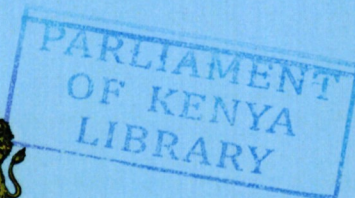


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY	
REPORT 01 MAR 2022	
TABLED BY: OF	LOM
CLERK AT THE TABLE:	G. Chebet.

THE AUDITOR-GENERAL

ON

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

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



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

REPORTS AND FINANCIAL STATEMENTS

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

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

OFFICE OF THE AUDITOR GENERAL
CENTRAL HUB

29 MAR 2021

R E C E I V E D
P. O. Box 267 - 10100, NYERI

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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	2
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE	5
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES.....	8
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	8
V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES.....	10
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- GILGIL CONSTITUENCY</i>	11
VII. STATEMENT OF RECEIPTS AND PAYMENTS.....	12
VIII. STATEMENT OF ASSETS AND LIABILITIES	13
IX. STATEMENT OF CASHFLOW	14
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	15
XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	17
XII. SIGNIFICANT ACCOUNTING POLICIES	25
XIII. NOTES TO THE FINANCIAL STATEMENTS.....	29

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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

Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

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

N o	Designation	Name
1.	A.I.E holder	John Munyau
2.	Sub-County Accountant	John Wachira Wambugu
3.	Chairman NGCDFC	Samuel Muchunu Muraguri
4.	Member NGCDFC	Emma Wanjiru Irungu

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF KANGEMA Constituency Headquarters

P.O. Box 22-10202
Kangema NGCDF Office
Kangema DCC's Compound
Kangema, KENYA

(f) NGCDF KANGEMA Constituency Contacts

P.O. Box 22-10202
Kangema NGCDF Office
Kangema DCC's Compound
Kangema, KENYA
E-mail: cdfkangema@ngcdf.go.ke

(g) NGCDF KANGEMA Constituency Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Equity Bank
Kangema Branch
Po Box Private bag
Kangema, Kenya

(h) Independent Auditors

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

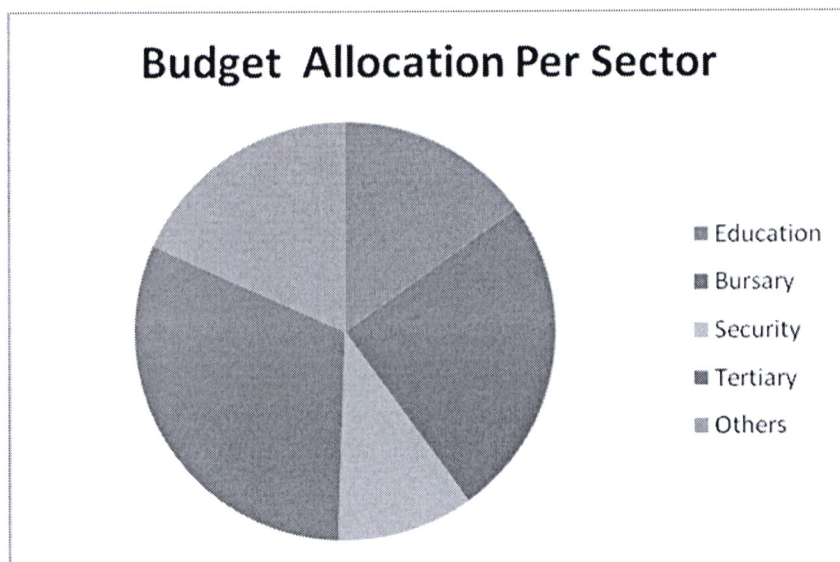
(i) Principal Legal Adviser

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

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Kangema NGCDF Committee has embraced the Big Four Agenda to the extend that the law permits. In line with this realise and appreciate that “Education is a human right for all throughout life and that access must be matched by quality”. This is according to the United Nations Educational, Scientific and Cultural Organization (UNESCO). In view of this Kangema NGCDF Committee, in the Financial year2019/2020, allocated % of its annual budget to Education infrastructure development projects and % of the annual budget to Education Bursary so as to be a key enabler in the transition from primary to secondary Schools. Building of classrooms and other learning facilities has gone a long way in providing a conducive environment for the learners. A conducive learning Environment cannot be complete without proper Security. In this regard Kangema NGCDF has allocated % of its annual budget to construction of ACCs, Chiefs, Assistant Chiefs Offices as well as Police posts to enhance security throughout the constituency.



Budget Performance for 2019/2020 Financial Year

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparative Basis
	a	b	c=a+b	d
RECEIPTS				
Transfers from NGCDF Board	137,367,724	70,592,217	207,959,941	124,592,217
Proceeds from Sale of Assets				-
AIA		48,500	48,500	48,500
TOTAL RECEIPTS	137,367,724	70,640,717	208,008,441	124,640,717
PAYMENTS				
Compensation of Employees	2,809,080	3,269,620	6,078,700	2,728,600

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KANGEMA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

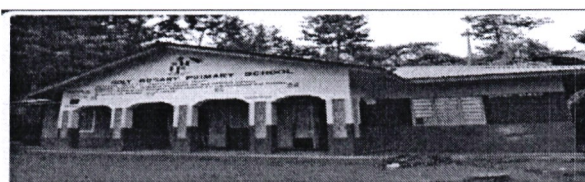
Use of goods and services	9,554,015	6,507,609	16,061,624	10,831,313
Transfers to Other Government Units	65,650,000	40,620,000	106,270,000	67,018,778
Other grants and transfers	59,354,629	20,094,988	79,449,617	41,092,622
Acquisition of Assets		100,000	100,000	-
Other Payments				
TOTALS	137,367,724	70,592,217	207,959,941	121,671,311

Through Kangema NGCDF Funding the following among other projects have been achieved in the Constituency



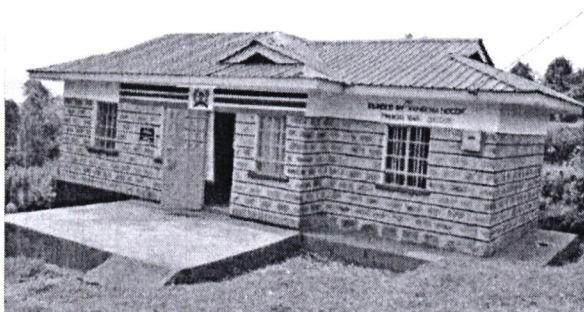
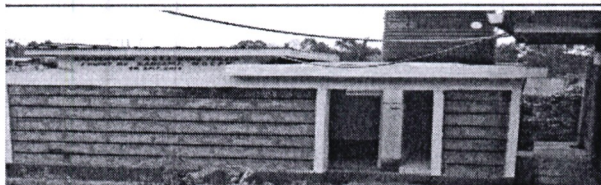
KANYENYA-INI ACC's OFFICE
TOILETS

9:24 PM ✓✓



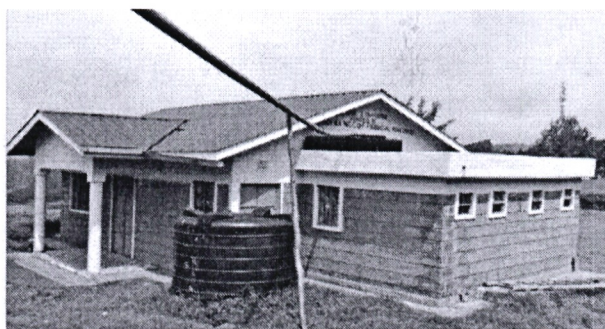
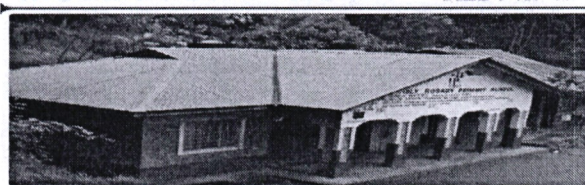
HOLY ROSARY PRIMARY
MODERN STAFFROOM

9:23 PM ✓✓



WANJERERE CHIEF & ASS.
CHIEF'S OFFICES

9:09 PM ✓✓



NYAGATUGU PRIMARY SCH.
MODERN STAFFROOM

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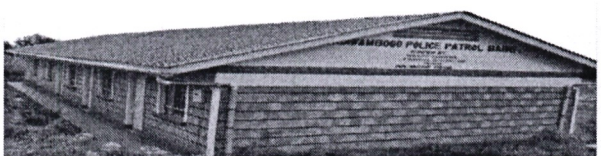


KIAWAMBOGO POLICE PATROL
BASE

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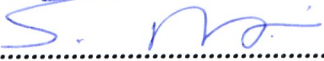


KANGURU ASS. CHIEF'S OFFICE



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

In our Endeavour to implement projects, we have been faced with the challenge of delayed disbursement of funds from the NGCDF board. However we have resolved to be among the first constituency to submit project proposal so as to be among the first beneficiaries of disbursement.

Sign.....

Samuel Muchunu Muraguri

CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES**Introduction**

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

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

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 19/20 -we increased number of classrooms, dormitories, laboratories in schools/institutions - Bursary was awarded at all levels of education
Security	Administrators to occupy decent offices	Increased security in the area	Reduced crime rate	We intent to build offices for all assistant chiefs
Environment	Buy Water tanks for institutions	Increased water harvesting	Reduced soil erosion	Supply water tanks to institutions
Sports	Organise tournaments	Tournaments undertaken	Reduced idleness by the youth	Talent identification
Disaster Management	Supply handwashing facilities	Washing hands	Reduced risk of covid-19	Supply handwashing facilities

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

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

1. Sustainability strategy and profile -

Kangema NGCDF intends to implement its strategic plan in full in order to achieve sustainable development within the constituency.

2. Environmental performance

Kangema NGCDF has adopted a policy of supplying tanks to institutions as a water harvesting strategy and also prevention of soil erosion

3. Employee welfare

As an entity, Kangema NGCDF has paid for its staff a medical insurance scheme covering both in-patient and out-patient schemes to cater for their medical bills

4. Market place practices-

Prequalified list at the DCC's is availed to all the PMCs in order to ensure that every supplier gets an equal opportunity to supply their merchandise. The Supply chain management officer is facilitated to participate in all procurement processes of the PMCs to ensure fair practice

5. Community Engagements-

Although there is no CSR undertaking at the moment, the NGCDFC is considering a CSR activity this financial year

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

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

The Accounting Officer in charge of the NGCDF-KANGEMA Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-KANGEMA Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

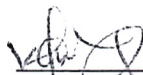
The Accounting Officer in charge of the NGCDF-KANGEMA Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible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

Approval of the financial statements

The NGCDF-KANGEMA Constituency financial statements were approved and signed by the Accounting Officer on 21st August 2020.



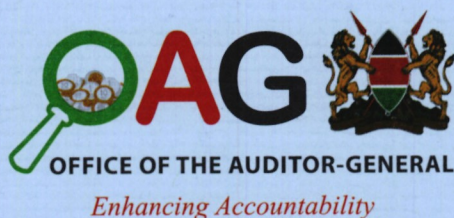
Fund Account Manager
Name: John Munyau



Sub-County Accountant
Name: John Wambugu
ICPAK Member Number: 119929

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Kangema Constituency set out on pages 12 to 53, which comprise of the statement of assets and liabilities as at 30 June, 2020 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development 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 - Kangema Constituency as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

Unsupported Payments from Transfers to Other Government Units

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects an amount of Kshs.67,018,778 as transfer to various government entities for the implementation of various projects. Included in this expenditure are disbursements to primary schools Project Management Committees totalling Kshs.26,950,000 out of which Kshs.16,425,000 was towards projects completed during the year under review. However, these payments were not supported with completion certificates.

In the circumstances, the propriety and validity of the expenditure of Kshs.16,425,000 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 - Kangema Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation-recurrent and development for the year ended 30 June, 2020 reflects final receipts budget and actual on comparable basis of Kshs.208,008,441 and Kshs.124,640,716 respectively resulting to an underfunding of Kshs.83,367,725 or 40% of the budget. Similarly, the Fund expended Kshs.121,719,813 against an approved budget of Kshs.208,008,441 resulting to an under-expenditure of Kshs.86,288,628 or 41% of the budget.

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

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

Project Management Committees (PMC) Bank Accounts

Note 17.4 to the financial statements and as detailed in annex 5 under Other Important disclosures to the financial statements are unutilized balances totalling Kshs.11,798,990 in respect to one hundred (100) Project Management Committee (PMC) bank accounts as at 30 June 2020. However, a review of the project

implementation status revealed that twenty-six of the projects had been completed but the Fund Management had not transferred the funds back to the NGCDF Accounts. No explanation was provided for the failure to close the accounts for the completed projects and transfer the balances totalling Kshs.10,061,567 to the Kangema – NGCDF bank account. This is contrary to Section 12(8) of the NGCDF Act, 2015, which requires that all unutilized funds of the Project Management Committee shall be returned to the constituency account.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Incomplete Records for Stores and Fuel

Audit review of stores and fuel records maintained by Kangema CDF office revealed details of the counter receipt voucher (S13) and counter issue voucher (S11) were not recorded in the stores register as required, while names and signature of receiving and issuing officers were not indicated.

Further, fuel register did not have the details and reference number of source documents used to purchase fuel such as local purchase order, quantities of fuel purchased and the fuel balances as a control on their usage.

As a result, it was not possible to verify stores control and usage during the year under review.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability sustain 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 the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Fund to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements

represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Oathungu, CBS
AUDITOR-GENERAL

Nairobi

15 February, 2022

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**KANGEMA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****VII. STATEMENT OF RECEIPTS AND PAYMENTS**

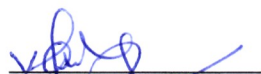
	Not e	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	111,578,806.50	108,784,483.15
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	48,500.00	0
TOTAL RECEIPTS		111,627,307.00	108,784,483.15
PAYMENTS			
Compensation of employees	4	2,728,600	2,863,420
Use of goods and services	5	10,831,313	10,684,264
Transfers to Other Government Units	6	67,018,778	41,042,582
Other grants and transfers	7	41,092,622	51,033,818
Acquisition of Assets	8	-	-
Other Payments	9	450,000	-
TOTAL PAYMENTS		122,121,313	105,624,084
SURPLUS/ (DEFICIT)		(10,494,006)	3,160,399

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KANGEMA Constituency financial statements were approved on 21st August 2020 and signed by:



Fund Account Manager

Name: John Munyau



Sub-County Accountant

Name: John Wambugu

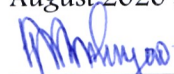
ICPAK Member Number: 119929

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

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	2,519,404	13,013,410
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		2,519,404	13,013,410
Accounts Receivable		-	-
Outstanding Imprests	11		
TOTAL FINANCIAL ASSETS		2,519,404	13,013,410
FINANCIAL LIABILITIES			
Accounts Payable		-	-
Retention	12A		
Deposits (Gratuity)	12B		
TOTAL FINANCIAL LIABILITIES			
NET FINANCIAL ASSETS		2,519,404	13,013,410
REPRESENTED BY			
Fund balance b/fwd	13	13,013,410	9,853,011
Prior year adjustments	14		
Surplus/Deficit for the year		(10,494,006)	3,160,399
NET FINANCIAL POSITION		2,519,404	13,013,410

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KANGEMA Constituency financial statements were approved on 21st August 2020 and signed by:

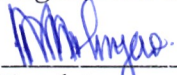

Fund Account Manager
Name: John Munyau


Sub-County Accountant
Name: John Wambugu
ICPAK Member Number: 119929

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**KANGEMA CONSTITUENCY****Reports and Financial Statements****For the year ended June 30, 2020****IX. STATEMENT OF CASHFLOW**

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	111,578,807	108,784,483
Other Receipts	3	48,500	-
Total receipts		111,627,307	108,784,483
Payments for operating expenses			
Compensation of Employees	4	2,728,600	2,863,420
Use of goods and services	5	10,831,313	10,684,264
Transfers to Other Government Units	6	67,018,778	41,042,582
Other grants and transfers	7	41,092,622	51,033,818
Other Payments	9	450,000	-
Total payments		122,121,313	105,624,084
Total Receipts Less Total Payments			
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		(10,494,006)	3,160,399
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	-	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(10,494,006)	3,160,399
Cash and cash equivalent at BEGINNING of the year	13	13,013,410	9,853,011
Cash and cash equivalent at END of the year		2,519,404	13,013,410

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KANGEMA Constituency financial statements were approved on 21st August 2020 and signed by:


 Fund Account Manager
 Name: John Munyau


 Sub-County Accountant
 Name: John Wambugi
 ICPAK Member Number: 119829

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

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,724	70,592,217	207,959,941	124,592,216	83,367,725	59.9%
Proceeds from Sale of Assets				-	-	
AIA		48,500	48,500	48,500	-	
TOTAL RECEIPTS	137,367,724	70,640,717	208,008,441	124,640,716	83,367,725	59.9%
PAYMENTS						
Compensation of Employees	2,809,080	3,269,620	6,078,700	2,728,600	3,350,100	44.9%
Use of goods and services	9,554,015	6,507,609	16,061,624	10,831,313	5,230,312	67.4%
Transfers to Other Government Units	65,650,000	40,620,000	106,270,000	67,018,778	39,251,222	63.1%
Other grants and transfers	59,354,629	20,094,988	79,449,617	41,092,622	38,356,995	51.7%
Acquisition of Assets		100,000	100,000	-	100,000	0.0%
Other Payments						
Un-allocated Fund(A.I.A)		48,500	48,500	48,500		
TOTALS	137,367,724	70,640,717	208,008,441	121,719,813	86,288,629	58.5%

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]

(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- For the receipts the high budget utilization difference is as a result of funds not yet received from the NGCDF Board
- For the Payments the high budget utilization difference is due to non disbursements and also late disbursements from the NGCDF board

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

(Explain whether the changes between the original and final budget are as a result of reallocations within the budget or other causes as per IPSAS 1.9.23.) The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined should agree to the amounts reported in the Statement of Receipts and Payments.

The NGCDF-KANGEMA Constituency financial statements were approved on 21st August 2020 and signed by:



Fund Account Manager
Name: John Munyau



Sub-County Accountant
Name: John Wambugu
ICPAK Member Number: 119929

:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KANGEMA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,809,080.00		2,809,080.00	100,000.00	2,709,080.00
1.3 Use of goods and services	9,554,015.00		9,554,015.00	4,323,703.00	5,230,312.00
1.4 Compensation of employees		1,769,620.00	1,769,620.00	1,769,620.00	
1.5 Compensation of employees		1,500,000.00	1,500,000.00	858,980.00	641,020.00
1.6 Committee allowances		6,507,609.00	6,507,609.00	6,507,609.00	
2.0 Monitoring and evaluation					
2.1 Capacity building	-	-	-	-	
2.2 Committee allowances	-	-	-	-	
2.3 Use of goods and services	-	-	-	-	
3.0 Emergency			-		
3.1 Primary Schools	3,934,513.00		3,934,513.00	3,934,513.00	
3.2 Secondary schools	1,985,567.38		1,985,567.38	1,860,567.38	125,000.00
3.3 Tertiary institutions			-		
3.4 Security projects			1,278,161.00		

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

	1,278,161.00				1,278,161.00	
3.5 Secondary schools		1,938,993.45	1,938,993.45		1,938,993.45	
			-			
			-			
4.0 Bursary and Social Security			-			
4.1 Primary Schools	241,931.00		241,931.00		-	241,931.00
4.2 Secondary Schools	20,000,000.00		20,000,000.00		17,133,096.97	2,866,903.03
4.3 Tertiary Institutions	7,100,000.00		7,100,000.00		-	7,100,000.00
4.4 Universities	7,000,000.00		7,000,000.00		-	7,000,000.00
4.5 Social Security	3,000,000.00		3,000,000.00		3,000,000.00	
Bursary Tertiary Schools			7,260,218.07	7,260,218.07	7,260,218.07	
			-			
			-			
			-			
5.0 Sports						
Constituency sports tournament	2,747,354.48		2,747,354.48		-	2,747,354.48
Constituency Sports Tournament		2,180,818.00	2,180,818.00		2,180,818.00	
			-			
6.0 Environment-Supply of Tanks						
GacharaiguSecondary School	100,000.00		100,000.00		100,000.00	
Watuha Primary School	100,000.00		100,000.00		100,000.00	
NyakahuraPrimary School	100,000.00		100,000.00		100,000.00	
Kibutha Primary School	100,000.00		100,000.00		100,000.00	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KANGEMA CONSTITUENCY

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

Gitugu Secondary School	100,000.00		100,000.00	100,000.00
Ichichi Primary School	107,354.48		107,354.48	107,354.48
Kenya Njeru Primary School	100,000.00		100,000.00	100,000.00
Rwathia Primary School	100,000.00		100,000.00	100,000.00
Kihoya Primary School	110,000.00		110,000.00	110,000.00
Rwathia Mixed Sec School	100,000.00		100,000.00	100,000.00
Ihiga Pry school	100,000.00		100,000.00	100,000.00
MugechiKaboro Pry School	110,000.00		110,000.00	110,000.00
Mukarara Pry School	100,000.00		100,000.00	100,000.00
Muguru Pry School	100,000.00		100,000.00	100,000.00
Githiga Pry School	100,000.00		100,000.00	100,000.00
Kanyenyaini Pry School	100,000.00		100,000.00	100,000.00
Tuthu Pry School	110,000.00		110,000.00	110,000.00
Tuthu Sec School	100,000.00		100,000.00	100,000.00
Wanjerere Pry School	110,000.00		110,000.00	110,000.00
Ngoeini Pry School	100,000.00		100,000.00	100,000.00
Kayu Pry School	100,000.00		100,000.00	100,000.00
Kihoya ACC's Office	100,000.00		100,000.00	100,000.00
Kiamara Police Post one	100,000.00		100,000.00	100,000.00

Dr.Kiano Sec School	100,000.00				100,000.00	100,000.00	
Gatunduiini Pry School	100,000.00				100,000.00	100,000.00	
Githima Pry School	100,000.00				100,000.00	100,000.00	
Kiairathe Pry School	100,000.00				100,000.00	100,000.00	
Constituency Tree Planting		1,637,931.00			1,637,931.00	1,637,931.00	
7.0 Primary Schools Projects (List all the Projects)							
Karurumo Primary School	3,000,000.00				3,000,000.00	3,000,000.00	
Kayu Primary School	3,000,000.00				3,000,000.00	3,000,000.00	
Iyego Primary School	3,000,000.00				3,000,000.00	3,000,000.00	
Nduini Primary School	1,500,000.00				1,500,000.00	-	1,500,000.00
Karura Primary School	1,650,000.00				1,650,000.00	-	1,650,000.00
Ngoe-ini Primary School	2,250,000.00				2,250,000.00	2,250,000.00	
Nyagatugu Primary School	1,875,000.00				1,875,000.00	1,875,000.00	
Gitugu Primary School	1,850,000.00				1,850,000.00	1,850,000.00	
Gachogi Primary School	4,000,000.00				4,000,000.00	-	4,000,000.00
Kiangunyi Primary School	2,250,000.00				2,250,000.00	2,250,000.00	
Ngooro Primary School	1,000,000.00				1,000,000.00	-	1,000,000.00
Kibutha Primary School	1,100,000.00				1,100,000.00	1,100,000.00	
Gacharaigu Primary School	1,625,000.00				1,625,000.00	1,625,000.00	

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

Kanguru Primary School	500,000.00		500,000.00	500,000.00	
Gachogi primary School	400,000.00		400,000.00	400,000.00	
Rwathia primary School	1,150,000.00		1,150,000.00	1,150,000.00	
Kiawambogo Primary School	2,250,000.00		2,250,000.00	2,250,000.00	
Kahiti primary School	500,000.00		500,000.00	500,000.00	
Kihoya Primary school		250,000.00	250,000.00	250,000.00	
Kiawairegi primary school		150,000.00	150,000.00	150,000.00	
Kibutha Primary School		450,000.00	450,000.00	450,000.00	
Kanyenya -Ini Pri School		2,000,000.00	2,000,000.00	-	2,000,000.00
7.3			-		
7.4			-		
8.0 Secondary Schools Projects (List all the Projects)			-		
Karurumo Secondary School	4,500,000.00		4,500,000.00	4,500,000.00	
Kiairathe Secondary School	3,200,000.00		3,200,000.00	-	3,200,000.00
Ichichi Secondary School	1,500,000.00		1,500,000.00	-	1,500,000.00
Wanjerere Secondary School	5,450,000.00		5,450,000.00	-	5,450,000.00
Kanorero Secondary School	4,000,000.00		4,000,000.00	-	4,000,000.00
Gakira Secondary School	1,150,000.00		1,150,000.00	-	1,150,000.00
Njii-Ithatu Secondary School	250,000.00		250,000.00	250,000.00	

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

Muguru Secondary School	4,200,000.00			4,200,000.00	-	4,200,000.00
Watuha Secondary School	2,200,000.00			2,200,000.00	-	2,200,000.00
Gatunduini Secondary School	500,000.00			500,000.00	500,000.00	
Nyakahura Secondary School	350,000.00			350,000.00	-	350,000.00
Gatunduini Sec School	-	750,000.00		750,000.00	750,000.00	
Dr.Kiano Secondary school.	-	200,000.00		200,000.00	200,000.00	
Iyego Sec School	-	2,450,000.00		2,450,000.00	2,450,000.00	
Kanyenya-Ini Sec School	-	1,300,000.00		1,300,000.00	1,300,000.00	
Rwathia Mixed Secondary School	-	220,000.00		220,000.00	220,000.00	
Ihiga Sec school	-	2,350,000.00		2,350,000.00	2,350,000.00	
Dr.Kiano Secondary school.	-	500,000.00		500,000.00	500,000.00	
8.4				-		
9.0 Tertiary institutions Projects (List all the Projects)				-		
Kenya Medical Training College	5,300,000.00			5,300,000.00	-	5,300,000.00
J.N. Michuki Memorial Library	1,900,000.00			1,900,000.00	-	1,900,000.00
Kangema Adult Education Centre	150,000.00			150,000.00	-	150,000.00
Proposed Kenya Medical Training College Kangema	-	13,000,000.00		13,000,000.00	13,000,000.00	
Proposed Kenya Medical Training College Kangema	-	5,000,000.00		5,000,000.00	5,000,000.00	
Proposed Kenya Medical Training College Kangema	-	12,000,000.00		12,000,000.00	-	12,000,000.00
9.4				-		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KANGEMA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

10.0 Security Projects						
Kiawambogo Police Post	700,000.00	-	-	700,000.00	700,000.00	
Kiawambogo Police Post	800,000.00	-	-	800,000.00	800,000.00	
GithigaAss.Chief's Office	300,000.00	-	-	300,000.00	300,000.00	
MunungaAss.Chief's office	600,000.00	-	-	600,000.00	600,000.00	
Rwathia ACC's Office	250,000.00	-	-	250,000.00	250,000.00	
TuthuAss.Chief's Office	1,300,000.00	-	-	1,300,000.00	1,300,000.00	
KanyenyainiAss.chief's office	1,300,000.00	-	-	1,300,000.00	-	1,300,000.00
Kiamara Police Post	1,300,000.00	-	-	1,300,000.00	1,300,000.00	
Tuthu Chief's Office	869,747.65	-	-	869,747.65	869,747.65	
Kiawambogo Police Post	-	2,000,000.00	-	2,000,000.00	2,000,000.00	
Kangema DCC's Office	-	400,000.00	-	400,000.00	400,000.00	
			-	-		
11.0 Acquisition of assets						
Office Copier		100,000.00	-	100,000.00	-	100,000.00
12.0 Others			-	-		
12.1 Innovation Hub		4,677,029.00	-	4,677,029.00	-	4,677,029.00
Total	137,367,723.99	70,592,218.52	207,959,942.51	121,671,313.00	86,288,629.51	

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

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

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

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

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

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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

Reports and Financial Statements

For the year ended June 30, 2020

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO.B047131	1	900,000.00	
AIE NO B047240	2	38,690,875.50	
AIE NO B041409	3	2,350,000.00	
AIE NO B041378	4	1,637,931.00	
AIE NO B047444	5	4,000,000.00	
AIE NO B047806	6	18,000,000.00	
AIE NO B104316	7	15,000,000.00	
AIE NO B096573	8	16,000,000.00	
AIE NO B049292	9	15,000,000.00	
AIE NO B051623			54,556,896.95
AIE No B030066			10,000,000.00
AIE NO B030311			227,586.20
AIE No B006364			8,000,000.00
AIE No B005499			12,000,000.00
AIE No A699120			11,000,000.00
AIE No B042900			13,000,000.00
TOTAL		111,578,806.50	108,784,483.15

2. PROCEEDS FROM SALE OF ASSETS

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

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	18,500	-
Receipts from Sale of tender documents	30,000	-
Other Receipts Not Classified Elsewhere	-	-
Total	48,500	-

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,985,200.00	2,863,420.00
Personal allowances paid as part of salary	-	-
Pension and other social security contributions (Gratuity)	613,800.00	-
Employer Contributions Compulsory national social security schemes	129,600.00	-
Total	2,728,600.00	2,863,420.00

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Utilities, supplies and services		266,192.00
Electricity	59,954.00	-
Water & sewerage charges		
Office rent		
Communication, supplies and services	216,633.00	-
Domestic travel and subsistence	134,355.00	-
Printing, advertising and information supplies & services	334,260.00	-
Rentals of produced assets		
Training expenses	-	637,000.00
Hospitality supplies and services	953,850.00	1,019,092.00
Other committee expenses		
Committee allowance	5,473,610.00	5,380,000.00
Insurance costs	703,486.50	-
Specialised materials and services	-	-
Office and general supplies and services	1,242,292.00	1,846,123.00
Fuel , oil & lubricants	976,296.00	1,000,000.00
Other operating expenses	-	-
Bank service commission and charges	-	-
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	254,146.00	386,892.00
Routine maintenance- other assets	482,430.00	148,965.00
TOTAL	10,831,312.50	10,684,264.00

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	26,950,000.00	18,921,705.91
Transfers to secondary schools (see attached list)	13,520,000.00	22,120,876.00
Transfers to tertiary institutions (see attached list)	26,548,778.00	-
Transfers to health institutions (see attached list)	-	-
TOTAL	67,018,778.00	41,042,581.91

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	8,147,000.00	18,219,000.00
Bursary – tertiary institutions (see attached list)	7,235,500.00	8,021,000.00
Bursary – special schools (see attached list)	50,000.00	270,000.00
Mock & CAT (see attached list)		
Security projects (see attached list)	10,119,747.00	16,806,466.78
Sports projects (see attached list)	2,180,818.00	1,872,413.00
Environment projects (see attached list)	4,385,285.00	2,180,818.00
Emergency projects (see attached list)	8,974,272.00	3,664,120.00
Total	41,092,622.00	51,033,818

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

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

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	450,000	-
ICT Hub		
	450,000	-

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank, Kangema Branch . Kangema NG-CDF A/C no.0030294329608</i>	2,519,403.95	13,013,409.75
Total	2,519,403.95	13,013,409.75
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (<i>specify</i>)	-	-
	-	-
Total	-	-
<i>[Provide cash count certificates for each]</i>		

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

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

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

12A. RETENTION

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

[Provide short appropriate explanations as necessary]

12B. GRATUITY DEPOSITS

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

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	<i>Kshs</i>	<i>Kshs</i>
Bank accounts	13,013,409.75	9,853,010.01
Cash in hand	-	-
Imprest	-	-
Total	13,013,409.75	9,853,010.01

[Provide short appropriate explanations as necessary]

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

Reports and Financial Statements

For the year ended June 30, 2020

14. PRIOR YEAR ADJUSTMENTS

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

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

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

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	275,000	-
Use of goods and services	2,028,438.64	-
Amounts due to other Government entities (see attached list)	37,550,000.00	-
Amounts due to other grants and other transfers (see attached list)	29,514,285.50	-
Acquisition of assets		-
Others (<i>specify</i>)		-
	69,367,724.14	-

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

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	11,798,990.02	4,934,878.64
	11,798,990.02	4,934,878.64

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

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KANGEMA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

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

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		275,000.00		To be implemented
Use of goods & services		2,028,438.64		To be implemented
Amounts due to other Government entities				
Kanyenyaini Pri School		2,000,000.00		To be implemented
Nduini Primary School		1,500,000.00		To be implemented
Karura Primary School		1,650,000.00		To be implemented
Gachogi Primary School		4,000,000.00		To be implemented
Ngooro Primary School		1,000,000.00		To be implemented
Kiairathe Secondary School		3,200,000.00		To be implemented
Ichichi Secondary School		1,500,000.00		To be implemented
Wanjerere Secondary School		5,450,000.00		To be implemented
Kanorero Secondary School		4,000,000.00		To be implemented
Gakira Secondary School		1,150,000.00		To be implemented
Muguru Secondary School		4,200,000.00		To be implemented
Watuha Secondary School		2,200,000.00		To be implemented
Nyakahura Secondary School		350,000.00		To be implemented
Kenya Medical Training College		5,300,000.00		To be implemented
J.N. Michuki Memorial Library		1,900,000.00		To be implemented
Kangema Adult Education Centre		150,000.00		To be implemented
Sub-Total				
Amounts due to other grants and other transfers				
Proposed Kangema KMTTC		14,000,000.00		To be implemented
Bursary Secondary Schools		11,000,000.00		To be implemented
Bursary University Schools		7,000,000.00		To be implemented
Bursary Tertiary Schools		7,100,000.00		To be implemented
Bursary Special Schools		241,931.00		To be implemented
Kanyenyaini Ass.chief's office		1,300,000.00		To be implemented
Emergency		125,000.00		To be implemented

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KANGEMA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Constituency Sports Tournament		2,747,354.50		To be implemented
Grand Total		69,367,724.14		

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KANGEMA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/19
Land				
Buildings and structures	74,685,064	-	-	74,685,064
Transport equipment	6,526,757	-	-	6,526,757
Office equipment, furniture and fittings	1,217,750	-	-	1,217,750
ICT Equipment, Software and Other ICT Assets	90,016	-	-	90,016
Other Machinery and Equipment	299,995	-	-	299,995
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	82,819,582	-	-	82,819,582

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

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Gatunduini Secondary School Pmc	FAMILY BANK	9000014340	18,665.00	783,987.00
Githunguri Ass.chief's Office pmc	FAMILY BANK	9000012106	230.53	350.53
Ihiga Secondary School pmc	FAMILY BANK	9000014342	31,186.30	39,402.30
Ihigaini Ass.chief's office pmc	FAMILY BANK	9000018471	9,294.42	16,674.19
Kiairathe Ass.chiefs' office pmc	FAMILY BANK	9000012256	28.00	28.00
Kiamara Police Post Pmc	FAMILY BANK	9000014335	82,993.45	
Kiangunyi Ass.chief's office pmc	FAMILY BANK	9000016107	167.00	167.00
Kibutha Girls Sec.School pmc	FAMILY BANK	9000014339	2,529.00	237.00
Kihoya Chief's Office Pmc	FAMILY BANK	9000020289	(168.05)	
Mugechi Kaboro Pry Sch.Pmc	FAMILY BANK	9000017891	37.00	97.00
Mukarara Primary School Pmc	FAMILY BANK	9000018475	15.00	15.00
Ngoeini Ass.chief's Office Pmc	FAMILY BANK	9000011973	19.19	139.19
Njii-Ithatu Pry.Sch pmc	FAMILY BANK	9000012095	(77.20)	
Njii-Ithatu Secondary School pmc	FAMILY BANK	9000018488	240,301.76	55.00
Nyakahura Ass.chief's office pmc	FAMILY BANK	9000014334	182.00	182.00
Nyakahura Police Post Pmc	FAMILY BANK	9000015772	598.00	598.00
Nyakahura Primary School pmc	FAMILY BANK	9000015957	0.10	60.10
Nyakahura Sec School Pmc	FAMILY BANK	9000020062	(100.61)	
St.John's Kiruri Primary Sch.Pmc	FAMILY BANK	9000012076	3,391.00	3,391.00
Watuha Primary School Pmc	FAMILY BANK	9000018469	8.00	8.00
Watuha Secondary School pmc	FAMILY BANK	9000014365	28,366.83	35,866.83

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Gacharaigu Primary School pmc	EQUITY	30279816118	64,687.50	0.00
Gachogi Primary School pmc	EQUITY	30279792694	3,067.50	0.00
Gakira Ap camp pmc	EQUITY	30278053199	22,787.00	0.00
Gatunduini Secondary School Pmc	EQUITY	30279904700	500,000.00	0.00
Gikui Primary Sch.Pmc	EQUITY	30299971143	-	0.00
Githiga Ass.Chief's Office Pmc	EQUITY	30279904700	-	0.00
Githiga Dispensary pmc	EQUITY	30263724018	234.50	234.50
Githiga Primary School pmc	EQUITY	30299915412	89,873.50	89,873.50
Githima Primary School pmc	EQUITY	30299973358	1,589.60	1,589.60
Gitugu Primary School Pmc	EQUITY	30279889135	1,850,000.00	0.00
Gitugu Secondary Sch. Pmc	EQUITY	30299858709	375.50	375.50
Holy Rosary primary School pmc	EQUITY	30299932007	597.00	597.00
Ichichi Primary School pmc	EQUITY	30299796655	73,622.50	701,082.50
Iyego Primary School Pmc	EQUITY	30260476490	1,150.00	110.00
Kahiti Primary School pmc	EQUITY	30279899035	2,075.00	0.00
Kangema Acc's House Pmc	EQUITY	30278259556	11.00	11.00
Kangema Adult Education Pmc	EQUITY	30169908805	299.60	299.60
Kangema Market & Shoe Shiner sheds pmc	EQUITY	30166899011	3,870.00	3,870.00
Kangema Priamry School pmc	EQUITY	30260444000	66.00	66.00
Kangema Ranet Fm Pmc	EQUITY	30277112636	627.50	1,647.50
Kanguru Ass.chief's Office Pmc	EQUITY	30299789110	7,413.00	7,413.00
Kanguru Primary School pmc	EQUITY	30279906974	500,000.00	0.00
Kanorero Secondary school pmc	EQUITY	30299797351	1,366.00	1,366.00

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kanyenyaini Chief's Office Pmc	EQUITY	30279011037	98,360.00	0.00
Kanyenyaini Secondary School pmc	EQUITY	30260424839	47,679.00	2,340.00
Karura Primary School Pmc	EQUITY	30299796654	929.00	929.00
Karurumo Dispensary Pmc	EQUITY	30271856503	6,196.00	6,196.00
Karurumo Primary School pmc	EQUITY	30279780169	2,047.50	0.00
karurumo Secondary School	EQUITY	30279795477	466,357.00	0.00
Kayu Ass.chief's office pmc	EQUITY	30299943578	138.00	138.00
Kayu Dispensary Pmc	EQUITY	30271855452	4,033.00	4,033.00
Kayu Primary School Pmc	EQUITY	30264380371	325.00	425.00
Kenya-Njeru Ass.chief's Office Pmc	EQUITY	30299789126	913.00	913.00
Kiairathe secondary School pmc	EQUITY	30299824939	5,004.75	17,504.75
Kiangunyi Primary School pmc	EQUITY	30261706532	2,250,040.00	40.00
Kiawairegi Primary School Pmc	EQUITY	30299794045	781.90	1,946.90
Kiawambogo Police post Pmc	EQUITY	30279429147	124,549.50	0.00
Kiawambogo Primary School Pmc	EQUITY	30279883732	734,657.00	0.00
Kiawambogo Secondary School Pmc	EQUITY	30260487616	285.00	285.00
Kibutha Ass.Chief's Office Pmc	EQUITY	30277436610	30,892.16	30,892.16
Kibutha Primary School pmc	EQUITY	30299903747	4,119.00	950,569.00
Kihoya Acc's Office Pmc	EQUITY	30278833449	767.50	767.50
Kiruri Boys Sec. School Pmc	EQUITY	30296818175	250,565.00	250,565.00
Kiruri Chief's offic pmc	EQUITY	30273107648	439.00	439.00
Muguru Primary School pmc	EQUITY	30260521854	10,657.00	10,657.00
Muguru Secondary School pmc	EQUITY	30260521677	8,961.00	8,961.00

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Mununga Dispensary Pmc	EQUITY	30271856119	1,273.00	1,273.00
Nduini Primary School Pmc	EQUITY	30292551699	5,685.00	5,685.00
Ngoeini Primary School Pmc	EQUITY	30264352670	1,051,650.00	1,650.00
Nyagatugu Ass.chief's Office Pmc	EQUITY	30260510253	105.00	3,925.00
Nyagatugu Dispensary Pmc	EQUITY	30271855889	33,050.00	49,920.00
Nyagatugu Primary School Pmc	EQUITY	30269044599	165,756.49	8,459.49
Nyagatugu Sec.sch.pmc	EQUITY	30101551487	22,790.60	364,628.60
Nyakahura Ap.Camp Pmc	EQUITY	30270076811	550.00	550.00
Rwathia ACCs Office Pmc	EQUITY	30279799827	987.50	0.00
Rwathia Chief's Office Pmc	EQUITY	30299789784	87,484.00	87,484.00
Rwathia Girls secondary School pmc	EQUITY	30261597477	2,103.00	2,103.00
Rwathia Mixed Sec.Sch pmc	EQUITY	30260378894	220,229.70	229.70
Rwathia Primary School pmc	EQUITY	30270074204	3,290.00	867,385.00
Tuthu Ass.Chief's Office Pmc	EQUITY	30278850959	1,300,240.50	753.00
Tuthu chief's Office Pmc	EQUITY	30278347279	870,027.60	280.00
Wanjerere Secondary School Pmc	EQUITY	30262063801	2,476.00	2,476.00
Dr.Kiano Sec.School pmc	KCB	1171431848	3,350.00	690.00
Gacharaigu Secondary Pmc	KCB	1177901218	2,821.00	2,821.00
Gakira Day Sec.Sch. Pmc	KCB	1137812753	7,539.90	7,539.90
Gatang'ara Ap Camp Pmc	KCB	1205182098	6,910.00	6,910.00
Ichichi Secondary School pmc	KCB	1138088439	4,051.20	26,051.00
Karurumo Ass.chief's office pmc	KCB	1137787171	9,350.75	9,350.75

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kenya-Njeru Primary Sch.pmc	KCB	1171603231	1,102.00	1,228.00
Kiamara Chief's Office Pmc	KCB	1138000787	7,187.15	7,187.15
Kihoya Primary School pmc	KCB	1171514298	159,187.00	259,187.00
Kiruri PrimarySchool pmc	KCB	1167658825	6,830.00	6,830.00
Mununga Ap Post pmc	KCB	1171470851	582.50	582.50
Muringaini chief's office pmc	KCB	1137885688	15,159.40	15,159.40
Ngooro Primary School Pmc	KCB	1137612304	152,786.50	152,786.50
Njii-Ithatu Ap line Pmc	KCB	1172844135	2,306.00	2,306.00
Thirikwa Primary School pmc	KCB	1172936234	40,777.50	40,777.50
Tuthu Ap camp pmc	KCB	1173035346	245.00	245.00
Tuthu Primary School pmc	KCB	1171695020	21,030.00	21,030.00
Total			11,798,990.02	4,934,878.64

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

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Disclosed under Annex 4 to the financial statements are unutilized balances totalling Kshs.6,611,937 in respect of one hundred and one Project Management Committee (PMC) bank accounts as at 30 June 2019. However, the Kangema – NGCDF did not provide implementation status of the projects. Further, no explanation was given for failure to close the accounts and transfer the balances to the Kangema – NGCDF bank account. This is contrary to Section 12(8) of the NGCDF Act, 2015, which requires that all unutilized funds of the project management committee shall be returned to the Constituency account.	The Project Implementation Status is available. The Kangema NGCDF management is looking on what to do with the small amount of balance in the PMCs bank accounts.	Fund Manager	Pending	Unknown

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Disclosed in Note 7 to the financial statements under other grants and transfers are payments of Kshs.18,219,000, Kshs.8,021,000 and Kshs.270,000 for bursary – secondary schools, bursary – tertiary and bursary – special schools respectively. However, no evidence was provided indicating that Kangema NGCDF had established a bursary sub-committee to manage bursary scheme contrary to the standard procedure on administration of bursary scheme guidelines. The CDF Board circular reference number Vol1/111 of 13 September 2010 to the fund managers requires the NGCDF to establish a sub-committee of the constituency development fund committee to manage the bursary scheme, including co-	Kangema NGCDF has a bursary sub-committee in place. The PMCs are tasked with the responsibility of awarding bursary to needy students in the constituency at the sub location level.	Fund Manager	Resolved	N/A

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KANGEMA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	opted members, one who must be the area education officer or an officer seconded from the ministry. The absence of the sub-committee may result in unclear or bias issuance of bursary to applicants thus negatively affecting the social security programmes of the NGCDF.				
	Disclosed in Note 7 to the financial statements under other grants and transfers is an expenditure of Kshs.16, 806,467 on security projects. Included in the expenditure is an amount of Kshs.7, 720,400 disbursed to Gakira Administration Police Camp for construction of AP houses, construction of gabions and retaining wall. A review of progress on implementation of the approved projects revealed that as of February 2020, the project	Kangema NGCDF has already handed over the camp to Kenya Police of which they have taken up the occupation of the building.	Fund Manager	Resolved	N/A

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	remained unutilized even though it was complete. No satisfactory explanations were given by Kangema CDF management for failure to use the completed facility for the intended purposes.				
	According to summary statement of appropriation, during the financial year under review, the Constituency received a total of Kshs.118, 637,493 from the National Government Constituencies Development Fund Board against a budget of Kshs.176, 216,300, resulting in a shortfall of Kshs.57, 578,807 or 33% of the budgeted receipts. Further, the total actual expenditure for the year was Kshs.105,624,084 or 60%, resulting in an under-expenditure of Kshs. 70,592,216 or 40% of the actual budget of	The under expenditures occurred mainly due to delayed disbursement of funds by the NGCDF board to the constituency account. The board has since released the delayed funds.	Fund Manager	Resolved	N/A

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Kshs. 176,216,300, respectively. Failure to implement projects fully and to absorb in full the funds budgeted for denied the residents the benefits accruing from the planned projects, programmes and activities.				

BANK RECONCILIATION

[illegible]

1. PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK
STATEMENT (UNPRESENTED CHEQUES)

CHEQUES		PAYEE	AMOUNT	
Date	No.		Sh	cts
24/04/19	8127	Dedan Kimathi University	133,000	00
24/04/19	8311	Maasai Mara University	71,800	00
06/05/19	8419	Imara Inst. Of Science & Technology	7,000	00
23/05/19	8453	Mount Kenya University	10,000	00
30/05/19	8475	KRA	1,161	00
06/06/19	8524	Alliance Girls High School	5,000	00
06/06/19	8529	Chinga Boys High School	5,000	00
06/06/19	8538	Gatanga CCM Sec. School	5,000	00
06/06/19	8545	Gatura Girls Sec School	5,000	00
06/06/19	8574	Kaharo Girls Sec. Sch.	5,000	00
06/06/19	8657	Othaya Boys High Sch.	5,000	00
06/06/19	8671	St Mary Kagio Sec. Sch.	5,000	00
06/06/19	8680	Weithaga Boys	30,000	00
28/06/19	8738	NG CDF	59,000	00
28/06/19	8760	Murang'a Boys Sec. sch.	5,000	00
02/07/19	8786	Nyakahura Secondary Sch.	15,000	00
06/11/19	8903	Machakos University	10,000	00
06/11/19	8928	Herois High School	5,000	00
06/11/19	8933	Kaheti Girls Sec. Sch.	15,000	00
06/11/19	8934	Kanorero Sec. sch.	5,000	00
06/11/19	8937	Karima Girls	20,000	00
06/11/19	8955	Nyagatugu Boys	15,000	00
06/11/19	8960	Watuha Sec School	5,000	00
2/1/2020	9005	Githirimo Girls	5,000	00
2/1/2020	9006	Gatugi Girls	5,000	00
2/1/2020	9009	Giakanja Boys	5,000	00
2/1/2020	9035	Kahatia Sec.	20,000	00
2/1/2020	9036	Karoti Girls	5,000	00
2/1/2020	9044	Kangui High Sch.	5000	00
2/1/2020	9047	Kangubiri Sec.	5,000	00
2/1/2020	9052	Karima Boys	5,000	00
2/1/2020	9060	Kiambu Girls	5,000	00
2/1/2020	9063	Kiamuturi Sec	5,000	00

2/1/2020	9081	Komothai Fund	5,000	00
2/1/2020	9115	Murera Sec	5,000	00
2/1/2020	9118	Nakuru Central	5,000	00
2/1/2020	9138	South Tetu	5,000	00
2/1/2020	9140	Deborah Kangari	5,000	00
2/1/2020	9142	Josemaria Sec	10,000	00
2/1/2020	9148	Wahundura Boys	10,000	00
2/1/2020	9155	Joytown Special	10,000	00
2/1/2020	9159	Kiburia Girls	10,000	00
27/2/2020	9239	Catholic University of Eastern Africa	7,000	00
27/2/2020	9240	Chuka University	161,000	00
27/2/2020	9242	Dayster University	21,000	00

27/2/2020	9244	Egerton University	98,000	00
27/2/2020	9247	Gretsa University	14,000	00
27/2/2020	9248	Oginga Ondinga University	14,000	00
27/2/2020	9249	Kenya Institute of Highway	42,240	00
27/2/2020	9252	Karatina University	112,000	00
27/2/2020	9254	KU	259,000	00
27/2/2020	9257	Kiriri Women University	7,000	00
27/2/2020	9260	Masai Mara University	91,000	00
27/2/2020	9266	Moi University	77,000	00
27/2/2020	9268	Multi Media University	21,000	00
27/2/2020	9271	Rongo University	21,000	00
27/2/2020	9272	South Eastern Kenya University	14,000	00
27/2/2020	9277	Tech University of Mombasa	49,000	00
27/2/2020	9280	Umma University	7,000	00
27/2/2020	9281	Uni of Eastern Arica Baraton	7,000	00
27/2/2020	9287	Achievers College of Professional	7,000	00
27/2/2020	9288	ACK Weithaga Bible's College	7,000	00
27/2/2020	9289	AIC Naivasha Tech Training Inst.	7,000	00
27/2/2020	9291	Cascade Institute of Hospitality	7,000	00
27/2/2020	9296	Eldoret Tech Training Institute	7,000	00
27/2/2020	9305	Kabete National Polytechnic	49,000	00
27/2/2020	9307	Kamirithu Tech.Training Institute	7,000	00
27/2/2020	9309	Kangema Youth Polytechnic	7,000	00
27/2/2020	9310	Kenya Coast National Polytechnic	7,000	00
27/2/2020	9311	Kenya Inst of Highways & Building tech	21,000	00
27/2/2020	9313	KMTC- Msambweni Campus	7,000	00
27/2/2020	9314	KMTC - Nyandarua	7,000	00
27/2/2020	9316	KMTC – Thika	7,000	00
27/2/2020	9319	KMTC – Meru	7,000	00
27/2/2020	9321	Kenya Technical Trainers college	21,000	00
27/2/2020	9322	Kenya Water Institute	21,000	00
27/2/2020	9325	Kisumu National Polytech.	7,000	00
27/2/2020	9326	Kitale National Polytech.	14,000	00
27/2/2020	9328	Maragua ECDE T. College	7,000	00
27/2/2020	9331	Meru Teachers training College	7,000	00
27/2/2020	9333	Mosoriot Teachers College	7,000	00
27/2/2020	9334	Mukurweini Technical training College	7,000	00

27/2/2020	9336	Muriranjias Rehab Centre	21,000	00
27/2/2020	9339	National Industries Training Auth. Nbi	7000	00
27/2/2020	9340	Nyandarua institute of Scie. & Tech	7000	00
27/2/2020	9342	Othaya Teachers College	14,000	00
27/2/2020	9343	Outspan Medical College	21,000	00
27/2/2020	9344	PC Kinyanjui Tech Training Inst	7,000	00
27/2/2020	9345	Railways Training Institute	7,000	00
27/2/2020	9347	Rift Valley Inst. Of Science & Tech	7,000	00
27/2/2020	9348	Rural Aid Kenya Training Institute	7,000	00
27/2/2020	9249	Kenya Institute of Highway	35240	00
28/2/2020	9364	NG CDF NHIF	4,650	00
28/2/2020	9375	PS Livestock(Animal Health Institute)	7,000	00
2/03/2020	9377	Embakasi Girls High School	10,000	00
2/03/2020	9379	Gathirimu Girls High School	20,000	00
2/03/2020	9380	Gichere Friends Sec School	5,000	00
2/03/2020	9386	Ihiga Secondary School	5,000	00
2/03/2020	9389	Kagongo Sec. School	10,000	00
2/03/2020	9390	Kahuhia Girls High School	10,000	00
2/03/2020	9394	Karima Girls High School	10,000	00
2/03/2020	9397	Kenyatta Mahiga	10,000	00
2/03/2020	9398	Kiaguthu Boys Sec. School	10,000	00
2/03/2020	9405	Koimbi Boys High School	5,000	00
2/03/2020	9406	Larmudiac High School	10,000	00
2/03/2020	9408	Mucharage Sec. School	10,000	00
2/03/2020	9409	Moi Sch Mbiruri	10,000	00
2/03/2020	9411	Ndarugo Sec. sch..	10,000	00
2/03/2020	9412	Njiris High school	10,000	00
2/03/2020	9415	Riambase DEB Sec sch	10,000	00
2/03/2020	9417	Sironga Girls High Sch.	5,000	00
2/03/2020	9418	St Annes Girls High Sch.	10,000	00
2/03/2020	9422	Teret high Sch.	10,000	00
2/03/2020	9424	Upper Hill Mixed Sec. sch.	10,000	00
2/03/2020	9425	Utumishi Academy	10,000	00
2/03/2020	9426	Voo Secondary School	10,000	00
2/03/2020	9428	Watuha Secondary Sch.	20,000	00
2/03/2020	9433	KMTC – Nyeri	7,000	00
2/03/2020	9436	Kirimanjaro Teacher Training	10,000	00
2/03/2020	9437	Nyeri National Polytechnic	17,000	00
2/03/2020	9438	Otilan training Institute	10,000	00
2/03/2020	9440	C.U.E.A.	10,000	00
2/03/2020	9448	Laikipia University	10,000	00
2/03/2020	9449	Machakos university	22,000	00
2/03/2020	9451	Moi University	17,000	00
5/03/2020	9461	KMTC Kericho	15,000	00
9/03/2020	9469	Mbooni Girls Sec. School	20,000	00
9/03/2020	9472	Mugoiri Girls High School	20,000	00
10/3/2020	9483	NG CDF	112,000	00
10/3/2020	9487	JKUAT	7,000	00
10/3/2020	9494	Moi University	10,000	00
10/3/2020	9500	Nyeri National Polytechnic	7,000	00
10/3/2020	9501	South Eastern Kenya University	14,000	00
10/3/2020	9506	Gaichanjiru High School	10,000	00
10/3/2020	9508	Kagumo High School	10,000	00
10/3/2020	9509	Kaharo Girls	10,000	00
10/3/2020	9511	Kamahuha Girls High sch	15,000	00
10/3/2020	9512	Kamondo Sec. Sch.	10,000	00

10/3/2020	9525	St. Bakhita Gataragwa	10,000	00
11/3/2020	9529	Chuka Boys High Sch.	15,000	00
11/3/2020	9530	Kabare Girls High	20,000	00
11/3/2020	9533	Statehouse Girls High Sch.	20,000	00
11/3/2020	9537	Laikipia University	15,000	00
11/3/2020	9538	Michuki Training Institute	15,000	00
11/3/2020	9539	Nginda Girls high sch	10,000	00
11/3/2020	9541	Tech Univ. of Mombas	10,000	00
11/3/2020	9543	U.O.N.	10,000	00
11/3/2020	9544	Karatina University	20,000	00
11/3/2020	9546	Muguru Sec. Sch.	10,000	00
11/3/2020	9549	St Patricks Githakwa Sec. Sch.	10,000	00
11/3/2020	9550	Gichere Friends Sec Sch.	10,000	00
23/3/2020	9562	NSSF	10,800	00
23/3/2020	9565	DCC	51,150	00
17/4/2020		Overcast	100,000	00
20/4/2020	9579	Ichichi Secondary School	1,500,000	00
5/5/2020	9588	N.S.S.F	10,800	00
5/5/2020	9591	DCC gratuity	51,150	00
4/6/2020	9614	KRA	2,897	00
5/6/2020	9624	KRA	725	00
5/6/2020	9401	Standard Group (overcast)	1,160	00
24/6/2020	9631	Githiga Chiefs office	300,000	00
24/6/2020	9635	KRA	316	00
24/6/2020	9637	KRA	185	00
24/6/2020	9638	DCC gratuity	51,150	00
24/6/2020	9642	N.S.S.F	10,800	00
24/6/2020	9643	N.H.I.F.	4,650	00
24/6/2020	9644	KRA	7,376	00
24/6/2020	9645	Safaricom	5,499	00
30/6/2020	9657	Kiamara Police Post	73,241	00
			4,891,750	00

JUNE - PAYMENT IN BANK NOT YET RECORDED IN CASH BOOK

2/4/2020	Transfer charge	120	00
2/4/2020	Transfer charges	120	00
8/4/2020	Transfer charges	120	00
16/4/2020	Transfer charges	120	00
16/4/2020	Transfer charges	120	00
16/4/2020	Transfer charges	120	00
17/4/2020	Transfer charges	120	00
20/4/2020	Transfer charges	120	00
20/4/2020	Bill payment	30	00
5/5/2020	Transfer charges	120	00
6/5/2020	Transfer charges	120	00
8/5/2020	Transfer charges	120	00
8/5/2020	Transfer charges	120	00
13/5/2020	Remit charge	600	00
15/5/2020	Transfer charge	120	00
22/5/2020	Transfer charge	120	00
22/5/2020	Transfer charge	120	00
22/5/2020	Transfer charge	120	00
22/5/2020	Transfer charge	120	00
22/5/2020	Remit charge	600	00
22/5/2020	Remit charge	600	00
4/6/2020	Transfer charge	120	00
4/6/2020	Transfer charge	120	00
6/6/2020	Transfer charge	120	00
6/6/2020	Transfer charge	120	00
11/6/2020	Remit charge	600	00
16/6/2020	Transfer charge	120	00
22/6/2020	Transfer charge	120	00
22/6/2020	Transfer charge	120	00
25/6/2020	Transfer charge	120	00
30/6/2020	Transfer charge	120	00
		5550	00

