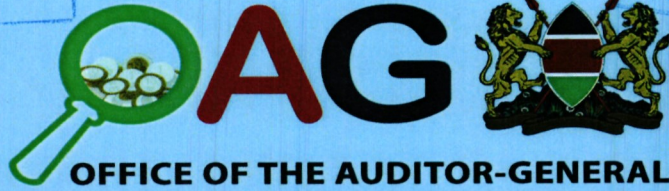


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Enhancing Accountability



 THE NATIONAL ASSEMBLY PADDIS ROAD		
DATE:	15 FEB 2023	DAY: Wed
TABLED BY:	Deputy Majority Leader	
CLERK-AT-THE-TABLE:	F. Muniuki	

REPORT

OF

THE AUDITOR-GENERAL

ON

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

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





OFFICE OF THE AUDITOR GENERAL
CENTRAL REGIONAL OFFICE
★ 27 JUN 2022 ★
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GATANGA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

GATANGA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

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GATANGA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

The Gatanga Constituency NG-CDF day-to-day management is under the following key organs:

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Olympia Musonye
2.	Sub-County Accountant	Joyce Wambui
3.	Chairman NGCDFC	Evanson Muiyuro
4.	Member NGCDFC	Petronillah Kalimi

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of Gatanga Constituency NG-CDF. The reports and recommendation of ARMC when adopted by the NG-CDF 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) Gatanga Constituency NG-CDF Headquarters

P.O. Box 63-0100, Thika
Mabanda Sub-County Offices
Mabanda, KENYA

GATANGA CONSTITUENCY
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(f) NGCDF Gatanga Constituency Contacts

Telephone: (254) 714 884 675
E-mail: cdfgatanga@ngcdf.go.ke
Website: www.gatangacdf.com

(g) Gatanga Constituency NG-CDF Bankers

The Co-operative Bank of Kenya,
Thika Branch
A/C 01120074416200
Thika

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

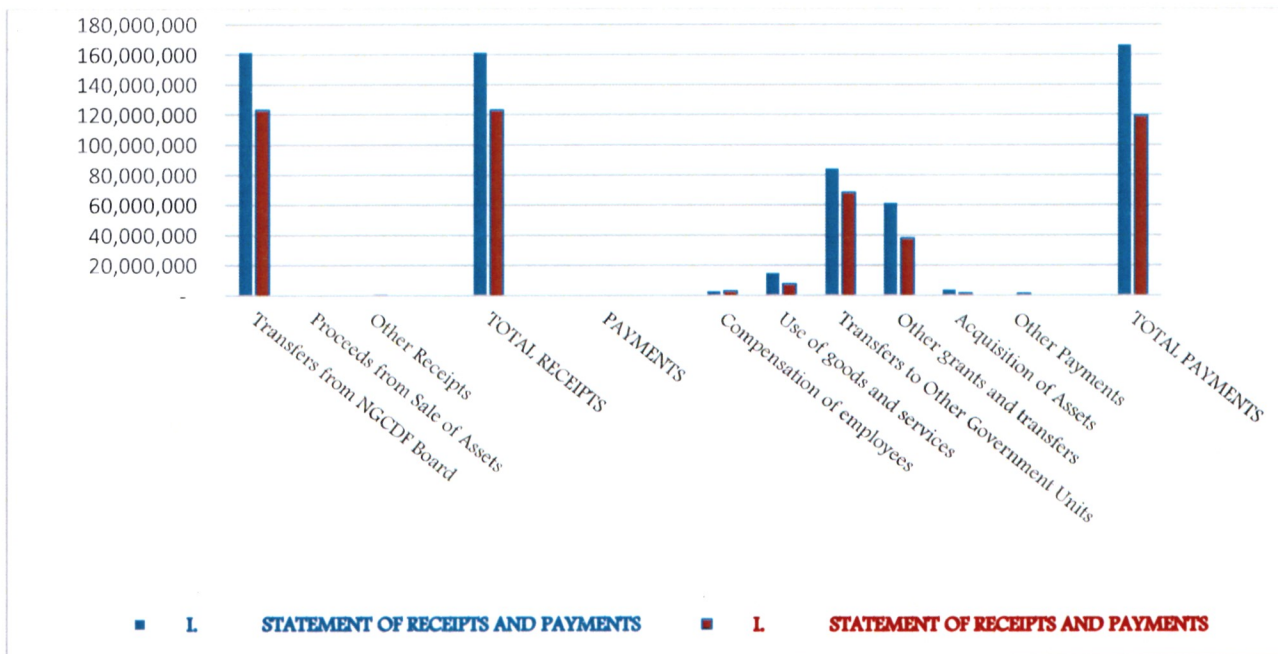
II. NG-CDFC CHAIRMAN’S REPORT

Our mandate as the Gatanga Constituency NG-CDF committee is to implement the national government’s agenda. We consistently aim to achieve the objectives of Vision 2030 through the projects we implement. From this background our NG-CDFC presents in summary the budget performance against actual amounts for current year based on economic classification and programmes.



In the financial year, we have improved the Education infrastructure, Education bursary, Sports, Environment and Security infrastructures of Gatanga Constituency through various projects that we have undertaken.

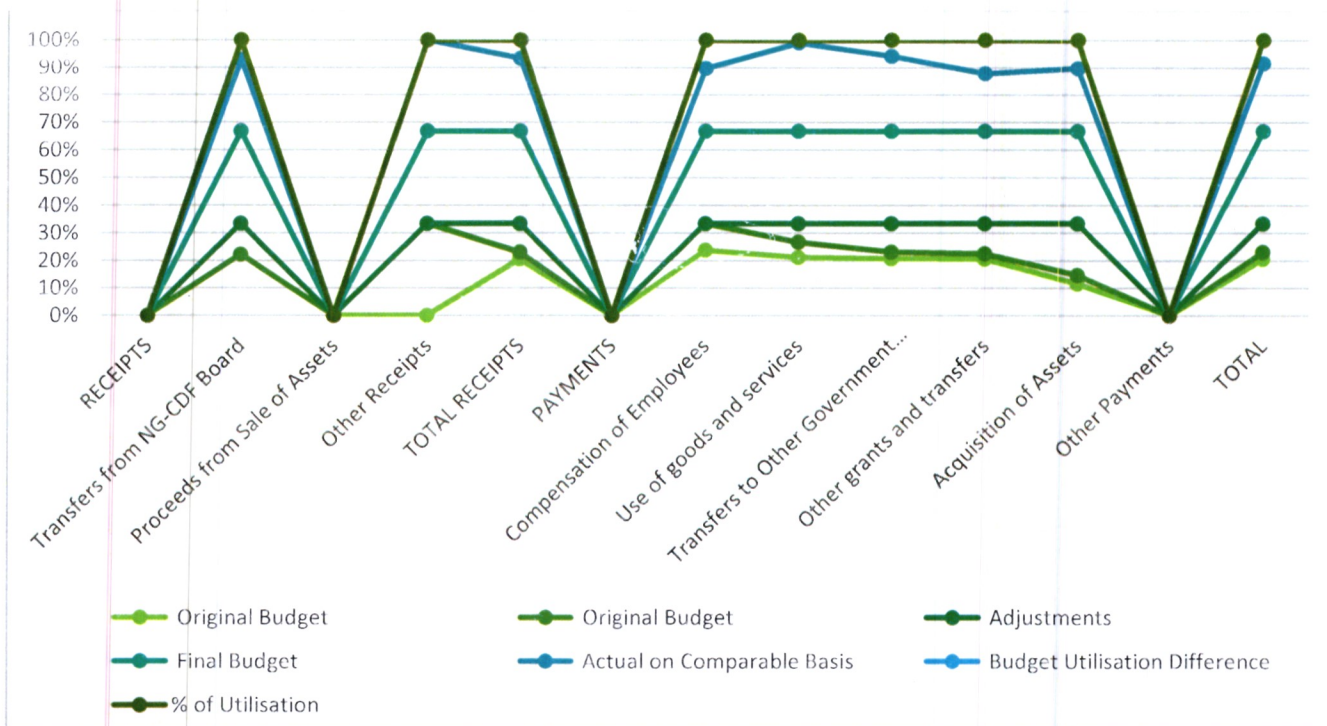
Statement of Receipts and Payments Comparison F/Ys’ 2020/2021 and 2019/2020



Comparatively, Statement of Receipts and Payments for the financial year 2019/2020 reflects a low value in amount against the financial year 2020/2021. The biggest variance is evident in Transfers to Other Government Units. In the mentioned items, in the financial year 2019/2020, the management managed to transfer Ksh 68,800,000 compared to Ksh 84,197,354 in the financial year 2020/2021. The increase in the receipt and payment in

**GATANGA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

the financial year 2020/2021 is attributed to the financial year 2019/2020 disbursement totaling to Ksh 69,367,724.10 that was received in the financial year 2020/2021.



As observed, the Management managed to utilize Ksh166, 485, 890 against the Final budget of Ksh 223,570,265. This points to 74.5% absorption rate. This is a fall from the financial year 2019/2020 where the constituency absorption rate stood at 86.7%. The management was unable to attain the 100% utilization rate due to the fact that there was delayed disbursement of funds from the Board. This was also informed by COVID-19 pandemic that slowed down most of the government operations. Apart from the above-mentioned issues, there has been a good project implementation spirit within the Constituency. Some of the best practices within the constituency are hereby interpreted.

Detail key achievements for the Financial Year F/Ys' 2020/2021

The operation of the Fund is exposed to variety of risks given the environment it operates. The environment is composed of the beneficiaries who need services irrespective of the available Funds. On the other hand, there exist the Contractors who target maximization of the profits. Additionally there are other exogenous factors like COVID-19 that interfere with government programs. From this backdrop, risk management has become an essential tool to tackle the inevitable rivaling forces by the NG-CDFC. The success or failure of the Funds initiative at this level has been heavily determined by the uptake of risk initiatives.

Gatanga constituency mitigation strategies and tactics are connected through project objectives, which are both affected by uncertainty. This leads to risk at both strategic and tactical levels. To be able to mitigate risks, the committee undertakes several actions which are undertaken iteratively throughout the project lifecycle. One of the factors the constituency has put a lot of weight is risk management planning. Under this, the constituencies define the scope and objectives of the risk process, describing the techniques and tools to be used, stating the thresholds of acceptable risk to various stakeholders, detailing roles and responsibilities. One of the example is issuance of bursary that can result to bright needy cases missing out. The committee ensures that its forms have the rightful captions that will enable the subcommittees get the rightful information.

All the 2020/2021 Gatanga NG-CDF projects have promoted the diversity and inclusion of all its constituents. The NG-CDF committee relentlessly worked to ensure certain key aspects become part of the projects. This was done in spirit of attaining the United Nations Seventeen Sustainable Development Goals. One of the key aspect is **Water Harvesting**. All constructed buildings under the NG-CDF projects have gutters installed which helps to conserve water by harvesting it during the rainy seasons. Secondly, there was the **Use of local labor**. The contractors were advised to source all the materials used in Gatanga-CDF projects locally. This promoted businesses in the community. The projects got labor from the locals within its existence hence creating job opportunities for the constituents.

Another factor that was highly considered was **Disability Mainstreaming**. All NG-CDF projects in Gatanga Constituency have factored in persons with disability. In the construction projects, we factored rumps to help people with disabilities who use wheelchairs have ease of movement. We also build toilets for people with disabilities and ensure the toilets have grab rails to provide extra support. **Key pointing** as opposed to painting is another sustainable development factor that was highly factored. This is cost-effective and more sustainable as it protects the building structures from weather effects. Lastly Gatanga NG-CDF projects embrace **Public participation**. The input of the community is important to the Gatanga NG-CDF projects. This necessitates frequent public participation forums in order to get the input of the constituents on matters relating to the Fund.

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This has enabled the Gatanga NG-CDFC to come up with the best procedures that have resulted in the implementation of high impact projects within the constituency and the region. Highlighted herein are some of the best projects done within the financial year;



Construction of 8no office, 3no cells and a waiting area post for Kirwara Police Station (The project expected to enable administrative services to the approximate population of 18,000 residents of Gatanga ward)



Construction of 2no classrooms at Gatanga Technical & Vocational College



Construction of 12 number office Gatura Assistant County Commissioners office (The project expected to enable administrative services to the approximate population of 22,494 residents of Kariara Division)

Apart from the positivity's experienced and exhibited, there has been political, economic, social, legal and global challenges influencing the implementation of NG-CDF projects within Gatanga Constituency. These challenges have been handled in the proper ways and those that the constituency is unable they have been handled by the relevant authorities. Our NG-CDFC wishes that there be more sensitization done to the people on the importance and NG-CDF. We wish to open the world to the change that has been.

Signature

CHAIRMAN NGCDF COMMITTEE

GATANGA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

The key development objectives of NG-CDF Gatanga Constituency 2018-2022 plan are to:

- a) To promote quality education through financial support to studying constituents at Primary, Secondary and tertiary levels and improvement of infrastructure.
- b) To develop staff capacity with focus on quality performance and service delivery.
- c) To develop and enhance physical infrastructure.
- d) To enhance usage of technology to support NG-CDFC operations.
- e) To enhance and sustain financial resources mobilization and management.
- f) To develop strong education and public awareness/outreach activities at the Constituency

Progress on attainment of Strategic development objectives

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

Constituency Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - Number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary's beneficiaries at all levels 	<p>In FY 2020/2021</p> <ul style="list-style-type: none"> -we increased number of classrooms, dining halls, laboratories, social halls to 163 in the primary and secondary schools in terms of constructions, renovations and completions of the remaining phases to enhance conducive environment for learning. - Bursary beneficiaries at all levels were as per

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				the attached schedules
Security	To develop and enhance physical infrastructure.	Percentage Reduction in crime rate	-Number of complete and in use administrative offices and structures	-During the financial year we constructed 5 number administrative offices worth Kshs. 8,400,000.00
Environment	To develop activities and forums for agro-forestry and best practices to reduce soil erosion	Percentage reduction in soil erosion	-Number of trees planted. - Forums held to sensitize community on environment conservative measures	-Provided environmental awareness during project handover. -Sensitized the students and pupils in the respective institutions on the effects of drug abuse and HIV.
Sports	To develop skills with intention of identifying, nurturing talent and encouraging physical fitness among the constituents	- Increased youth participation enhancing reduction in drug and substance abuse. -Increased youth capacity skills.	-Number of youths participating sports and awareness forums. - Number of businesses development by the youths.	- In FY 2020/2021 we empowered 300 youth for Ajira digital platform. We trained 300 youth who became certified FIFA referees
Emergency	To cater for any unforeseen occurrences	-Increased risk management skills -Develop a structural mechanism to handle risks and emergency	- High level of response to any risk and emergency occurrence	In FY2020/2021 we constructed several ablution blocks in schools as a response to the emergency of collapsed toilets in the institutions
Staff	To develop staff capacity with focus on quality performance and service delivery.	Increased degree of competency in provision of services to the public -Percentage turnover -No of motivated staff	-The number of service related official complaints by all the Fund stakeholders -Number of trainings and capacity building - Number of staff leaving employment and degree of absenteeism.	-In FY 2020/2021 the constituency received no complaint compared to the year FY2019/2020 which had 1 number complaint
Enhanced Service provision	To enhance usage of technology to support NG-CDFC operations	Time taken to offer services, Monitor and evaluate processes and projects	-Number of ICT related projects and programs	-Developed a Geographical Information Monitoring and Evaluation System

GATANGA CONSTITUENCY

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

Sustainable development	-To enhance and sustain financial resources mobilization and management	-Projects that embrace sustainable features(Universal and futuristic designs and Environmental conservation features	-Number of complete projects with the sustainable aspects	-80% the projects in FY 2020/2021 have ramps, gutters for water collection and are fitted with LED bulbs.
Public awareness	To develop strong education and public awareness/outreach activities at the Constituency	- Enhanced public awareness on issues concerning NG-CDF and of public interest	-Number of awareness activities carried out in a financial year	-2 number public awareness events carried out for project identification and on COVID-19 preventive measures within our offices

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

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

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

-
- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. Environmental performance

Gatanga NG-CDFC strategic Environmental agenda recognizes the provisions of the NG-CDF Board Strategic Plan and the National Environmental Management Authority (NEMA) guidelines. The NEMA Performance Contract Guidelines for all Ministries, Departments and Agencies (MDAs) provide that institutions undertake planning, implementation, monitoring and Audit of the projects to ensure compliance with and enforcement of the constitution and other statutory obligations relating to environmental sustainability.

As a Constituency, we ensure that Project Implementation Committees (PMC) continue to priorities and improve environmental sustainability projects. We also Encourage Community participation in identification, protection and conservation of environment by carrying out environmental awareness programs. Despite of our effort, this year proved to be challenging as public gathering were prohibited. However, we provided environmental awareness whenever we went for project handover. We also took the o opportunity to sensitize the students and pupils in the respective institution on the effects of drug abuse and HIV.

The Gatanga NG-CDFC embodies the government objective of promotion of sports in the country. To attain this, the constituency managed to carry out a Youth empowerment program where 300 youth were empowered. Through the sports vote, the constituency also managed to train and certify 350 youth for a refereeing course.

3. Employee welfare

We invest in providing the best working environment for our employees. Gatanga Constituency recruitment is guided by Employment Act, NG-CDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Gatanga Constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues. Gatanga Constituency also has bursary programs aligned to the NG-CDF Act for employees seeking to further their education or advance themselves through formal programs relating to their current or prospective jobs.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in

terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

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

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

NG-CDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision. The NG-CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

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

V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NG-CDF- Gatanga Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NG-CDF- Gatanga Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Gatanga Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The NG-CDF- Gatanga Constituency financial statements were approved and signed by the

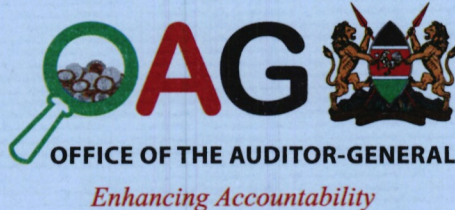
Accounting Officer on 28/06 2022



Chairman NGCDF Committee
Name: Evanson Muiyuro

Fund Account Manager
Name: Olympia Musonye

REPUBLIC OF KENYA



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GATANGA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Gatanga Constituency set out on pages 17 to 65,

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

which comprise the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the 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 - Gatanga Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Cash and Cash Equivalents

The statement of assets and liabilities as at 30 June, 2021 reflects cash and cash equivalent balance of Kshs.12,013,417. Review of bank reconciliation statements reflected payments in cash book not in the bank statement (un-presented cheques) amounting to Kshs.10,242,409. However, bank statements and schedules in support of the un-presented cheques were not provided for audit verification. Further, out of the total un-presented cheques, stale cheques amounting to Kshs.1,052,500 had not been reversed in the cash book as at 30 June, 2021.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.12,013,417 could not be confirmed.

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

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

the summary statement of appropriation reveals that the Fund received a total of Kshs.178,481,385 from the National Government Constituencies Development Fund Board against a budget of Kshs.223,570,264 resulting in a shortfall of Kshs.45,088,879 representing 20% of the budget. Further, the Fund incurred total expenditure of Kshs166,467,968 out of the final budget of Kshs.223,470,264 resulting to an under-absorption of Kshs.57,084,372 or 26% of the budget.

The underfunding and under-expenditure constrained the execution of planned activities and delivery of services to the residents of Gatanga Constituency.

2. Prior Year Unresolved Issues

In the report of the previous year, several issues were raised under report on the financial statements and report on lawfulness and effectiveness in use of public resources. However, review of the progress on follow up of Auditor's recommendations showed that the Management had not resolved the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Physical Verifications on Projects

During the year under review, physical verifications was carried out on sixteen (16) projects which received total disbursements of Kshs.21,800,000 in May, 2022. However, seven (7) projects, out of these, with total disbursements of Kshs.10,600,000 had various anomalies as detailed in **Appendix 1**.

In the circumstances, value for money on the expenditure of Kshs.10,600,000 for the projects implemented during the year may not have been realized.

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 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 overall governance.

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

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

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

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

governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of 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 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 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 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 communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

29 July, 2022

Appendix I: Projects Verifications

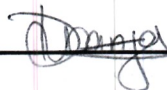
No.	Institution	Works	Amount Disbursed (Kshs)	Contract Sum (Kshs)	Project Observations
1.	Chomo Mixed Sec School	Purchase of 100 lockable desks Kshs.400,000, 10 staff seats Kshs.15,000, 5 tables Kshs.85,000, renovation of administration block Kshs.400,000 and Construction of 2, 4-door pit latrines Kshs.800,000	1,700,000	1,698,410	Renovation of office block and construction of two, 4 door pit latrines done although The buildings were not branded. Window glazes had not been fixed and ceiling works were in progress.
2.	Gatanga Technical and Vocational College	Construction of 3 classrooms to completion	4,000,000	3,997,545	Complete and in use. Certificate of practical completion not provided.
3.	Kiunyu Primary School	Renovation of 8 Classrooms; Flooring, Key-pointing, Roof Painting & Internal wall Finishes to Completion.	1,200,000	1,195,210	7 Classrooms were completed. However, one classroom was not completed with flooring and internal walling not done.
4.	Samuru Chief Office	Construction of 3 - roomed office to completion	1,200,000	1,193,000	The office was completed. However, it was not in use. There were visible cracks in the floor and internal walls.

No.	Institution	Works	Amount Disbursed (Kshs)	Contract Sum (Kshs)	Project Observations
5.	Greystone Primary School	Construction of 2 Classrooms to completion	2,200,000	2,199,922	The project was complete. However, it was not in use.
6.	Mianyani chief's offices	Chainlink fencing of the office with concrete poles & purchase of furniture; 2 tables & 3 chairs - Kshs.50,000	300,000	299,400	Fencing was done however; some concrete poles were destroyed.
7.	Gatanga NG CDF Office-Ithanga	Fencing around the building using barbed wire and concrete poles and paving of pathway.	700,000	698,600	Fencing was installed however, pathway work of Kshs.200,000 was not done.
	Total		10,600,000	10,583,487	

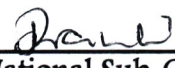
GATANGA CONSTITUENCY**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)****Reports and Financial Statements for The Year Ended June 30, 2021****VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 - 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	161,367,724	123,040,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	<u>33,000</u>
TOTAL RECEIPTS		161,367,724	123,073,876
PAYMENTS			
Compensation of employees	4	2,650,856	2,993,494
Use of goods and services	5	14,660,551	7,648,873
Transfers to Other Government Units	6	84,197,354	68,200,000
Other grants and transfers	7	61,259,207	37,793,100
Acquisition of Assets	8	3,700,000	1,366,349
Other Payments	9	-	1,169,256
TOTAL PAYMENTS		166,467,968	119,171,072
SURPLUS/(DEFICIT)		(5,100,244)	3,902,804


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-Gatanga Constituency financial statements were approved on 28/06 2022 and signed by:


 Fund Account Manager

Name: Olympia Musonye


 National Sub-County
 Accountant

Name: Joyce Wambui
 ICPAK M/No:


 Chairman NG-CDF
 Committee

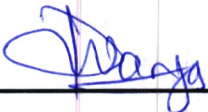
Name: Evanson Muiyuro

**GATANGA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

VIII. STATEMENT OF ASSETS AND LIABILITIES

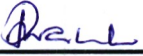
	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	12,013,417	17,113,661
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		12,013,417	17,113,661
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		12,013,417	17,113,661
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITIES		-	-
NET FINANCIAL ASSETS		12,013,417	17,113,661
REPRESENTED BY			
Fund balance b/fwd	13	17,113,661	13,210,857
Prior year adjustments	14	-	-
Surplus/Deficit for the year		(5,100,244)	3,902,804
NET FINANCIAL POSITION		12,013,417	17,113,661

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF-Gatanga Constituency Financial Statements were approved on 28/06 2021 and signed by:



Fund Account Manager


Name: Olympia Musonye



National Sub-County
Accountant

Name: Joyce Wambui
ICPAK M/No:

Sub-County Accountant
P. O. Box 6287 - 01000
THIKA



Chairman NG-CDF
Committee

Name: Evanson Muiyuro

GATANGA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021


STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	161,367,724	123,040,876
Other Receipts	3	-	33,000
Total receipts		161,367,724	123,073,876
Payments for operating activities			
Compensation of Employees	4	2,650,856	2,993,494
Use of goods and services	5	14,660,551	7,648,873
Transfers to Other Government Units	6	84,197,354	68,200,000
Other grants and transfers	7	61,259,207	37,793,100
Other Payments	9	-	1,169,256
Total payments		(162,767,968)	(117,804,723)
Total Receipts Less Total Payments		(1,400,244)	5,269,153
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		(1,400,244)	5,269,153
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(3,700,000)	(1,366,349)
Net cash flows from Investing Activities		(3,700,000)	(1,366,349)
NET INCREASE IN CASH AND CASH EQUIVALENT		(5,100,244)	3,902,804
Cash and cash equivalent at BEGINNING of the year	10	17,113,661	13,210,857
Cash and cash equivalent at END of the year		<u>12,013,417</u>	<u>17,113,661</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Gatanga Constituency financial statements were approved on 28/06 2021 and signed by:



 Fund Account Manager

Name: Olympia Musonye


 National Sub-County
 Accountant

Name: Joyce Wambui
 ICPAK M/No:

SUB-COUNTY ACCOUNTANT
 P.O. Box 2287-10000
 THIKA


 Chairman NG-CDF
 Committee

Name: Evanson Muiyuro

IX. SUMMARY STATEMENT OF APPROPRIATION

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		Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	69,367,724	223,570,264	178,481,385	45,088,879	79.8%
Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	0.0%
TOTAL RECEIPTS	137,088,879	69,367,724	223,570,264	178,481,385	45,088,879	79.8%
PAYMENTS						
Compensation of Employees	2,732,400	-	3,846,061	2,650,856	1,195,205	68.9%
Use of goods and services	9,605,599	3,063,095	15,168,694	14,660,551	508,143	97%
Transfers to Other Government Units	63,300,000	31,550,000	102,350,000	84,197,354	18,152,646	82.3%
Other grants and transfers	59,597,982	31,754,629	96,852,611	61,259,207	35,593,404	63.2%
Acquisition of Assets	1,852,898	3,000,000	5,352,898	3,700,000	1,652,898	69.1%
Other Payments	-	-	-	-	-	0.0%
TOTAL	137,088,879	69,367,724	223,570,264	166,467,968	57,102,296	74%

GATANGA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

- (a) During this financial year there were no revenues collected because our only source of revenue comes from sale of tender documents. This was not done because the constituency didn't carry out prequalification.
- (b) The Budget utilization ration is low in most sectors owing to the delays in funds disbursements from the board leading to problems in projects implementation. This as a result affected the absorption rate of the itemised units to below 100%.
- (c) The difference between the (Ksh223,570,265) final budget and (Ksh137,088,880) original budget was brought about by the (Ksh69,367,724 and Ksh17,113,661) from the Previous Years' Outstanding Disbursements and the balance brought forward respectively.


Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	57,102,296
Less undisbursed funds receivable from the Board as at 30 th June 2021	(45,088,879)
	12,013,417
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/2021	12,013,417

The NG-CDF- Gatanga Constituency financial statements were approved on 28/06 2022 and signed by:



 Fund Account Manager


Name: Olympia Musonye



 National Sub-County Accountant

Name: Joyce Wambui

ICPAK M/No:



 Chairman NG-CDF Committee

Name: Evanson Muiyuro

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
	Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent						0
1.1 Compensation of employees	2,722,400	1,113,661		3,836,061	2,650,856	1185205
1.2 Committee allowances	1,159,000		450,000.00	1,609,000	1,224,000	385000
1.3 Use of goods and services	4,333,932.76	5,213,000	4,550,000.00	14,096,932.76	11,515,378.70	2581554.06
						0
						0
2.0 Monitoring and evaluation						0

**GATANGA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

2.1 Capacity building	2,612,666.38				2,612,666.38		2612666.38
2.2 Committee allowances	800,000				800,000		0
2.3 Use of goods and services	700,000	2,400,000	63,095.17		3,163,095		0
3.0 Emergency							0
3.1 Primary Schools	7,192,206.90	2,387,000	3,817,988.85		13,397,195.75		3819095.75
3.2 Secondary schools							0
3.3 Tertiary institutions							0
3.4 Security projects							0
4.0 Bursary and Social Security							0
4.1 Primary Schools							0
4.2 Secondary Schools	17,000,000.00		9,500,000		26,500,000.00		2212553
4.3 Tertiary Institutions	17,282,219.83	5,500,000	10,341,931.04		33,124,150.87		0
5.0 Sports							804237.87
5.1 Constituency Sports Tournament	2,741,777.59		2,047,354.48		4,789,132.07		0
6.0 Environment							2042032.066
							0

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

6.1 Gatanga Girls Secondary School	456,962.93		2,747,354.46	5,489,132.05		5489132.05
6.2 Kigio Secondary School	456,962.93					0
6.3 Kanunga Primary School	456,962.93					0
6.4 Nyaga Secondary School	456,962.93					0
6.5 Swani Primary Schools	456,962.93					0
6.6 Jogoo Kimakia Secondary School	456,962.93					0
7.0 Primary Schools Projects (List all the Projects)						0
7.1 Giatutu Primary School	1,000,000.00			1,000,000.00	1,000,000.00	0
7.2 Gakurari Primary School	1,000,000.00			1,000,000.00	1,000,000.00	0
7.3 Gatunyu Primary School	2,000,000.00			2,000,000.00	2,000,000.00	0
7.4 Ithangarari Primary School	1,500,000.00			1,500,000.00	400,000.00	1100000
7.5 Gichumbu Primary School	1,500,000.00			1,500,000.00		1500000
7.6 Rwegetha Primary School	2,100,000.00			2,100,000.00	500,000.00	1600000

**GATANGA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

7.7 Mabae Primary School	1,500,000.00			1,500,000.00		1500000
7.8 Gathanji Primary School	2,000,000.00			2,000,000.00	2,000,000.00	0
7.9 Gathuthu Primary School	2,000,000.00			2,000,000.00	2,000,000.00	0
7.10Thare Primary School	2,000,000.00			2,000,000.00	500,000	1500000
7.11Kirwara Primary School	1,800,000.00			1,800,000.00	400,000.00	1400000
7.12 Karangi Kiana Primary School	2,500,000.00			2,500,000.00		2500000
7.13 Kimandi Primary School	1,000,000.00			1,000,000.00		1000000
7.14 Iganjo Primary School	1,500,000.00			1,500,000.00	1,500,000.00	0
7.15 Gatakaini Primary School	500,000.00			500,000.00	500,000.00	0
7.16 Mwea Primary School	500,000.00			500,000.00	500,000.00	0
7.17 Mwea Primary School	1,000,000.00			1,000,000.00	1,000,000.00	0
7.18 Elimambo Primary School	1,500,000.00			1,500,000.00	1,500,000.00	0
7.19 Kiunyu Primary School	1,200,000.00			1,200,000.00	1,000,000.00	200000
7.20 Gituamba Primary School	2,200,000.00			2,200,000.00	2,200,000.00	0

11.1 C T I VC
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

Reports and Financial Statements for The Year Ended June 30, 2021

7.21 Paul Mbiyu Primary School	800,000.00				800,000.00	800,000.00	0
7.22 Swani Primary School	500,000.00				500,000.00		500000
7.23 Greystone Primary School	2,200,000.00				2,200,000.00	2,200,000.00	0
7.24 Makutano Primary School	1,500,000.00				1,500,000.00	1,500,000.00	0
7.25 Mugumo Primary School	1,100,000.00				1,100,000.00	1,000,000.00	100000
7.26 Kyaume Primary School	500,000.00				500,000.00		500000
7.27 St. Teresa Primary School	1,000,000.00				1,000,000.00	1,000,000.00	0
7.28 Gatiguru Primary School	1,700,000.00				1,700,000.00	1,700,000.00	0
7.29 Gatura Primary School	1,500,000.00				1,500,000.00		1500000
8.0 Secondary Schools Projects (List all the Projects)							0
Gakurari Secondary School	600,000.00				600,000.00	1,000,000.00	-400000
8.1 St. Basil Gathanji Secondary School	500,000.00				500,000.00	500,000.00	0
8.2 Jogoo Kimakia Secondary School	1,200,000.00				1,200,000.00	1,000,000.00	200000

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8.3 Chomo Mixed Day Secondary School	1,700,000.00			1,700,000.00	2,000,000.00	-300000
8.4 Kiarutara Secondary School	1,500,000.00			1,500,000.00	1,500,000.00	0
8.5 Mwagu Secondary School	1,200,000.00			1,200,000.00		1200000
8.6 Kimandi Secondary School	1,200,000.00			1,200,000.00	1,200,000.00	0
8.7 Kanunga Secondary School	2,000,000.00			2,000,000.00	2,000,000.00	0
8.8 Ndakaini Secondary School	1,000,000.00			1,000,000.00	1,000,000.00	0
8.9 Giteme Secondary School	500,000.00			500,000.00	500,000.00	0
8.10 Kamunyaka Kiumu Secondary School	1,000,000.00			1,000,000.00		1000000
8.11 Ndunyu Chege Secondary School	1,400,000.00			1,400,000.00	1,400,000.00	0
8.12 St. Augustine Mutundu Secondary School	2,000,000.00			2,000,000.00		2000000
8.13 Kiamwathi Secondary School	1,500,000.00			1,500,000.00	1,500,000.00	0
8.14 St.Teresa Secondary School	2,700,000.00			2,700,000.00		2700000
8.15 St.Benedict Secondary School	2,200,000.00			2,200,000.00		2200000

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8.16 Ithang'arari Secondary School			1,000,000.00	1,000,000.00		1,000,000.00	1000000
8.17 Ndakaini Secondary School			1,000,000.00	1,000,000.00		1,000,000.00	0
8.18 Gakurari Secondary School			1,000,000.00	1,000,000.00		1,000,000.00	0
8.19 Kiamwathi Secondary School			1,500,000.00	1,500,000.00		1,500,000.00	0
8.20 Mwanawikio Secondary School			1,000,000.00	1,000,000.00		1,000,000.00	0
8.21 Mugumo Secondary School			1,000,000.00	1,000,000.00		1,000,000.00	0
8.22 Karangi Secondary School			2,550,000.00	2,550,000.00		2,550,000.00	0
8.23 Rwegetha Secondary School			3,000,000.00	3,000,000.00		3,000,000.00	0
8.24 Thungururu Secondary School			1,000,000.00	1,000,000.00		1,000,000.00	0
8.25 Ithanga Secondary School			1,500,000.00	1,500,000.00		1,500,000.00	0
8.26 Muti Secondary School			2,000,000.00	2,000,000.00		2,000,000.00	0
8.27 Gititu Secondary School			1,000,000.00	1,000,000.00		1,000,000.00	0
8.28 Gatiguru Mixed Secondary School			1,500,000.00	1,500,000.00		1,500,000.00	0
8.29 Iembeni Secondary School			2,000,000.00	2,000,000.00		2,000,000.00	0

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8.30 Ithangarari Secondary School			1,000,000.00	1,000,000.00	1,000,000.00	0
8.31 Chomo Mixed Day Secondary School			2,000,000.00	2,000,000.00	2,000,000.00	0
9.0 Tertiary institutions Projects (List all the Projects)						0
9.1 Gatanga Technical & Vocational College			4,000,000.00	4,000,000.00	4,000,000.00	0
10.0 Security Projects						0
10.1 Kigio Chief's Office	1,000,000.00			1,000,000.00		1000000
10.2 Gatunyu Chief's Office	1,200,000.00			1,200,000.00		1200000
10.3 Samuru chiefs office	1,200,000.00			1,200,000.00		1200000
10.4 Gatura police post	800,000.00			800,000.00		800000
10.5 Mukurwe Chief Administration Office	150,000.00			150,000.00		150000
10.6 Kihumbuini Police Station	3,000,000.00			3,000,000.00	3,000,000.00	0
10.7 Mukarara Chief's Office	500,000.00			500,000.00		500000
10.8 Thuthua Chief's Office	1,500,000.00			1,500,000.00	1,500,000.00	0

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10.9 Mitumbiri ACC office	2,000,000.00				2,000,000.00		2000000
10.10 Ngatho Chief's Office	1,000,000.00				1,000,000.00		1000000
10.11 Mianyani Chief's Office	300,000.00				300,000.00	300,000.00	0
10.12 Mureke Assistant Chief's Office				1,000,000.00	1,000,000.00	1,000,000.00	0
10.13 Gatakaini Assistant Chief's Office				1,000,000.00	1,000,000.00	1,000,000.00	0
10.14 Gatakaini Assistant Chief's Office				300,000.00	300,000.00	350,000.00	-50000
10.15 Gatura ACC's Office				500,000.00	500,000.00	300,000.00	200000
10.16 Gituamba Chief's Office				1,000,000.00	1,000,000.00	1,000,000.00	0
10.17 Mureke Assistant Chief's Office				1,000,000.00	1,000,000.00		0
11.0 Acquisition of assets							1000000
11.1 Faceliffing Gatanga NG-CDF Office	700,000.00			3,000,000.00	3,700,000.00	3700000	0
11.2 Equiping Gatanga NG-CDF Office	1,152,898.27	500,000			1,652,898.27		1652898.27

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11.3 Purchase of furniture and equipment							0
11.4 Purchase of computers							0
11.5 Purchase of land							0
12.0 Others							0
12.1 Strategic Plan							0
12.2 Innovation Hub							0
12.2							0
Funds pending approval**							
Total	137,088,879	17,113,661	69,367,724	223,570,264	166,485,890	57,084,374.45	

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

XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF- Gatanga Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012.

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

External Assistance

External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance received.

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

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imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2020 for the period 1st July 2021 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

14. Errors

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

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

15. Related Party Transactions

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

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XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO B041080	1		55,040,875.50
AIE NO B047412	2		4,000,000.00
AIE NO B041455	3		20,000,000.00
AIE NO B047883	4		6,000,000.00
AIE NO B049262	5		15,000,000.00
AIE NO B104284	6		23,000,000.00
B096946	1	15,000,000.00	
B104595	2	19,000,000.00	
B823511	3	35,367,724.10	
B124515	4	9,000,000.00	
B124936	5	10,000,000.00	
B119791	6	12,000,000.00	
B128081	7	6,900,000.00	
B128391	8	6,000,000.00	
B132139	9	6,000,000.00	
B138804	10	12,000,000.00	
B126099	11	7,000,000.00	
B126389	12	11,100,000.00	
B140535	13	12,000,000.00	
TOTAL		161,367,724	123,040,876

2. PROCEEDS FROM SALE OF ASSETS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	-	33,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	-	33,000

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	2,011,340	2,318,160
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	623,516	571,134
Employer Contributions Compulsory national social security schemes	16,000	104,200
Total	2,650,856	2,993,494

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5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Committee Expenses	1,224,000	1,265,500
Utilities, supplies and services	-	-
Communication, supplies and services	348,000	111,469
Domestic travel and subsistence	1,249,600	-
Printing, advertising and information supplies & services	162,280	68,440
Other Allowance Expense - M& E	4,327,590	2,702,707
Training expenses	696,000	-
Hospitality supplies and services	1,680,000	-
Bank service commission and charges	47,138	-
Specialized materials and services	-	-
Office and general supplies and services	4,069,826	2,753,645
Fuel, Oil and lubricants	400,000	594,444
Routine maintenance – vehicles and other transport equipment	426,119	140,488
Routine maintenance – other assets	29,998	12,180
Total	14,660,551	7,648,873

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6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools	38,647,354	34,200,000
Transfers to secondary school	41,550,000	34,600,000
Transfers to tertiary institution	4,000,000	-
TOTAL	84,197,354	68,800,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary school	22,287,447	8,158,828
Bursary – tertiary institution	15,496,560	3,542,878
Bursary – special school	-	10,000
Mock & CAT	-	-
Social Security programmes (NHIF)	-	-
Security projects	11,150,000	11,404,869
Sports projects	2,747,100	2,180,817
Environment projects	-	2,189,130
Emergency projects	9,578,100	10,306,578
Total	61,259,207	37,793,100

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8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	3,700,000.00	-
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	-	1,366,349
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	3,700,000.00	1,366,349

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	1,169,256
	-	1,169,256

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10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
Co-operative Bank – Thika (01120074416200)	-	17,113,661
Equity Bank – Thika (0090279844251)	12,013,417	-
		-
Total	12,013,417	17,113,661
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations	-	-
	-	-
Total	-	-

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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</i>	<i>dd/mm/yy</i>	<i>xxx</i>	<i>xxx</i>	<i>xxx</i>
<i>Name of Officer</i>	<i>dd/mm/yy</i>	<i>xxx</i>	<i>xxx</i>	<i>xxx</i>
<i>Name of Officer</i>	<i>dd/mm/yy</i>	<i>xxx</i>	<i>xxx</i>	<i>xxx</i>
<i>Name of Officer</i>	<i>dd/mm/yy</i>	<i>xxx</i>	<i>xxx</i>	<i>xxx</i>
<i>Name of Officer</i>	<i>dd/mm/yy</i>	<i>xxx</i>	<i>xxx</i>	<i>xxx</i>
<i>Name of Officer</i>	<i>dd/mm/yy</i>	<i>xxx</i>	<i>xxx</i>	<i>xxx</i>
<i>Total</i>				<i>xxx</i>

12A. RETENTION

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

12B. GRATUITY

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

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13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	17,113,661	13,210,857
Cash in hand	-	-
Imprest	-	-
Total	17,113,661	13,210,8

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2019/2020 as per Audited 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>)	-	-	-
TOTAL	-	-	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

	2020-2021	2019-2020
	Kshs	Kshs
Outstanding Imprest as at 1 st July (A)	-	-
Imprest issued during the year (B)	-	2,600,000
Imprest surrendered during the Year (C)	-	2,600,000
closing accounts in account receivables D= A+B-C	-	-

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16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2021	2019 - 2020
	Kshs	Kshs
Deposit and Retentions as at 1 st July (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
closing account Payables D= A+B-C	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	-	-
Others	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	-	-
Use of goods and services	-	-
Amounts due to other Government entities	-	25,450,000.00
Amounts due to other grants and other transfers	-	51,013,261.00
Acquisition of assets	-	-
Others	-	-
Funds pending approval	-	-
	-	76,463,261.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances	30,677,823.55	31,707,314.37
	30,677,823.55	31,707,314.37

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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 2021	Comments
	a	b	C	d=a-c	
Construction of buildings					
1.					
2.					
3.					
Sub-Total					
Construction of civil works					
4.					
5.					
6.					
Sub-Total					
Supply of goods					
7.					
8.					
9.					
Sub-Total					
Supply of services					
10.					
11.					
12.					
Sub-Total					
Grand Total					

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30 th June 2021	Comments
NG-CDFC Staff				
1.				
2.				
3.				
	Sub-Total			
	Grand Total			

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Administration and Recurrent				
	Compensation of employees	1,008,906.00	1,008,906.00	
	Committee allowances	1,875,957.45	1,875,957.45	
	Use of goods and services	1,626,364.72	1,626,364.72	
Monitoring and evaluation				
	Monitoring and evaluation field visit allowances	3,121,031.72	4,121,031.72	
	Capacity building	1,037,126.00	37,126.00	
	Committee allowances	250,000.00	250,000.00	
	Use of goods and services	1,452,382.00	452,382.00	
Amounts due to other Government entities				
Emergency				
	Take care of emergency Occurrences	1,623,727.33	7,741,560.11	
	Sub-Total	11,995,495	17,113,661	
Amounts due to other grants and other transfers				

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Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Sub-Total				
Acquisition of assets				
Others (<i>specify</i>)				
Sub-Total				
Funds pending approval		45,088,879	69,367,724	
Grand Total		57,084,374.22	86,481,385	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	10,259,410.00	-	-	10,259,410.00
Buildings and structures	3,094,999.00	3,700,000	-	6,794,999.00
Transport equipment	3,843,846.20	-	-	3,843,846.20
Office equipment, furniture and fittings	1,747,989.00	-	-	1,747,989.00
ICT Equipment, Software and Other ICT Assets	2,509,656.20	-	-	2,509,656.20
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	21,455,900	3,700,000	-	25,155,900

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

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Wanyaga Pry Sch Cdf Ac	CO-OPERATIVE	01141429648900	572.43	-
Mwea Primary School	CO-OPERATIVE	01141735286300	1430852.5	-
Mwitingiri Primary	CO-OPERATIVE	01141734771100	3316.25	-
Mianyani Primary School	CO-OPERATIVE	01141428570800	48120.63	-
Mugumo Day Mixed Sec Sch	CO-OPERATIVE	01141833633800	49010.15	-
Ithangarari Secondary School	CO-OPERATIVE	01141074624100	15144.25	-
Kiamwathi Secondary School	CO-OPERATIVE	01141833650700	1613660.5	-
Ndakaini Secondary School	CO-OPERATIVE	01141833644700	1000000	-
Gakurari Secondary School	CO-OPERATIVE	01139074146000	57604.5	-
Mwanawikio Secondary School	CO-OPERATIVE	01141833637400	50368.5	-
Kiunyu Primary School Cdf	CO-OPERATIVE	01141429307500	754539.25	-
Karangi Secondary School-Cdf	CO-OPERATIVE	01141735285200	271118.25	-
Muti Secondary School Cdf A/C	CO-OPERATIVE	01141833660500	97426.75	-
Gatiguru Mixed Sec Sch	CO-OPERATIVE	01141074889701	33885.85	-
Ithanga Secondary School	CO-OPERATIVE	01141833674900	114629.5	-
Gititu Secondary School	CO-OPERATIVE	01141833694300	44190.25	-
Thungururu Secondary School	CO-OPERATIVE	01141428557400	50221.39	-

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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Rwegetha Secondary School	CO-OPERATIVE	01139074174700	172320	-
Gatanga Technical & Vocation	CO-OPERATIVE	01141833696000	198562.9	-
Ithangarari Primary	CO-OPERATIVE	01141734273000	178562	-
Mwagu Primary School Cdf	CO-OPERATIVE	01141734712400	23504	-
Gituamba Primary School	CO-OPERATIVE	01141073046700	1001232	-
Giteme Primary School	CO-OPERATIVE	01141734693300	2227510	-
Karega Primary School	CO-OPERATIVE	01141278770000	16256	-
Ngatho Secondary School Cdf	CO-OPERATIVE	01141557079800	672	-
Iembeni Secondary School Cdf	CO-OPERATIVE	01141832946300	17403	-
Ithanga Primary School Cdf	CO-OPERATIVE	01141558704900	47	-
Githambia Sec School	CO-OPERATIVE	01139278976100	180	-
Kirwara Police Station	CO-OPERATIVE	01134278981000	3350	-
Gatakaini Assistant Chief's O	CO-OPERATIVE	01141833788600	216643.75	-
Gatura Assistant County Com	CO-OPERATIVE	01141832883000	161650.75	-
Kiriaini Chief's Office	CO-OPERATIVE	01141832573000	216643	-
Silanga Primary School	CO-OPERATIVE	01141558461500	16511	-
Mwagu Primary School	CO-OPERATIVE	01141734712400	80458	-
Wanduhi Primary School	CO-OPERATIVE	01141558738000	1001233	-

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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Mugumo Primary School	CO-OPERATIVE	01141073045300	2243	-
Gituamba Sec School Cdf Acc	CO-OPERATIVE	01141832355700	51895	-
Gakurari Secondary	CO-OPERATIVE	01139074146000	3191	-
Jogoo Kimakia Secondary school	CO-OPERATIVE	01141833904400	57604	-
Chomo Mixed Day Sec School	CO-OPERATIVE	01141833478500	26206.75	-
Thuita Primary School Cdf	CO-OPERATIVE	01141734744500	416380	-
Kanunga Primary School	CO-OPERATIVE	01141832579600	10706	-
Thaare Primary School	CO-OPERATIVE	01141073047900	23673.5	-
Muthuri Primary School	CO-OPERATIVE	01141558470600	23673	-
Kirwara Primary School Cdf	CO-OPERATIVE	01109279970600	27842	-
Kiunyu Primary School	CO-OPERATIVE	01141429307500	33227	-
Swani Secondary School	CO-OPERATIVE	01141557696300	57207.5	-
Giatutu Primary School	CO-OPERATIVE	01141734459900	39961	-
Kirwara Primary School	CO-OPERATIVE	01109279970600	33257.75	-
Iganjo Primary School	CO-OPERATIVE	01141734553700	109831.5	-
Gathanji Primary School	CO-OPERATIVE	01141734294100	15009.5	-
Mwea Primary School	CO-OPERATIVE	01141735286300	1430825.5	-
Gakurari Primary School Cdf	CO-OPERATIVE	01141558454400	30712.5	-

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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Gathuthu Primary School-Cdf A/	CO-OPERATIVE	01141073047400	744140.68	-
Giteме mixed Sec sch-cdf A/C	CO-OPERATIVE	01141735565001	372366.75	-
Kiunyu Primary School	CO-OPERATIVE	01141429307500	754539.25	-
Makutano Primary School-Cdf Ac	CO-OPERATIVE	01141833229200	112883	-
Paul Mbiyu Primary School	CO-OPERATIVE	01141428521700	804215.25	-
St Teresa Primary School	CO-OPERATIVE	01141429456200	998974.71	-
Gatiguru Primary Sch Cdf	CO-OPERATIVE	01141558379100	281713	-
Elimambo Primary Sch.Cdf A/C	CO-OPERATIVE	01139073048202	1500135	-
Gatunyu Primary Sch. Cdf Acc	CO-OPERATIVE	01141558693300	12101.5	-
Kimandi Mixed Sec Sch-Cdf	CO-OPERATIVE	01139073470902	231326.75	-
Kanunga Mixed Day Secondary School	CO-OPERATIVE	01141832647700	1022210.41	-
Rwegetha Primary School Cdf	CO-OPERATIVE	01141558713800	564714.5	-
Kihumbuini Police Station	CO-OPERATIVE	01141832541200	3000000	-
Kyaume Primary School Cdf	CO-OPERATIVE	01141734749100	501350	-
Gatakaini Primary School	CO-OPERATIVE	01141833931400	25539.65	-
Kiamwathi Secondary Schools	CO-OPERATIVE	01141833650700	1613660.5	-
Nyaga Primary School	CO-OPERATIVE	01141557749000	369962	-
Muti Pprimary School	CO-OPERATIVE	01141429690700	500725	-

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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Ngungu Primary School	CO-OPERATIVE	01141073047500	555620.1	-
Kigio Primary Sch Cdf	CO-OPERATIVE	01141734705600	500746.75	-
Iganjo Primary School	CO-OPERATIVE	01141734553700	109831.5	-
Gatakaini Assistant Chief's O	CO-OPERATIVE	01141833788600	401115.35	-
Kiama Primary School	CO-OPERATIVE	01141558099400	1212.5	-
Gatunyu Chief's Office	CO-OPERATIVE	01141832787900	1198968.7	-
Thuthua Chief's Office	CO-OPERATIVE	0114922304000	987935	-
Total			30,677,823.55	-
Kagarii Primary School	Co-Operative	01141734693600	-	698,757.00
Rwegetha Primary School	Co-Operative	01141558713800	-	1,525,489.50
Giatusu Primary School	Co-Operative	01141734459900	-	1,105,528.00
Rwaitira Primary School	Co-Operative	01141428529700	-	2,003,335.00
Mwanawikio Primary School CDF	Co-Operative	01139278357900	-	421,280.00
Mianyani Chief's Office CDF	Co-Operative	01141832052400	-	4,385.50
Kirwara Primary School CDF	Co-Operative	01109279970600	-	20,561.25
Giatusu Primary School CDF	Co-Operative	01141734459900	-	1,105,528.00
Ithanga Primary School	Co-Operative	01141558704900	-	80.00

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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Kiarutara Primary School	Co-Operative	01141734554000	-	58.00
Gatanga Primary School	Co-Operative	01141734215800	-	22,226.82
Gathaini Primary School	Co-Operative	01141734294100	-	500,570.00
Githambia Primary School	Co-Operative	01141734694800	-	504,925.00
Kiangigi Primary School	Co-Operative	01141558296300	-	35,688.75
Ndunyu Chege Primary School CDF	Co-Operative	01141558875800	-	20,192.50
Kimandi Secondary School Cdf	Co-Operative	01139073470902	-	1,570,989.50
Del Monte Secondary School CDF	Co-Operative	01141833905600	-	99,005.00
Jogoo Kimakia Secondary School CDF	Co-Operative	01141833904400	-	3.00
Ngelelya Secondary Shool CDF	Co-Operative	01141832877000	-	1,685.00
Gakurari Secondary School	Co-Operative	01139074146000	-	37,210.00
Thungururu Secondary School CDF	Co-Operative	01141428557400	-	48,535.89
Gatunyu Secondary School	Co-Operative	01141558789600	-	215,473.50
St.Marys Rwegetha Sec Sch CDF	Co-Operative	01139074174700	-	2,717,155.10
St. Teresa Secondary School	Co-Operative	01141429941500	-	195,706.63
CCM Gatanga Girls Secondary School	Co-Operative	01141734294500	-	1,002,250.00

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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Giteме Secondary School	Co-Operative	01141735565001	-	2,525,556.00
Githambia Secondary School	Co-Operative	01139278976100	-	103,887.50
Kigio Secondary School	Co-Operative	01141833455500	-	969,695.00
Gituamba Secondary School	Co-Operative	01141832355700	-	1,000,655.00
Kihumbuini Secondary School	Co-Operative	01139278419300	-	1,012,481.25
Chomo Mixed Day Secondary School	Co-Operative	01141833478500	-	1,595,476.25
CDF Office Mabanda	Co-Operative	01141557676700	-	74,882.30
Nyaga Administration Police Post CDF	Co-Operative	01141832979100	-	998,975.00
Kiganjo Assistant Chief's Office CDF	Co-Operative	01141832979000	-	1,072.00
Mukurwe Chief's Office	Co-Operative	01141832047000	-	9,743.50
Kirwara Police Station	Co-Operative	01134278981000	-	2,779,623.50
Gatanga DCC's Office	Co-Operative	01141833514700	-	1,218,722.00
Gatura ACC's Office	Co-Operative	01141832883000	-	3,267,958.75
Kihumbuini ACC's Office	Co-Operative	01141833967600	-	39,860.00
Gatanga CDF Sports Account	Co-Operative	01141278419400	-	3,309.45
St. Basil Gathanji Secondary School	Equity	0090279164962	-	1,150,607.40
Rubiru Primary School	Equity	0090279141878	-	100,667.50
Mbugiti Boys High School	Equity	0090279180138	-	103,894.00

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PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Total			-	31,707,314.37

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.1	Bursary to Needy Students		Resolved on ML	
3.2	The NGCDF should enhance supervision of the projects to ensure that the work done is of the right quality. Further, the retention fee should be utilized to rectify the faulty areas and consultation with respective administrative arms of government to ensure the building is put to the right use.	-The project had not been put to use because it had not been furnished by the ministry of interior security and also the offices had not been handed over to the relevant extension services officers by the sub-county administration. However the matter was solved and the office is occupied as per the pictorial evidence. For the defects the contractor was called and he carried out the repairs.	Resolved on ML	
3.3	The NGCDF should enhance supervision of the projects to ensure that the work done is of the right quality. Further, the retention fee should be utilized to rectify the faulty areas.	-All the projects were closely supervised by the Sub-county works office, the NG-CDFC and the PMC. The retention money have been utilized to rectify the faulty areas. Kindly see the Monitoring and Evaluation reports, Project Implementation Status reports, Minutes from the PMC and Works completion certificate	Resolved on ML	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.4	The NGCDF should ensure that the classroom is put into use for members of public to realize the benefits of the completed project.	-During the audit, the classroom had been cleared so that the black board can be painted. After finishing the painting pupils were resettled and it's in use.	Resolved on ML	
3.5	The management should ensure that payments of allowances is supported by accurate records of transactions.	<p>i) The interview was carried out by the NG-CDFC and the best candidate was selected. The process was also facilitated by the NG-CDFC staff. The allowances given are instructed by the NG-CDF regulations and circulars on sub-committee allowances. Kindly see the vetting schedules and minutes the candidates contract.</p> <p>ii) The first meeting was the normal NG-CDFC meeting that took place before the special sub-committee meeting took place for the interview.</p>	Resolved on ML	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.6	The NGCDF should provide records showing how procurement was done including equipment specifications. Further, the implementation ought to be fast tracked to achieve value for money.	<p>The minutes for the NG-CDFC meeting are available. Kindly see the minutes.</p> <p>iii) The meeting took place on 24/02/2020 as indicated in the minutes. The bank details were misreported as they captured the date of processing the allowances. Kindly see minutes of the meeting.</p>	Resolved on ML	
	-The project was done through government agency partnership. As stipulated in the contract, the work of the NG-CDF Gatanga was to allocate money and send to the service provider procured by the ICT Ministry which the constituency did. The laptops have already been delivered but the installation site at Mukarara was not ready therefore, the NG-CDFC has provided funds in the financial year 2020/2021 for the facility. The model of project implementation is Resolved on ML		Resolved on ML	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.7	The management should institute a proper staff human resource management structure including an approved staff establishment. Further, personal records of the staff should be produced for audit review.	stipulated in the contract agreement document. Kindly see the agreement documents, Laptops delivery notes and the 2020/2021 code list. -The management of NGCDF staff is guided by NG-CDF Act and Regulations. The guidelines don't provide for employment of a human resource personnel hence the difficulty in establishment of a running HR structure. However the constituency has adhered to the spirit of the Act and Regulations in staff management. Kindly see the staff contract agreements and minutes establishing their existence	Resolved on ML	
3.8	An updated register of assets should be instituted and the assets should be properly valued, recorded and tagged for easy identification and control	-The constituency have a clear asset register that is submitted quarterly to the National Government Constituencies Development Fund Board. The tagging of the assets has also been done. Kindly see the asset register and a sample of tagged assets	Resolved on ML	
3.9	Supervision of the projects should be enhanced to ensure that the projects are of right standards.	-All the projects were closely supervised by the Sub-county works office, the NG-CDFC and the PMC. The retention money have been utilized to rectify the faulty areas. Kindly see the Monitoring and	Resolved on ML	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.10	Supervision of the projects should be enhanced to ensure that the projects are of right standards.	<p>Evaluation reports, Project Implementation Status reports, Minutes from the PMC and Works completion certificate with indicated retention amount. Also see sample of the rectified pictures through the use of retention in the stated projects</p> <p>-All the projects were closely supervised by the Sub-county works office, the NG-CDFC and the PMC. The retention money have been utilized to rectify the faulty areas. Kindly see the Monitoring and Evaluation reports, Project Implementation Status reports, Minutes from the PMC and Works completion certificate with indicated retention amount. Additionally, the appendix is referring to Gatitu primary school that has never been funded. Also see sample of the rectified pictures through the use of retention in the stated projects</p>	Resolved on ML	
3.11	The funds in these PMC accounts should be properly accounted for.	<p>i. The issue was noted. Kindly see the attached bank statements of the stated PMC accounts.</p> <p>ii. The outstanding balances</p>	Resolved on ML	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.12	A more transparency process of the bursary awards should be put in place. Further, all payments should be supported by acknowledgement receipts.	<p>remained as savings in the PMC accounts as the projects within the institutions are done in phases. The balances have now been reflected in the financial statements. Kindly see the financial statement.</p> <p>iii. The Pmc accounts are opened PMC through minutes and a request letter from the Fund Account Manager. Most of the account are not closed immediately as the NG-CDF projects in the institution are done in phases. Kindly see the bank account opening details</p> <p>-At the time of audit some of the acknowledgement had not been received but currently we have received all of them. Kindly see sample of acknowledged bursary awards .</p> <p>-The list produced is always the selected bursary beneficiaries while</p>	Resolved on ML	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.13	Necessary consultation should be completed to ensure that the project is put to use.	<p>payment is made according to the money in the vote book in tranches until the whole list is exhausted. In respect to this, the remaining amount was utilized in the financial year 2020/2021</p> <p>-The school is registered as evident by the approval minutes from the ministry of education. There was retention that has been used to rectify the defects. Deployment of teachers had delayed because the ministry was waiting for the establishment of an operating office block which the NG-CDFC has allocated resources to be built in the financial year 2020/2021. Kindly see the rectified class pictures, Completion certificate and the minutes approving the establishment of the school.</p>	Resolved on ML	
3.14	The CDF should prepare realistic budget which can be implemented. Further, effective follow up of the funds should be done to ensure the budgeted funds are received in a timely manner.	<p>- Most of the budgeted amount was received in the financial year 2020/2021 hence hindering the operation of the NG-CDFC. There was also the COVID-19 pandemic that restricted most of the funds activities hence low absorption. Kindly see the A.I.Es received and circulars on</p>	Resolved on ML	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		restrictions due to COVID-19.		

TRIAL BALANCE AS AT 30TH JUNE 2021		DR	CR
Cash and Cash equivalents			
	Bank Balances	11,995,495	
	Cash Balances		
	Outstanding Imprest		
Payments			
	Compensation of Employees	2,650,856	
	Use of goods and services	14,678,473	
	Transfers to Other Government Units	84,197,354	
	Other grants and transfers	61,259,207	
	Acquisition of Assets	3,700,000	
	Other Payments	-	
Receipts			
	Transfers from the Board		161,367,724
	Proceeds from sale of assets		
	Others receipts		-
Prior Year Adjustment			

GATANGA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Fund Balance b/f			17,113,661
TOTAL		178,481,385	178,481,385