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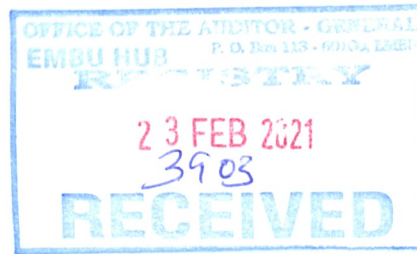
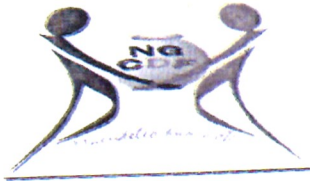
 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 02 DEC 2021	DAY: Thur PM.
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CLERK-AT THE TABLE: B. Irogiu	

THE AUDITOR-GENERAL

ON

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

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



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

REPORTS AND FINANCIAL STATEMENTS

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

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

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

Table of Contents

Table of Contents.....	Pages
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT.....	1
II FORWARD BY THE CHAIRMAN NGCDF COMMITTEE.....	4
III STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES.....	7
IV CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING.....	9
V STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES.....	12
IV. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- NDIA CONSTITUENCY</i>	13
VII STATEMENT OF RECEIPTS AND PAYMENTS.....	14
VIII STATEMENT OF ASSETS AND LIABILITIES.....	15
IX STATEMENT OF CASHFLOW.....	16
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED.....	17
XI BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	19
XII. SIGNIFICANT ACCOUNTING POLICIES.....	23
XIII. NOTES TO THE FINANCIAL STATEMENTS.....	27

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

To transform Ndia to a model constituency by providing a high quality life for the constituents.

Mission

To impact positive transformation through community driven projects, upholding core values and the rule of law.

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

Core Values

1. **Integrity** – we uphold our moral and ethical convictions and doing the right things in all circumstances.
2. **Teamwork**- We involve all relevant groups to achieve a common goal in the most effective and efficient way.
3. **Inclusivity**– we have policies that include people who could be marginalized or excluded in the society.
4. **Prudent use of public resources** – we ensure use of the available resources effectively and wisely for the benefit of the society.

Key Management

The NGCDF NDIA 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)

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Timothy Njichi
2.	Sub-County Accountant	Lydia Njeru
3.	Chairperson NGCDFC	Beatrice Mwangi

Fiduciary Oversight Arrangements

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

NGCDF NDIA Constituency Headquarters

P.O. Box 70
NG CDF Ndia Constituency Office Building/House/Plaza
Baricho/Kerugoya Avenue/Road/Highway
Baricho, KENYA

NGCDF NDIA Constituency Contacts

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E-mail: tnjichi@ngcdf.go.ke
Website: www.go.ke

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

NGCDF NDIA Constituency Bankers

1. Equity Bank Ltd
A/C NO.0420294874971
Kagio Branch
P.O. Box 134 -10306
Kagio, Kenya

Independent Auditors

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

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)
NDIA CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

II FORWARD BY THE CHAIRPERSON NGCDF COMMITTEE

The budget performances differ with the actual amount for current year based on economic classification and programmes due to late disbursement of funds.

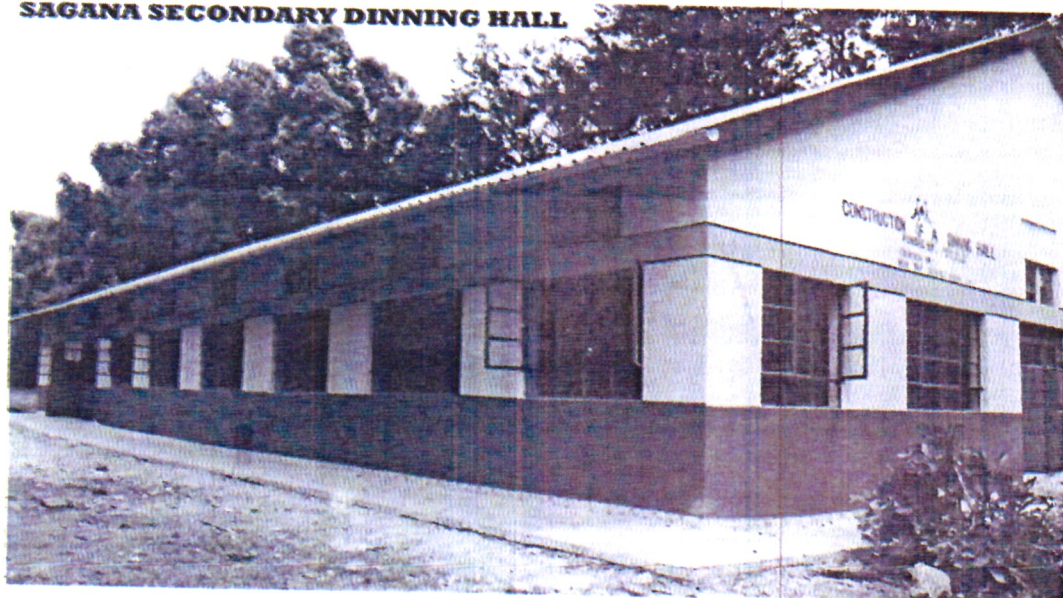
There have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NGCDF Projects.

Other issues that normally affect implementation process is the late disbursement of funds, late approval of proposals and reallocations. We wish that the disbursement will be done in time and also to speed up the process of approving project fund reallocations.

Detail key achievements for the NGCDF

- Uplifted the unfortunate in society through the bursary funding.
- Improved security through provision of offices and houses to AP posts, police post & chiefs camps.
- Development of day and boarding secondary schools and improving learning institutions.
- Eradicating poverty at grass root level.

SAGANA SECONDARY DINNING HALL

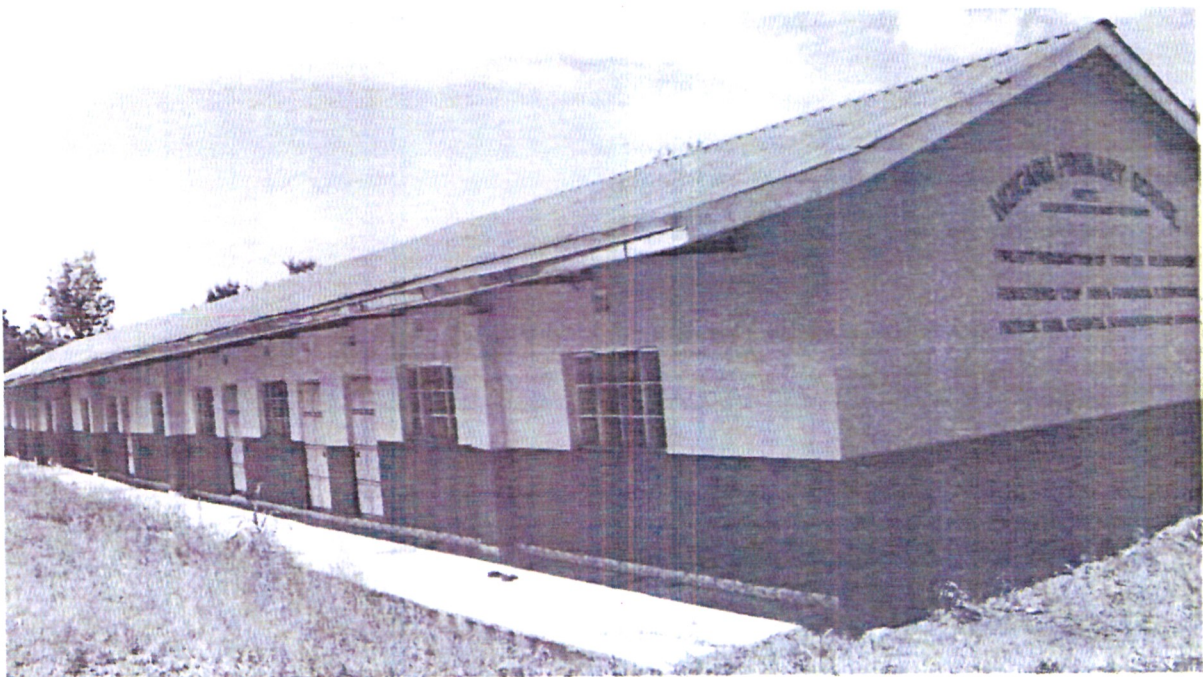


The above Project was funded in 2019/2020. This is a 400 capacity dining hall which was built from scratch upto finishing at a cost of ksh 5,000,000. Previously the school never had a permanent dining hall so this have improved the standard of the school.

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



The above Education Project was funded in 2019/2020 with the allocation of ksh 2,500,000 whose work was to renovate 5 classrooms tiling, plastering box profile roofing painting and fixing of metal doors and windows. Previously the classes were in sympathetic condition but after renovation this will motivate the pupils hence raising their grades.



The above Education Project was done in 2019/2020 with the fund which was meant for financial year 2018/2019 with the allocation of ksh 2,500,000 whose work was to renovate 5 classrooms tiling, roofing and painting doors and windows. These have improved the standard of education.

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

Sign

BEATRICE WANGUI MWANGI

Mwangi
CHAIRPERSON NG CDF COMMITTEE

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

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-Ndia Constituency's 2018-2022 plans are to:

Objectives of the constituency as per the Strategic Plan

- a) Promotion of Education ,Learning and Training;
- b) Enhance administration and security
- c) Promotion of sports and creative talent
- d) Protection of the environment
- e) Prudent use of public resources

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	Promotion of Education ,Learning and Training	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary , and tertiary institutions - number of bursary beneficiaries at all levels 	In FY 19/20 we renovated 30 classrooms, constructed 4 laboratories,sank 3 boreholes in schools -Bursary beneficiaries at all levels were awarded a higher amount compared to the subsequent years.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NDIA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

2.Security	Enhance administration and security	To enhance security	Construct more police posts and housing units and Installation of street security lights,water connectivity	During the FY 2019/20 we fenced nguguini police post and renovated their houses,sank borehole at kibingoti dos office.constructed gathambi chiefs toilet,construction of baricho dci offices
3.sports	Promotion of sports and creative talent	To mentor youth through sports	Procure set of uniforms and sporting kits	Procured 40 sets of uniforms to various teams in the constituency
		To equip ICT Hubs	Installation of <i>wifi</i> and train students on opportunities for employment	Construction of sagana ict hub and 3 more in line at baricho,kiangai and kagio markets
4.environment	Protection of the environment	To ensure environmental sustainability	Green the environmental premises of schools with live fences River regeneration Construct improved sanitation facilities	Planted trees in seven schools and erected tanks in three schools

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

**IV CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY
REPORTING**

NGCDF – Ndia 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 -

The NG-CDF NDIA Committee endeavored to work within the existing policy guidelines that helped in focusing on the service delivery and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan.

In line with the above policies,NGCDF Ndia always organise with all pmc members for regular trainings where they are taught ways to sustain themselves.For example once a certain school has been built a classroom the parents through their effort can add one more or still equip the new classroom with furniture.

Once students have a clean environment for learning. This will lower absenteeism in schools and have healthy learning.

2. Environmental performance

In keeping the environment clean and sustainable NGCDF Ndia involves the community,schools and other like-minded individuals in problem solving on issues about the environment. This is achieved through financing schools and groups in tree planting activities and seed beds preparation where they later sell the seedlings to other members of the community at a lower cost which enable them to offer a hand in conserving the environment.

We also sink boreholes in schools to enable them water the planted trees and grass which in the end prevent soil erosion

3. Employee welfare

NG-CDFC NDIA offers only categories of employment, which are Contract employees who are employed for three year on a renewable contract. Such employees are eligible for employee benefits in line with the statutory requirements.

Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

In addition to this, employees are regularly trained on various issues of the fund.to those employees who would like to further their studies they are given an upper hand where they are paid for their school fees. Also the working environment is made conducive by it being clean and comfortable to work in.

Employees who feel appreciated will be more fulfilled,satisfied and more productive. This will not only lead to higher productivity but also satisfied customers.

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

Reports and Financial Statements

For the year ended June 30, 2020

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal Recommendations for promotion is only made by the NG-CDFC resolution

4. Market place practices-

1. MARKET PLACE PRACTICES

NG-CDFC fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects, particularly those aiming to combat poverty at the grassroots and entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions

The objective of the Fund is to provide mechanisms for supplementing implementation of the National Government Development Agenda at the constituency level.

NGCDF Ndia has formed a habit of advertising tenders in public places and in our website and the notice board.

During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

How the organization ensures responsible competition practices with issues like anticorruption, responsible political involvement, fair competition and respect for competitors

5.COMMUNITY ENGAGEMENTS

Public Participation in Project Identification and Implementation and Monitoring

The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

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

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs. When the Public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a

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

successful project outcome and their sustainability.

Effective public engagement is about recognizing that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two-way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible. This public participation makes the community to own projects.

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

Reports and Financial Statements

For the year ended June 30, 2020

**V STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES FOR THE YEAR ENDED 30TH JUNE
2020**

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

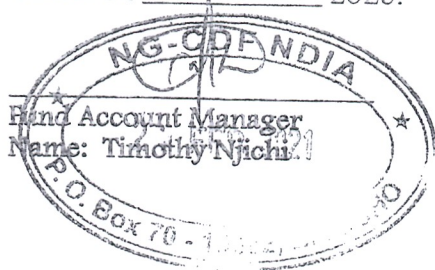
The Accounting Officer in charge of the NGCDF-NDIA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. 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 Ndia Constituency; (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.

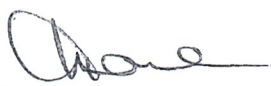
The Accounting Officer in charge of the NGCDF-NDIA Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *NGCDF Ndia* 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-NDIA 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-NDIA 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-NDIA Constituency financial statements were approved and signed by the Accounting Officer on _____ 2020.

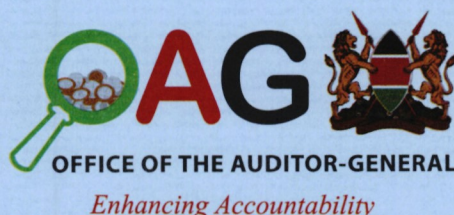




Sub-County Accountant
Name: Lydia Njeru
ICPAK Member Number 18250

REPUBLIC OF KENYA

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Monrovia Street
P.O. Box 30084-00100
NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Ndia Constituency set out on pages 14 to 51, which comprise of the statement of assets and liabilities as at 30 June, 2020, statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, 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 - Ndia Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Inaccuracies in the Summary Statement of Appropriation

The summary statement of appropriation - recurrent and development combined reflects Kshs.364,245,501 on three (3) items while re-computation of the same balances gave Kshs.366,645,501 resulting to an unexplained variance amounting to Kshs.2,400,000 as shown below:

Description	Summary statement of Appropriation Balance (Kshs.)	Recomputed Balance (Kshs.)	Variance (Kshs.)
Total adjustments (Payments)	75,721,469	76,521,469	800,000
Final Budget (Payments)	213,152,193	213,952,193	800,000
Budget utilization (Payments)	75,371,839	76,171,839	800,000
Total			2,400,000

Further, the financial statements did not include separate development and recurrent summary statements of appropriation.

In the circumstances, the accuracy, completeness and validity of balances reflected in the summary statement of appropriation for the year ended 30 June, 2020 could not be confirmed.

2. Unsupported Fuel

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects use of goods and services amounting to Kshs.7,168,990. The balance includes, under routine maintenance - vehicles and other transport equipment, an amount of Kshs.1,455,929 paid to a firm for supply of fuel, oil and lubricants. However, supporting documents including suppliers' statements, fuel registers, and requisition from the user department were not provided.

In the circumstances, the accuracy, completeness and validity of the expenditure totalling to Kshs.1,455,929 for the year ended 30 June, 2020 could not be confirmed.

3. Unsupported Refurbishment of the Fund Offices

As disclosed in Note 8 to the financial statements, the statement of receipts and payments reflects acquisition of assets totalling to Kshs.1,150,000 which relates to refurbishment of buildings which was carried out in the Fund's Office during the financial year. However, Engineers Estimates, Completion Certificates and Inspection and Acceptance Committee Certificate were not provided.

In the circumstances, the accuracy, completeness and validity of the acquisition of assets totalling to Kshs.1,150,000 for the year ended 30 June, 2020 could not be confirmed.

4. Inaccuracies in Committee Bank Balances

As reported in the previous year, Note 17.5 to the financial statements reflects Project Management Committee (PMC) account balances totalling to Kshs.11,629,877 as further, disclosed in Annex 5. However, the 2018/2019 financial statements reflected a re-casted balance of Kshs.8,101,940 resulting to an unreconciled variance amounting to Kshs.3,527,937. In addition, re-casting of the comparative balance in the 2019/2020 financial statements for the same item reflects an amount of Kshs.9,478,392 resulting to an unexplained variance amounting to Kshs.1,376,452.

In the circumstances, the accuracy, completeness and validity of the comparative balances totalling to Kshs.11,629,877 for the year ended 30 June, 2020 could not be confirmed.

5. Inaccuracies in Unutilized Funds

Note 17.3 to the financial statements reflects unutilized fund 2018/2019 comparative balance totalling to Kshs.67,186,578. However, the summary statement of appropriation - recurrent and development combined reflects Kshs.75,721,469 in respect

to adjustments for the year being the unspent funds in the previous year resulting to an unreconciled and unexplained variance of Kshs.8,534,891.

In addition, the same Note reflects unutilized funds amounting to Kshs.75,371,839 for the year under review which includes use of goods and services amount of Kshs.9,071,060. However, the summary statement of appropriation - recurrent and development combined reflects an amount of Kshs.9,871,060 in respect budget utilization difference which relates to unutilized funds for the year under review resulting to an unreconciled variance amounting to Kshs.800,000.

In the circumstances, the accuracy, completeness and validity of the unutilized funds totalling to Kshs.75,371,839 for the year ended 30 June, 2020 could not be confirmed.

6. Unsupported Project Implementation Status Report

As disclosed in Note 6 and Note 7 to the financial statements, the statement of receipts and payments reflects transfers to other government entities amount of Kshs.81,603,800 and other grants and other payments amount of Kshs.45,028,259 all totalling to Kshs.126,632,059 spent on project implementation during the year. However, the reflected attached lists in the Notes, supporting documents including funds disbursed, date of projects completion, location of the projects and total funds allocated per project for the 2019/2020 financial year were not provided.

In the circumstances, the accuracy, completeness and validity for the expenditure totalling to Kshs.126,632,059 as per the Report for the year ended 30 June, 2020 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 - Ndia Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis totalling to Kshs.213,152,193 and Kshs.143,784,468 respectively, resulting to an under-funding of Kshs.69,367,725 or 33% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.213,152,193 and Kshs.137,780,354 respectively, resulting to an under expenditure of Kshs.75,371,839 or 36% of the budget.

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

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has not provided evidence supporting how the issues were resolved or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unsatisfactory Project Implementation - Upper Sagana Primary School

The Management transferred an amount of Kshs.2,700,000 to Upper Sagana Primary School for renovation of six (6) classrooms. However, a review of the bills of quantities and physical verification in December, 2020 revealed that work worth Kshs.52,650 was not done.

In the circumstances, the propriety and value for money of expenditure totalling to Kshs.52,650 in respect to renovation of classrooms for the year ended 30 June, 2020 could not be confirmed.

2. Unsatisfactory Project Implementation - Kianjege West Security Project

Management transferred an amount of Kshs.1,500,000 to Kianjege West Security Project for construction of exhaustible toilet and urinal to completion. However, review of the bill of quantities and project verification in December, 2020 revealed that the contractor used blue gum wood which was not treated instead of sawn first grade cypress wood treated with one coat of wood preservative at a cost of Kshs.97,600.

Further, structural drawings and architectural drawings and approvals by the relevant Government Departments were not provided.

In the circumstances, the propriety and value for money of expenditure totalling to Kshs.1,500,000 during the year ended 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or 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 financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

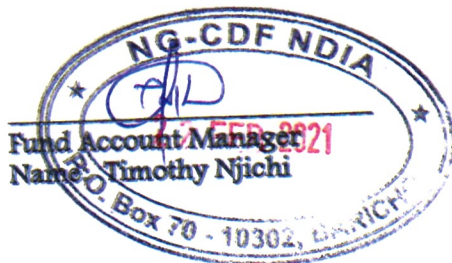
04 November, 2021


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

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

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	131,638,767	129,487,069
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		131,638,767	129,487,069
PAYMENTS			
Compensation of employees	4	2,829,305	1,912,413
Use of goods and services	5	7,168,990	8,789,184
Transfers to Other Government Units	6	81,603,800	79,782,795
Other grants and transfers	7	45,028,259	62,281,647
Acquisition of Assets	8	1,150,000	1,228,270
Other Payments	9	-	-
TOTAL PAYMENTS		137,780,354	153,994,309
SURPLUS/DEFICIT		(6,141,587)	(24,507,240)

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




 Sub-County Accountant
 Name: Lydia Njeru
 ICPAK Member Number 18250

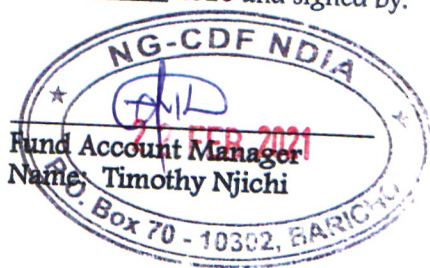
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NDIA CONSTITUENCY**

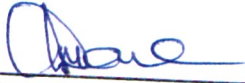
Reports and Financial Statements
For the year ended June 30, 2020

VIII STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2020

	Note	2019 - 2020 Kshs	2018 - 2019 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	6,004,115	12,145,702
Cash balance (cash at hand)	10B	-	-
Total cash and cash equivalent		6,004,115	12,145,702
Current receivables		-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		6,004,115	12,145,702
FINANCIAL LIABILITIES			
Account Payables	12A	-	-
Retention	12B	-	-
Gratuity		-	-
Total financial liabilities		-	-
NET FINANCIAL ASSETS		6,004,115	12,145,702
REPRESENTED BY:			
Fund balance b/fwd 1st July 2019	13	12,145,702	36,652,942
Surplus/Deficit for the year		(6,141,587)	(24,507,240)
Prior year adjustments	14	-	-
NET POSITION		6,004,115	12,145,702

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





Sub-County Accountant
Name: Lydia Njeru
ICPAK Member Number 18250

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

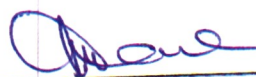
IX STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2020

CASH FLOWS FROM OPERATING ACTIVITIES		2019-2020	2018 - 2019
		Kshs	Kshs
Receipts			
Transfers from NGCDF Board	1	131,638,767	129,487,069
Other Receipts	3	-	-
Total receipts		131,638,767	129,487,069
Payments			
Compensation of Employees	4	2,829,305	1,912,413
Use of goods and services	5	7,168,990	8,789,184
Transfers to Other Government Units	6	81,603,800	79,782,795
Other grants and transfers	7	45,028,259	62,281,647
Other Payments	9	-	0
Total payments		136,630,354	152,766,039
Total Receipts Less Total Payments		(4,991,587)	(23,278,970)
Adjusted for:			
Outstanding imprest	11	-	-
Retention Payable	12A	-	-
Gratuity Payable	12B	-	-
Prior year adjustments	14	-	-
Net Adjustments			
Net cash flow from operating activities		(4,991,587)	(23,278,970)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	1,150,000	1,228,270
Net cash flows from Investing Activities		1,150,000	1,228,270
NET INCREASE IN CASH AND CASH EQUIVALENT		(6,141,587)	(24,507,240)
Cash and cash equivalent at BEGINNING of the year	13	12,145,702	36,652,942
Cash and cash equivalent at END of the year		6,004,115	12,145,702

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



 Fund Account Manager
 Name: Timothy Njichi
 Box 70 - 10302


 Sub-County Accountant
 Name: Lydia Njeru
 ICPAK Member Number: 18250

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

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

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	B	c=a+b	d	e=c-d	f=e/d %
RECEIPTS						
Transfers from CDF Board	137,430,724	75,721,469	213,152,193	143,784,468	69,367,725	67.46%
Proceeds from Sale of Assets						
Other Receipts						
TOTAL	137,430,724	75,721,469	213,152,193	143,784,468	69,367,725	67.46%
PAYMENTS						
Compensation of Employees	2,877,705	2,309,907	5,187,612	2,829,305	2,358,307	54.54%
Use of goods and services	8,837,548	8,202,502	17,040,050	7,168,990	9,871,060	42.07%
Transfers to Other Government Units	71,378,785	51,083,935	122,462,720	81,603,800	40,858,920	66.64%
Other grants and transfers	54,336,686	12,064,865	66,401,551	45,028,259	21,373,292	67.81%
Acquisition of Assets		1,151,003	1,151,003	1,150,000	1,003	99.91%
Other Payments		1,709,257	1,709,257		1,709,257	0.00%
TOTAL	137,430,724	75,721,469	213,152,193	137,780,354	75,371,839	64.64%

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

For utilization below 90% this was as a result of fund not disbursed from the NG CDF BOARD since an AIE of ksh 69,367,724 for financial year 2019/2020 had not yet been released as at end of the financial year thus works for the projects was not done. For Utilization of 0% this is as a result of the funds ksh 1,169,257 for Sagana ict hub submitted for reallocation and has not been approved by the Board and ksh 540,000 for A.I.A. Difference in amount for adjustment in 2019/2020 compared to that in budget utilization difference for fy 2018 / 2019 is as a result of reallocations done during financial year 2019/ 2020 and AIE received during the year and were meant for year 2010/2011 and 2015/2016.

REALLOCATIONS DURING THE YEAR 2019/2020		AMOUNT
REALLOCATED FROM	REALLOCATED TO	
EMERGENCY 2018/2019 KSH5,738,993	GACHARU PRIMARY SCHOOL	4,338,993
	GACHARU SECONDARY SCHOOL	1,400,000
	BURSARY	900,000
KIANGAI ICT HUB KSH 1,169,257	KIANGAI PRIMARY	469,257
BAICHO ICT HUB KSH1,169,257	KIBIRIGWI PRIMARY SCHOOL	669,257
KAGIO ICT HUB KSH1,169,257	KIBURU PRIMARY SCHOOL	669,257
	NGUGGUINI POLICE POST	800,000
NG'OMBE NGUO MUROBO ROAD KSH 600,000		
NG CDF PUBLIC TOILET KSH 350,000		
PROBATION OFFICE KSH 200,000	NG CDF OFFICE	1,150,000

The NG CDF-NDIA Constituency financial statements were approved on _____ 2020 and signed by:



Sub-County Accountant
 Name: Lydiah Njeru
 ICPAK Member Number 18250

REPORTS AND FINANCIAL STATEMENTS OF THE NATIONAL CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NDIA 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		2,877,705		2,309,907		5,187,612		2,829,305		2,358,307
1.2 Committee allowances		2,382,464		1,920,550		4,303,014		1,188,000		3,115,014
1.3 Use of goods and services		2,550,000		2,040,081		4,590,081		2,150,378		2,439,703
1.4 Acquisition of assets										
2.0 Monitoring and evaluation										
2.1 Capacity building										
2.2 Committee allowances		2,000,000		922,786		2,922,786		1,002,000		1,920,786
2.3 Use of goods and services		755,084		797,209		1,552,293		620,000		932,293
3.0 Emergency		1,150,000		1,171,876		2,321,876		1,663,612		658,264
4.0 Bursary and Social Security		7,198,241		-		7,198,241		2,300,000		4,898,241
4.1 Primary Schools										
4.2 Secondary Schools										
4.3 Tertiary Institutions		22,000,000		1,450,000		23,450,000		21,013,412		2,436,588
4.4 Universities		5,000,000		690,048		5,690,048		3,000,000		2,690,048
4.5 Social Security		8,000,000		900,000		8,900,000		3,431,600		5,468,400
5.0 Sports										
6.0 Environment		2,603,390		2,180,817		4,784,207		2,180,817		2,603,390
6.1 Kibirigi primary school		333,333		-		333,333		332,977		356
6.2 Kiriko primary school		333,333		-		333,333		332,977		356
6.3 thanju primary school		333,333		-		333,333		332,976		357
6.4 Kianwe primary school		-		92,000		92,000		91,500		500
6.5 getuya primary school		-		92,000		92,000		91,500		500
6.6 kiriko primary school		-		92,000		92,000		91,500		500

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NDIA CONSTITUENCY

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
6.7 mathia primary school	-	92,000	92,000	91,500	500
6.8 muragara primary school	-	92,000	92,000	91,500	500
6.9 gathambi primary school	-	92,000	92,000	91,500	500
6.10 thunguri primary school	-	92,000	92,000	91,500	500
7.0 primary schools projects					
7.1 Githuaini primary school	1,095,758	-	1,095,758	-	1,095,758
7.2 kairungu primary school	2,500,000	-	2,500,000	2,500,000	-
7.3 karimaini primary school	2,500,000	-	2,500,000	-	2,500,000
7.4 kathaka primary school	3,199,995	2,300,000	5,499,995	3,800,000	1,699,995
7.5 kiandangae primary school	5,000,000	2,100,000	7,100,000	4,100,000	3,000,000
7.6 kiangoma primary school	3,700,000	-	3,700,000	3,700,000	-
7.7 kianwe primary school	3,700,000	-	3,700,000	-	3,700,000
7.8 kiburur primary school	3,595,758	4,917,148	8,512,906	6,012,906	2,500,000
7.9 lower baricho primary school	1,095,758	-	1,095,758	-	1,095,758
7.10 lower sagana primary school	2,500,000	-	2,500,000	-	2,500,000
7.11 ndiritii primary school	2,500,000	-	2,500,000	-	2,500,000
7.12 thumaita west primary school	1,095,758	1,500,000	2,595,758	1,500,000	1,095,758
7.13 thunguri Primary school	2,500,000	-	2,500,000	-	2,500,000
7.14 upper baricho Primary School	6,000,000	-	6,000,000	6,000,000	-
7.15 upper sagana Primary School	5,300,000	8,700,000	14,000,000	8,700,000	5,300,000
7.16 kiine primary school	-	3,240,000	3,240,000	3,240,000	-
7.17 kianjege west Primary School	-	2,400,000	2,400,000	2,400,000	-
7.18 ndigaru Primary School	-	2,500,000	2,500,000	2,500,000	-
7.19 kahiro Primary school	-	2,000,000	2,000,000	2,000,000	-
7.20 ngando Primary school	-	200,000	200,000	200,000	-
7.21 kahuhoini Primary School	-	2,700,000	2,700,000	2,700,000	-
7.22 gacharu primary school	-	5,838,993	5,838,993	5,838,993	-
7.23 mathia primary school	-	375,893	375,893	-	375,893

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
7.24 kiangai primary school	-	469,257	469,257	469,257	-
7.25 kibirigwi primary school	-	669,257	669,257	669,257	-
8.0 secondary schools projects					
8.1 gacharussecondary school	6,800,000	1,400,000	8,200,000	8,200,000	-
8.2 Kairinsecondary school	2,500,000	1,500,000	4,000,000	1,500,000	2,500,000
8.3 kathaka Secondary School	700,000	1,800,000	2,500,000	1,800,000	700,000
8.4 kianjege west Secondary School	4,000,000	0	4,000,000	0	4,000,000
8.5 kiburu Girls Secondary School	1,000,000	1,000,000	2,000,000	1,000,000	1,000,000
8.6 sagana Secondary School	5,000,000	73,387	5,073,387	5,073,387	-
8.7 st Philips baricho Secondary School	1,000,000	1,000,000	2,000,000	2,000,000	-
8.8 mukangu secondary school	3,000,000	0	3,000,000	1,300,000	1,700,000
8.9 kiburu boys sec school	-	1,000,000	1,000,000	1,000,000	-
8.10 kiaragana girls secondary school	-	1,000,000	1,000,000	1,000,000	-
8.11 baricho boys Secondary school	-	1,000,000	1,000,000	1,000,000	-
8.12 bishop ngoru Secondary School	-	1,400,000	1,400,000	1,400,000	-
9.0 Tertiary institutions Projects					
9.1 Ndiriti vocational technical Inst.	1,095,758	-	1,095,758	-	1,095,758
10.0 Security Projects					
10.1 gathambi chiefs office	563,000	-	563,000	563,000	-
10.2 kibingoti assistant chief	5,000,000	-	5,000,000	4,000,000	1,000,000
10.3 kibingoti assistant county commissioner	1,095,758	2,700,000	3,795,758	2,700,000	1,095,758
10.4 muragara police post	1,176,297	-	1,176,297	0	1,176,297
10.5 sagana assistant chief office	700,001	-	700,001	700,000	1
10.6 kirinyaga west police division H/Q	-	2,500,000	2,500,000	2,500,000	-
10.7 kiburu police post	-	200,000	200,000	200,000	-
10.8 nguguni police post					
11.0 Acquisition of assets					
	-	800,000	800,000	800,000	-

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
11.1 Motor Vehicles	-	-	-	-	-
11.2 Construction of CDF office	-	1,151,003	1,151,003	1,150,000	1003
11.3 Purchase of furniture and equipment	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-
12.0 Others					
12.1 Strategic Plan	-	550,000	550,000	545,000	5,000
12.2 Innovation Hub	-	-	-	-	-
12.2.1 sagana ict Hub	-	1,169,257	1,169,257	-	1,169,257
12.3 TIVET	-	-	-	-	-
12.4 AIA	-	540,000	540,000	-	540,000
TOTALS	137,430,724	75,721,469	213,152,193	137,780,354	75,371,739

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
GILGIL 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-NDIA 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.

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

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

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

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 none 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) – NDIA
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
1330407	Normal Allocation	AIENO E047301	55,040,876	
		AIENO E041172	4,000,000	
		AIENO E047634	20,000,000	
		AIENO E047999	7,000,000	
		AIENO B104063	14,000,000	
		AIENO B104224	6,000,000	
		AIENO B104442	23,000,000	
		AIENO E096820	1,500,000	
		AIENO E096823	1,097,891	
		AIENO 005019		26,392,241
		AIENO 005255		49,094,828
		AIENO030289		10,000,000
		AIENO005441		12,000,000
		AIENO006488		8,000,000
		AIENOB042820		12,000,000
		AIENOB047040		12,000,000
1330408	Conditional grants			
1330409	Receipt from other Constituency			
	TOTAL		131,638,767	129,487,069

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of contractual employees	1,536,840	1,267,613
Basic wages of casual labour	40,000	-
House allowance	296,000	264,000
Transport allowance	320,000	288,000
Leave allowance	24,000	28,000
Employer contribution to nssf	73,440	64,800
Pension and other social security contributions (Gratuity)	539,025	-
Total	2,829,305	1,912,413

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	2,693,000	2,406,000
Utilities, supplies and services	62,200	29,461
Communication, supplies and services	11,050	81,665
Domestic travel and subsistence	151,000	290,800
Printing, advertising and information supplies & services	111,425	246,550
Rentals of produced assets	-	-
Training expenses	207,300	1,130,000
Hospitality supplies and services	34,000	111,100
Insurance costs	-	-
Specialized materials and services	473,650	202,390
Office and general supplies and services	309,875	62,085
Other operating expenses	7,000	111,850
Routine maintenance – vehicles and other transport equipment	2,547,390	1,167,283
Routine maintenance – other assets	16,100	-
Strategic plan	545,000	2,950,000
Total	7,168,990	8,789,184

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NDIA
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	0	0
Transfers to primary schools (see attached list)	56,330,413	58,532,795
Transfers to secondary schools (see attached list)	25,273,387	18,750,000
Transfers to tertiary institutions (see attached list)	-	2,500,000
Transfers to health institutions (see attached list)	-	-
TOTAL	81,603,800	79,782,795

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	20,736,362	29,058,975
Bursary – tertiary institutions (see attached list)	6,431,600	16,190,519
Bursary – special schools (see attached list)	277,050	383,320
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	11,463,000	14,262,628
Sports projects (see attached list)	2,180,817	1,736,206
Environment projects (see attached list)	1,639,430	649,999
Emergency projects (see attached list)	2,300,000	-
		-
Total	45,028,259	62,281,647

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NDIA
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	1,150,000	550,000
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	-	678,270
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	1,150,000	1,228,270

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Tivet	-	-
ICT Hub	-	-
Othernssf penalty	-	540
	-	540

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

EQUITY BANK, Account No. 0420294874971 & currency: KSH	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity bank kagio branch, Account No. 0420294874971</i>	6,004,115	12,145,702
Total	6,004,115	12,145,702
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) – NDIA
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>	N/A	-	-	-
<i>Name of Officer or Institution</i>	N/A	-	-	-
<i>Name of Officer or Institution</i>	N/A	-	-	-
<i>Name of Officer or Institution</i>	N/A	-	-	-
<i>Name of Officer or Institution</i>	N/A	-	-	-
<i>Name of Officer or Institution</i>	N/A	-	-	-
Total		-	-	-

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

12A. RETENTION

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

[Provide short appropriate explanations as necessary]

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	Kshs	Kshs
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate	-	-
Total	-	-

[Provide short appropriate explanations as necessary]

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

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

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	12,145,702	36,652,942
Cash in hand	-	-
Imprest	-	-
Total	12,145,702	36,652,942

This is the cash book opening balance..

14. PRIOR YEAR ADJUSTMENTS

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

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2020(A)	-	-
Imprest issued during the year (B)	2,719,000	-
Imprest surrendered during the Year (C)	2,719,000	-
Net changes in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2020 (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) – NDIA
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	2,358,307	2,309,907
Use of goods and services	9,071,060	8,202,501
Amounts due to other Government entities (see attached list)	40,858,920	34,939,280
Amounts due to other grants and other transfers (see attached list)	21,373,292	16,453,858
Acquisition of assets	1,003	1,003
Others (<i>specify</i>)	1,709,257	5,280,028
	75,371,839	67,186,578

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4 : SUMMARY OF FIXED ASSET REGISTER (Annex 4)				
Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Asset class	12,197,031	1,150,000	0	13,347,031

17.5: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	9,748,391	11,629,877
	9,748,391	11,629,877

17.6: PROGRESS ON FOLLOWUP OF AUDITORS RECOMMENDATIONS (See Annex 6)

NATIONAL GOVERNMENT ENTITY - (NGCDF NDIA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2020 (Kshs'000)

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. N/A	NIL	NIL	NIL	NIL	
2. N/A		NIL	NIL	NIL	
3. N/A		NIL	NIL	NIL	
Sub-Total					
Construction of civil works					
4. N/A	NIL	NIL	NIL	NIL	
5. N/A	NIL	NIL	NIL	NIL	
6. N/A	NIL	NIL	NIL	NIL	
Sub-Total					
Supply of goods					
7. N/A	NIL	NIL	NIL	NIL	
8. N/A	NIL	NIL	NIL	NIL	
9. N/A	NIL	NIL	NIL	NIL	
Sub-Total					
Supply of services					
10. N/A	NIL	NIL	NIL	NIL	
11. N/A	NIL	NIL	NIL	NIL	
12. N/A	NIL	NIL	NIL	NIL	

NATIONAL GOVERNMENT ENTITY - (NG CDF NDIA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2020 (Kshs' 000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

NATIONAL GOVERNMENT ENTITY - (NG CDF NDIA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2020(Kshs'000)

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees	To cater for salaries for employees	2,358,307	2,309,907	The unutilized fund is as a result of fund not received from NG CDF Board
Use of goods & services	Cater for committee allowances and other expenses Cater for education projects	9,071,060	8,202,501	The unutilized fund is as a result of fund not received from NG CDF Board
Amounts due to other Government entities				The unutilized fund is as a result of fund not received from NG CDF Board
karimaini primary school		2,500,000		
kahaka primary school		1,699,995		
kiandangae primary school		3,000,000		
Githuaini primary school		1,095,758		
kianwe primary school		3,700,000		
kiburu primary school		2,500,000		
lower baricho primary school		1,095,758		
lower sagana primary school		2,500,000		
ndiriti primary school		2,500,000		
thumaita west primary school		1,095,758		
thunguri Primary school		2,500,000		
upper sagana Primary School		5,300,000		
mathia primary school		375,893		
Kairinisecndary school		2,500,000		
kahaka Secondary School		700,000		
kianjege west Secondary School		4,000,000		
Kiburu Girls Secondary School		1,000,000		
mukangu secondary school		1,700,000		
Ndiriti vocational technical Inst.		1,095,758		
Sub-Total		40,858,920	34,939,280	
Sub-Total		52,288,287	45,451,688	
Amounts due to other grants and other transfers	Include bursaries, security,			The unutilized fund is as a result of fund not received from NG CDF Board

NATIONAL GOVERNMENT ENTITY - NG CDF NDIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Emergency	environment, sports and emergency projects			
Secondary Schools		4,898,241		
Tertiary Institutions		2,436,588		
Universities		2,690,048		
Sports		5,468,400		
Environment		2,603,390		
kibirigwi primary school		356		
kiriko primary school		356		
thanju primary school		357		
kianwe primary school		500		
getuya primary school		500		
kiriko primary school		500		
mathia primary school		500		
muragara primary school		500		
gathambi primary school		500		
thunguri primary school		500		
security		500		
kibingoti assistant chief				
kibingoti assistant county commissioner		1,000,000		
muragara police post		1,095,758		
sagana assistant chief office		1,176,297		
Sub-Total		21,373,392	16,453,858	
Acquisition of assets		73,661,579	61,905,546	
Construction of CDF office	To purchase assets & office renovation			
Sub-Total		1,003		
		1,003	1,003	
Sub-Total		73,662,582	61,906,549	
Others AIA PLUS ICT HUBS	This fund include AIA and money for ict hub awaiting reallocation approval by NG CDF			The unutilized fund is as a result of reallocations not yet approved by the NG CDF Board.
			5,280,028	

NATIONAL GOVERNMENT ENTITY - NGCDF NDIA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2020 (Kshs'000)

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
saganaict Hub	Board	1,169,257		
AIA		540,000		
	Sub-Total	1,709,257	5,280,028	
	Grand Total	75,371,889	67,186,577	

NATIONAL GOVERNMENT ENTITY - NG CDF NDIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020 (Kshs'000)

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land				
Buildings and structures	4,844,872	1,150,000	0	5,994,872
Transport equipment	4,328,326	0	0	4,328,326
Office equipment, furniture and fittings	1,881,088	0	0	1,881,088
ICT Equipment, Software and Other ICT Assets	1,012,714	0	0	1,012,714
Other Machinery and Equipment	60,792	0	0	60,792
Heritage and cultural assets				
Intangible assets	69,239	0	0	69,239
Total	12,197,031	1,150,000	0	13,347,031

NATIONAL GOVERNMENT ENTITY - (NG CDF NDIA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2020(Kshs'000)

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

PMC	BANK	Account number	Bank Balance 2019/20	Bank Balance 2018/19
KIBURU PRIMARY SCHOOL	Equity Kagio	0420269843400	10,552	10,552
KIBIRIGWI PRIMARY SCHOOL	Equity Kagio	0420161715617	2	2
KIANGAI PRIMARY SCHOOL	Equity Kagio	0420278146485	717,524	717,524
NGANDO PRIMARY SCHOOL	Equity Kagio	0420261514805	430	430
KAHUHOINI PRIMARY SCHOOL	Equity Kagio	0420166794938	6,850	6,850
UPPER SAGANA PRIMARY SCHOOL	Equity Kagio	0420276253574	3,389,772	3,389,772
NDIGARU PRIMARY SCHOOL	Equity Kagio	0420269844737	131,234	131,234
KATHAKA PRIMARY SCHOOL	Equity Kagio	0420274267239	6,380	6,380
KIANJEGE WEST PRIMARY SCHOOL	Equity Kagio	0420276286218	3,062	3,062
KIANDANGAE PRIMARY SCHOOL	Equity Kagio	0420294485405	17,365	17,365
KAHIRO PRIMARY SCHOOL	Equity Kagio	0420161717617	1,615	1,615
THUMAITA WEST PRIMARY SCHOOL	Equity Kagio	0420191370332	120,008	120,008
KIINE PRIMARY SCHOOL	Equity Kagio	0420165044738	142,600	142,600
GACHARU PRIMARY SCHOOL	Equity Kagio	0420296963408	22,593	22,593
UPPER BARICHO PRIMARY SCHOOL	Equity Kagio	0420177452068	659,820	659,820
KIANJEGE WEST SECURITY PROJECT	Equity Kagio	040193034855	98,441	98,441
KAIRUNGU PRIMARY SCHOOL	Equity Kagio	0420294740792	51,693	51,693
KIANGOMA PRIMARY SCHOOL	Equity Kagio	0420166782031	434,392	434,392
ST PHILIPS SECONDARY SCHOOL	Equity Kagio	0420294755129	8,162	8,162
KAIRIINI SECONDARY SCHOOL	Equity Kagio	0420265373488	6,574	6,574
SAGANA SECONDARY SCHOOL	Equity Kagio	0420294147268	50	50
BARICHO BOYS SECONDARY SCHOOL	Equity Kagio	0420279269636	1,000,000	1,000,000
KIBURU GIRLS SECONDARY SCHOOL	Equity Kagio	0420266784068	5,275	5,275
KIBURU BOYS SECONDARY SCHOOL	Equity Kagio	0420264541277	4,001	4,001
BISHOP NGORU GITHUAINI SEC. SCHOOL	Equity Kagio	040292674923	24	24
KATHAKA SECONDARY SCHOOL	Equity Kagio	0100291743177	6,057	6,057
GACHARU SECONDARY SCHOOL	Equity Kagio	0100190224542	548,380	548,380
KIARAGANA GIRLS SECONDARY SCHOOL	Equity Kagio	0100293161136	2,218,630	2,218,630
MUKANGU SECONDARY SCHOOL	Equity Kagio	0420266484449	1,115	1,115

NATIONAL GOVERNMENT ENTITY - NG CDF NDIA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2020 (Kshs'000)

PMC	BANK	Account number	Bank Balance 2019/20	Bank Balance 2018/19
NGUGUINI POLICE POST	Equity Kagio	0100191736654	51,070	51,070
KIBINGOTI DOs OFFICE	Equity Kagio	0420161548616	605	605
BARICHO POLICE POST	Equity Kagio	0420161541424	6,108	6,108
SAGANA ASS. CHIEFS OFFICE	Equity Kagio	0420178451535	2,716	2,716
KIBURU POLICE POST	Equity Kagio	0100190081005	1,494	1,494
MUKURE ASS. CHIEFS OFFICE	Equity Kagio	0420176803017	56,300	56,300
KIBINGOTI ASS. CHIEFS OFFICE	Equity Kagio	040194142480	160	160
NDIA CONSTITUENCY OFFICE	Equity Kagio	0420164569532	10,488	10,488
KAHUHOINI PRIMARY SCHOOL	Equity Kagio	0420166794938	6,850	6,850
TOTALS			9,748,391	11,629,877

The bank balances in the PMC bank account are as a result of retention funds held, fund that was tranfered to those PMCs account toward the end of financial year and as a result of projects which are not yet complete for payment to contractors.

NATIONAL GOVERNMENT ENTITY - NG CDF NDIA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2020 (Kshs'000)

ANNEX 6 - 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)
4.1.1 Transfer to secondary school	1. KINYAKIIRU PRIMARY SCHOOL Physical verification of the project revealed that the project was complete and in use. However, the walls of the ablution block had some cracks while the doors for the latrines were poorly done and could not closed	<p>The auditors findings have been noted and the school management has embarked on doing repairs on the walls and the doors of the pit latrine block to make it usable.</p> <p>Tender documents for the construction and renovation of classrooms have been availed and attached to this document (annex 1).</p> <p>The reason for awarding RafikiKweli Hyper is because the contractor had attached all the required documents unlike the other bidders that had quoted a lower figure than the winning tenderer thus were not responsive in terms of the required documents to be awarded the construction project as per the attached (annex).</p>	TIMOTHY NJICHI F.A.M	RESOLVED	
	II.K.ARIMAINI SECONDARY SCHOOL Upon field verification, it was noted that the funds had been used to construct a modern kitchen at	After the school requested for a change of activity CDFC wrote the same to CDF Board requesting change in activity which was	TIMOTHY NJICHI F.A.M	RESOLVED	

NATIONAL GOVERNMENT ENTITY - NG CDF NDIA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2020 (Kshs'000)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>a contract sum of Kshs.999,410 by Berint Kenya ltd. Though the school management had BOD minutes dated 25th June 2018 requesting for the change of activity from multipurpose hall to a modern kitchen, the CDF had no documented authorization for the change of the activity.</p>	<p>approved as per the the attached document(annex)</p> <p>After the first contractor was contracted he never went to the site so when six months elapsed it prompted the office to re-advertise as per the procurement documents provided herein (annex)</p> <p>The project is still not complete as there are pending works and only part payment has been made as evidenced by the certificate from public works office and the bank statement (annex).</p>			
	<p>II. KAIRINI SECONDARY SCHOOL Upon scrutiny of payment vouchers and project files revealed that a total of Kshs.1, 600,000 was allocated towards construction of a dining hall up to the slab level at Kairini secondary. The project was done by Don valley merchants ltd at a contract sum of Kshs.1, 595,422. However, advertisements, tender opening minutes, evaluation and award</p>	<p>The procurement documents and completion certificate are as provided in the attached document for your verification(annex).</p>	<p>TIMOTHY NJICHI F.A.M</p>	<p>RESOLVED</p>	

NATIONAL GOVERNMENT ENTITY - NG CDF NDIA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2020 (Kshs'000)

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)
	minutes, letter of acceptance, contract agreement, and a completion certificate were not availed for audit verification.				
	<i>IV. MUKANGU SECONDARY SCHOOL Upon field visit, it was noted that the verandah had many holes and the flooring was poorly done, a part of the wall had also peeled off.</i>	<i>This has been noted and the school management has already embarked on repairing the verandah and the walls to make the learning conditions better.</i>	<i>TIMOTHY NJICHI F.A.M</i>	<i>RESOLVED</i>	
4.1.2 Transfer s to Primary Schools	<i>I.Kiine primary school</i> A review of the project file revealed that the contract was procured and awarded to Listech contractors at the contract price of Kshs.1,494,310 on 17th April 2018 as per the award letter Ref NGCDF NDIA /P012/2016/17. However, the contractor was paid the full contract amount without evidence of deduction of the retention fee. Further, physical verification carried out on 12 February 2020 revealed a poor workmanship of the project that included cracked, peeling off floors, and the windows did not have locks for closing them. Further, the	<i>This has been noted and the school management has already embarked on repairing the verandah, the walls and replacing the mishandled locks for the windows. The school admitted to occupying the classrooms before proper curing of the floor and the wall due to the large population of the students versus the number of classes the school has. The various monitoring and evaluation reports by the CDFC have been attached as proof of supervision.</i>	<i>TIMOTHY NJICHI F.A.M</i>	<i>RESOLVED</i>	

NATIONAL GOVERNMENT ENTITY - NG CDF NDIA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2020 (Kshs'000)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>computer-room had cracked floor and both the outside and inside walls had cracks and wall plaster was peeling off. All the five classes were poorly done.</p> <p>Documents availed for audit did not disclose whether CDF monitored the execution of the contract. An inspection and acceptance committee report was not availed our audit review.</p>				
	<p>III. Gathambi Primary School</p> <p>Transfers to primary schools balance of Kshs.26,217,000 includes an amount of Kshs.850,000 transferred to Gathambi Primary school that includes a figure of Kshs.847,755 to contractor Kihuro Enterprises for the construction of toilets. A certificate of completion was issued on 6 July 2018. During audit verification on 12 February 2020, it was noted that though complete the toilets were not in use allegedly awaiting commissioning by the area Members of Parliament.</p>	<p>The toilet was officially handed over on 15th February 2020 and is in use. This is after the contractor finished the remaining works that had not been done there before. Also to note is that the PMC haven't released the retention money to the contractor as he had not done what was recommended by the works officer. This is evidenced by the bank statement even though the six month grace period elapsed on February. find the attached documents. (annex)</p>	<p>TIMOTHY NJICHI E.A.M</p>	<p>RESOLVED</p>	

NATIONAL GOVERNMENT ENTITY - NGCDF NDIA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2020 (Kshs'000)

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)	Time frame (Put a date when you expect the issue to be resolved)
4.2 Other Grants and Other Payments – Unsupported Expenditure	Included in other grants and other payments balance of Kshs.48,919,492 in the statement of receipts and payments for the year ended 30 June 2018 is sports projects balance of Kshs.1,637,931 that was not supported by either payment vouchers or schedules. No explanation was given for this anomaly.	This has been noted and the available documents have been availed for your verification. however ,the Fund Account Manager at the time of expenditure is now deceased and the new management cant trace any other document relating to the above matter. see attached(annex)	TIMOTHY NJICHI F.A.M	NOT RESOLVED WAITING FOR THE SENATE APPROVAL	
4.3 Delayed implementation of security projects	Audit of the security expenditure for 2017/18 revealed that projects worth Kshs.4,173,000 had rolled over from 2015/16 and were only funded in 2017/2018. There was no sufficient reason presented to confirm why they took three financial years to implement.	This delay in the implementation of some projects have been noted and measure have been put in place to ensure that timely implementation of projects is achieved. this delay is normally experienced when there is delay in release of funds from the NGCDF board but requisitions have so far been done release of any pending amount of money and the projects have been done to completion. find the attached documents for verification(annex)	TIMOTHY NJICHI F.A.M	RESOLVED	
4.4 Committe	Included in use of goods and services balance of Kshs.5, 078,546 for the	The work plan for the financial year 2017/18 has been availed for your verification and this will always be provided in the coming	TIMOTHY NJICHI F.A.M	RESOLVED	

NATIONAL GOVERNMENT ENTITY - NG CDF NDIA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020 (Kshs'000)

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)
e expe ases	<p>year ended 30 June 2018 is committee expenses amount of Kshs.1,059,500 that includes a figure of Kshs.450,000 spent on payment of training to Project Management committee members undergoing capacity building as per voucher number 53. However, Ndia NG- CDF did not provide for audit a capacity building work plan for the period to support the expenditure.</p>	<p>financial years</p>			
4.5 Eme rgen cy proj ects	<p>Note 1.1.1.1.1.1.7 on other Grants and Other Payments totaling Kshs.48,919,492 included an amount of Kshs.911,000 being emergency whose budget was Kshs.4,094,827. The expenditure of Kshs.911,000 vide payment voucher 22 of 30 September 2017 includes an amount of Kshs.870,000 indicated as sitting allowance, capacity building and office expenses. However, these expenses are ordinary recurrent expenses and not emergency in nature hence it was not clear why they were charged as emergency expense. Further to the above, the management failed to absorbed Kshs.3,183,827 budgeted for emergency purposes without</p>	<p>The management at the time of use of the above money had exhausted the funds under monitoring and expenditure and administration votes.as at this time the management had not submitted the proposals for that financial year since it was immediately after the general election and there was no new committee. On under absorption of Kshs3,183,827, the cdf act allows reallocation of the funds to other activities or projects by the CDFCs.this was done later in the financial year 2017 18 as attached</p>	<p>TIMOTHY NJICHI F.A.M</p>	<p>RESOLVED</p>	

NATIONAL GOVERNMENT ENTITY - NG CDF NDIA CONSTITUENCY)
Reports and Financial Statements
For the year ended June 30, 2020 (Kshs'000)

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)
	<i>giving sufficient</i>	<i>herein annex...</i>			