured works for back filling, raising the compound and creating the parade ground at Karunga Primary School at a cost of ksh 1,804,700. The audit verification revealed that the works for the project were procured through quotations where the NG-CDF issued quotations to three contractors rather than restricted tendering which required tenders to be submitted by at least ten</p>	<p>I wish to notify you that the Kiambu NG CDFC requested for quotations for the above works rather than restricted tendering which requires tenders to be submitted by at least ten contractors as provided for in the Public Procurement and Disposal Act and Regulations, since the works did not exceed the maximum threshold of ksh. 4,000,000. However, the Committee has noted the Auditors recommendations.</p>	CDFC	Resolved	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KIAMBU CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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	contractors as provided for in the Public Procurement and Disposal Act and Regulations.				
CEN/HUB/KIAMB U CDF/10/1B/2, dated 9 th April 2020,	<p>5. PROJECT COMPLETED BUT NOT PUT INTO USE – KANUNGA HIGH SCHOOL BIOGAS PLANT</p> <p>During your audit you have indicated that you found that the biogas plant at Kanunga High School was constructed at a cost of Ksh. 1,200,000. The project was constructed to completion and that it has not been put into use thus risking the students and constituents from getting the value for money on this project.</p>	<p>The biogas plant at Kanunga High School is 100% complete and operational. At the time of your physical audit of the project, the school had temporarily closed for midterm break hence the reason you found the biogas not in use. We would also wish to state that the school and students have really benefitted from this project.</p>	CDFC	Resolved	

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

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<p>CEN/HUB/KIAMB U CDF/10/1B/2, dated 9th April 2020,</p>	<p>6. DELAY IN COMPLETION OF KARUNGA AND KANUNGA CHIEFS OFFICE MEETING ROOMS</p> <p>During your audit, it was found that the NG-CDF Board approved a total of ksh 2,282,759 for the first phase of two projects namely Karunga and Kanunga Chiefs Office Meeting Rooms. The allocation for the two projects was approved in 2017/2018 with each receiving ksh 1,141,379.50. The audit team noted that the first phase for both projects had been completed.</p> <p>However, it was noted that the second phase of works had not commenced as at the time of audit.</p>	<p>The delay in implementation of the above projects to completion has been necessitated by the delay in receiving the FY 2019/2020 allocations, whereby, Karunga and Kanunga Chiefs Office Meeting Rooms has been allocated ksh 1,000,000 each. Once the NG CDF receives the said funds, the 2 No. projects will be implemented to completion. However, it is important to note that, Karunga Chiefs Meeting Room is partially in use since the remaining works are rainwater disposal and electrical works. The</p>	<p>CDFC</p>	<p>Resolved</p>	

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

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	For Karunga Chiefs Meeting Room, the remaining works include rainwater disposal works and electrical works and for Kanunga Chiefs Meeting Room, remaining works included the front door, electrical works, painting, ceiling and grills. The delay in implementation of the projects halts infrastructural development and delays the benefit of the project to the community	committee has however noted the Auditors recommendation and in future, they will fasten the implementation of their projects and ensure the community benefit from the development without delays.			