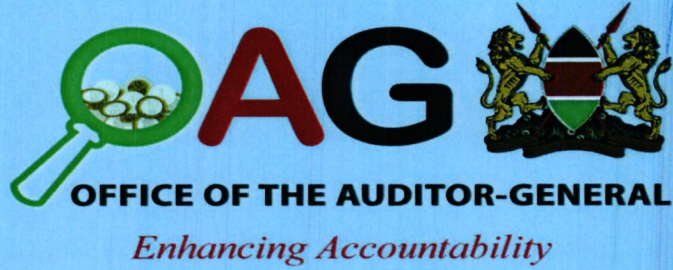


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REPORT

OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
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DATE: 15 FEB 2023

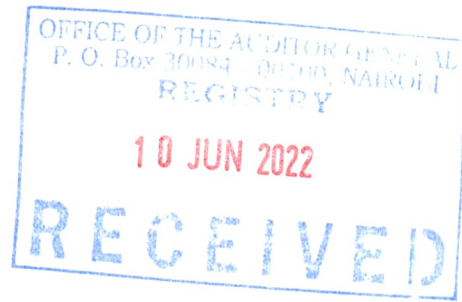
TABLED BY:	Deputy Majority Leader
CLERK AT THE TABLE:	Fo Muniki

DAY: week

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
GATUNDU SOUTH CONSTITUENCY**

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



GATUNDU SOUTH CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REVISED REPORT ON FINANCIAL STATEMENTS

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

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

***Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021***

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund

**Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
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3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	Samuel Nzuki
2.	Sub-County Accountant	Eric Mwenda
3.	Chairman NGCDFC	James Kimani Nage
4.	Member NGCDFC	John Mwangi Kiare

(d) Fiduciary Oversight Arrangements

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

(e) Gatundu South Constituency NGCDF Headquarters

P.O. Box 213- 01030
NGCDF Building
Gatundu



Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
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(f) Gatundu South Constituency NGCDF Contacts

Telephone: (254)727 389 947
E-mail: ngcdfgatundu.go.ke
Website: www.go.ke

(g) Gatundu South Constituency NGCDF Bankers

Equity Bank
Gatundu Branch
P.o Box 528 -01030
Gatundu

(h) Independent Auditors

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

(i) Principal Legal Adviser

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



II. NG-CDFC CHAIRMAN'S REPORT

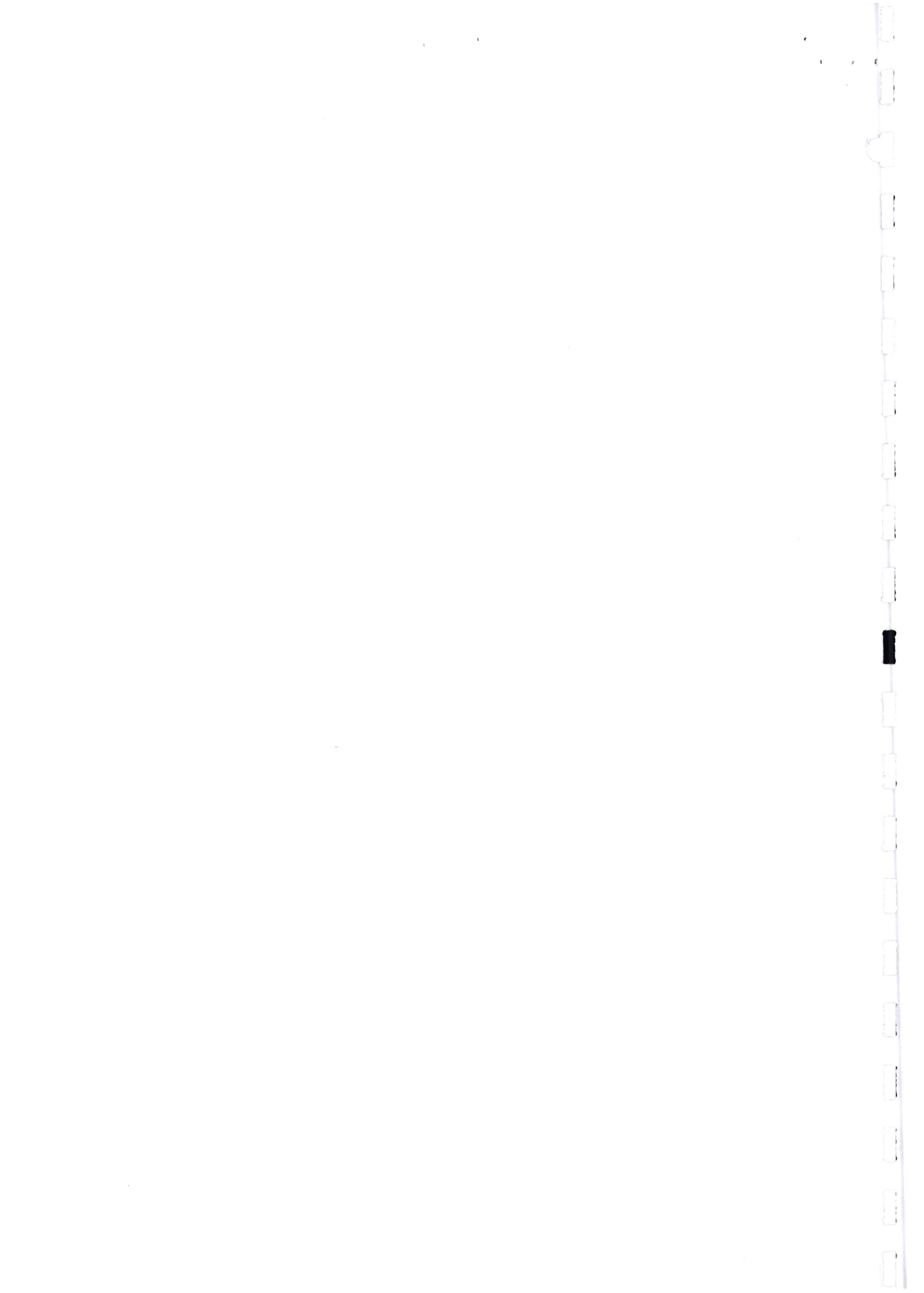


James Kimani Nage

As the chairman of GATUNDU SOUTH NGCDFC on behalf of the committee members, I am pleased to present to you the annual report and financial statements for the financial year 2020-2021 for GATUNDU SOUTH Constituency. In the year under review, the constituency received Kshs. 171,367,724 and an opening cash book balance of Kshs. **11,815,218**. The Constituency spent Kshs. **151,065,169** and closed with a cashbook balance of Ksh. **32,117,773** which was **88%** of the amount received from the board.

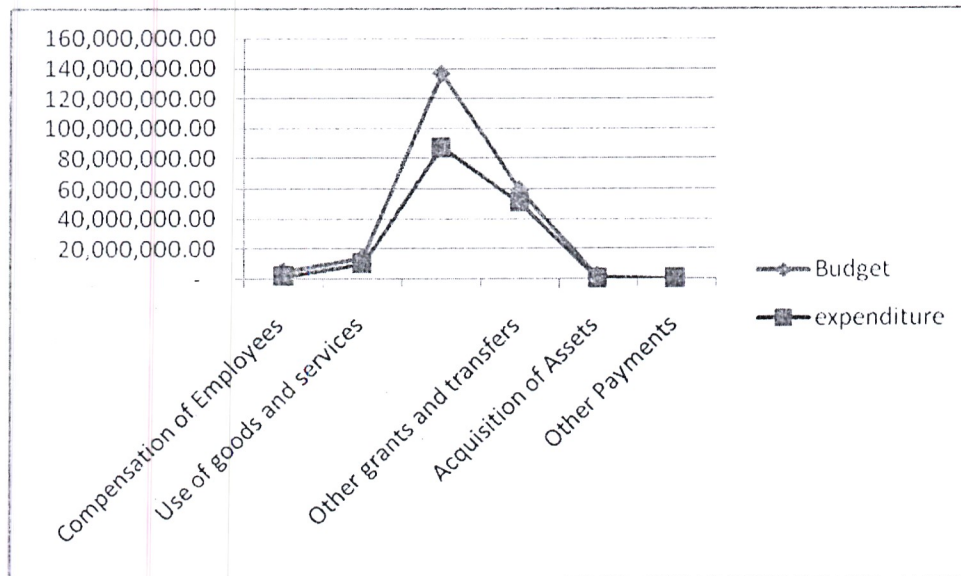
The financial performance is summarized in the table below:

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Annual Expenditure	Budget Utilisation Difference
Compensation of Employees	2,920,400	2,169,594	5,089,994	1,794,400	3,295,594
Use of goods and services	8,494,695	5,795,574	14,290,269	10,379,232	3,911,037
Transfers to Other Government Units	88,300,000	48,300,000	136,600,000	87,811,679	48,788,321
Other grants and transfers	37,373,784	21,908,559	59,282,343	51,079,858	8,202,485
Acquisition of Assets	-	2,000,000	2,000,000	-	2,000,000
Other Payments	-	14	14	-	14
UNALLOCATED FUND	-	1,009,200	1,009,200	-	1,009,200
TOTAL	137,088,879	81,182,941	218,271,820	151,065,169	67,206,651



Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Below is analysis of the expenditure against the final Budget:



During the financial year 2020-2021, the constituency implemented several projects in various sectors, which show great improvement on financial year allocation.



Fig:- 1.0 Muthurumbi primary school



Fig:-1.0- Muthurumbi primary school – Renovation of 13 classrooms
one staffroom and administration office block: FY-2020-2021

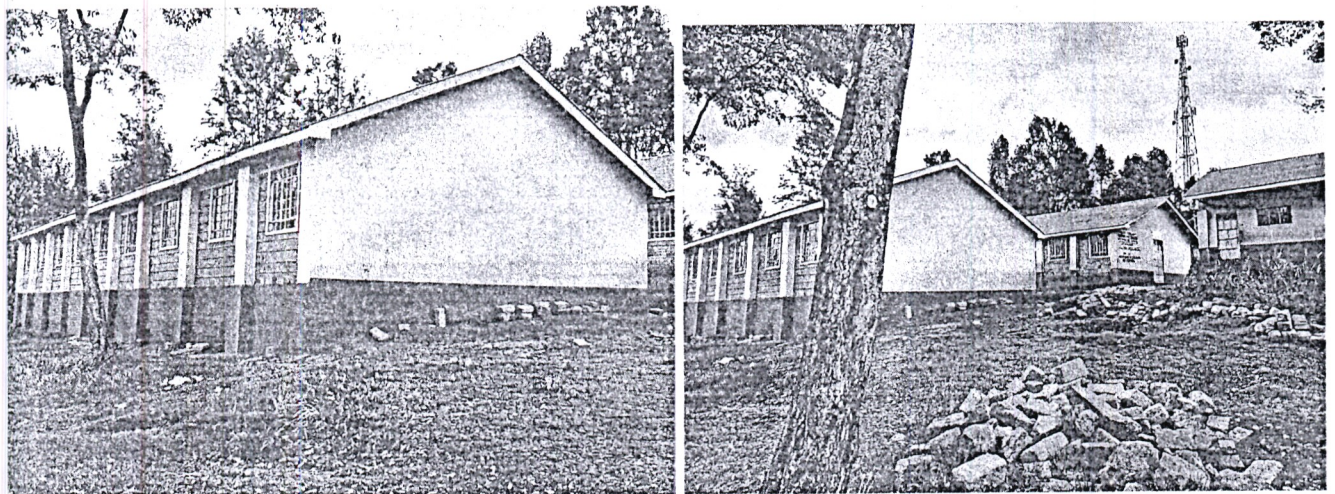
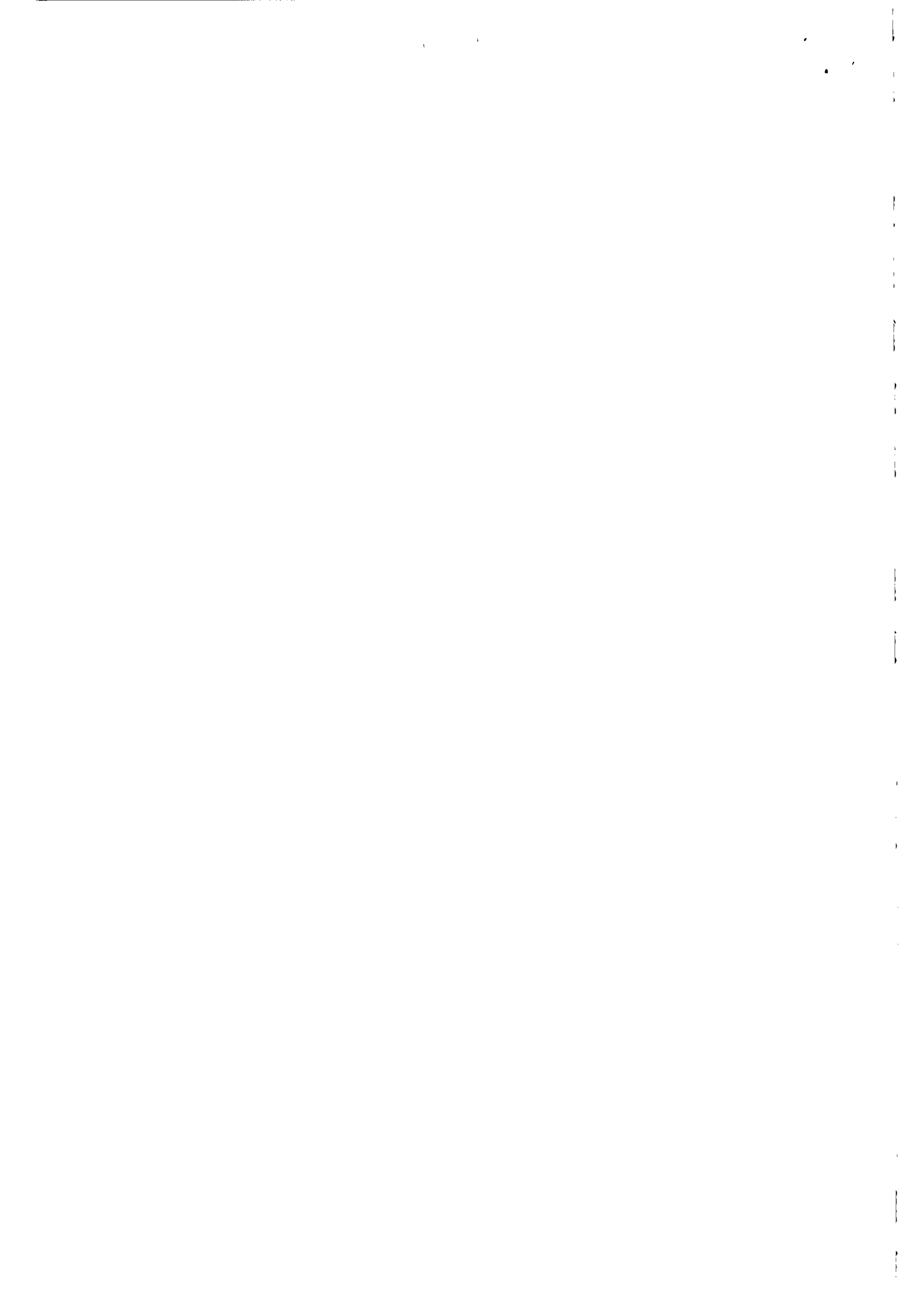


Fig 1.2 -Gachoka Secondary school -Construction of dormitory block
-FY 2020/2021



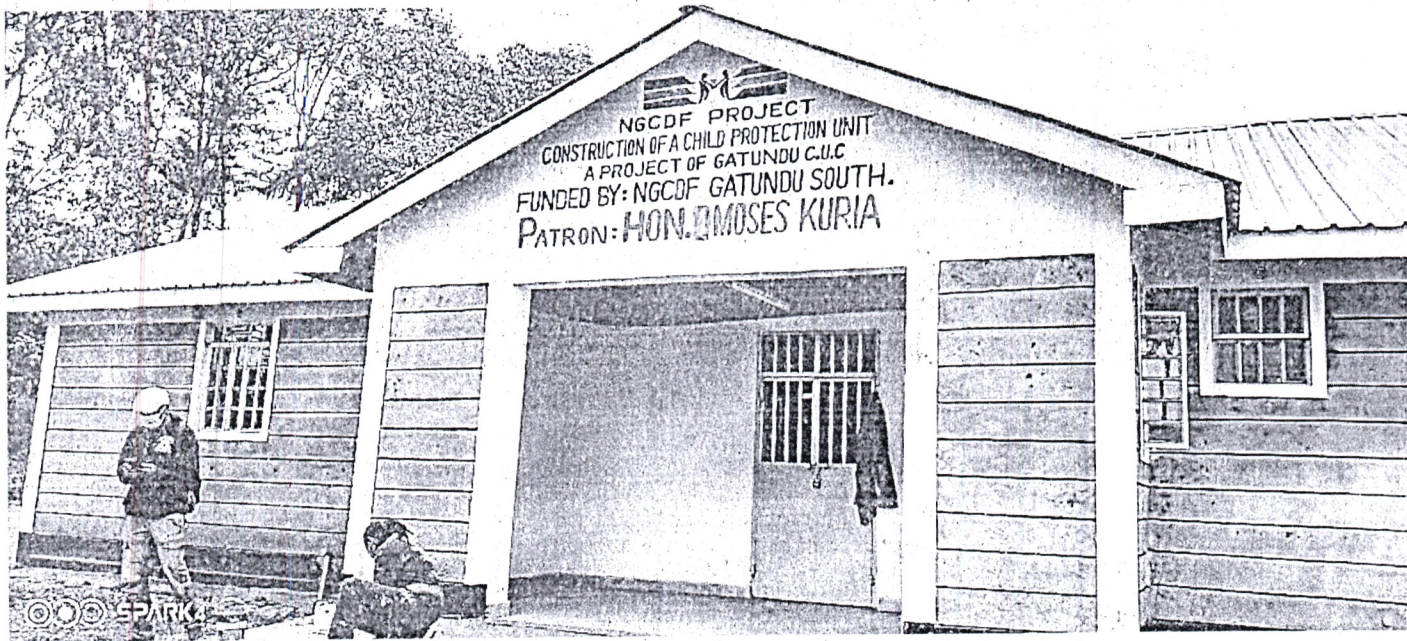
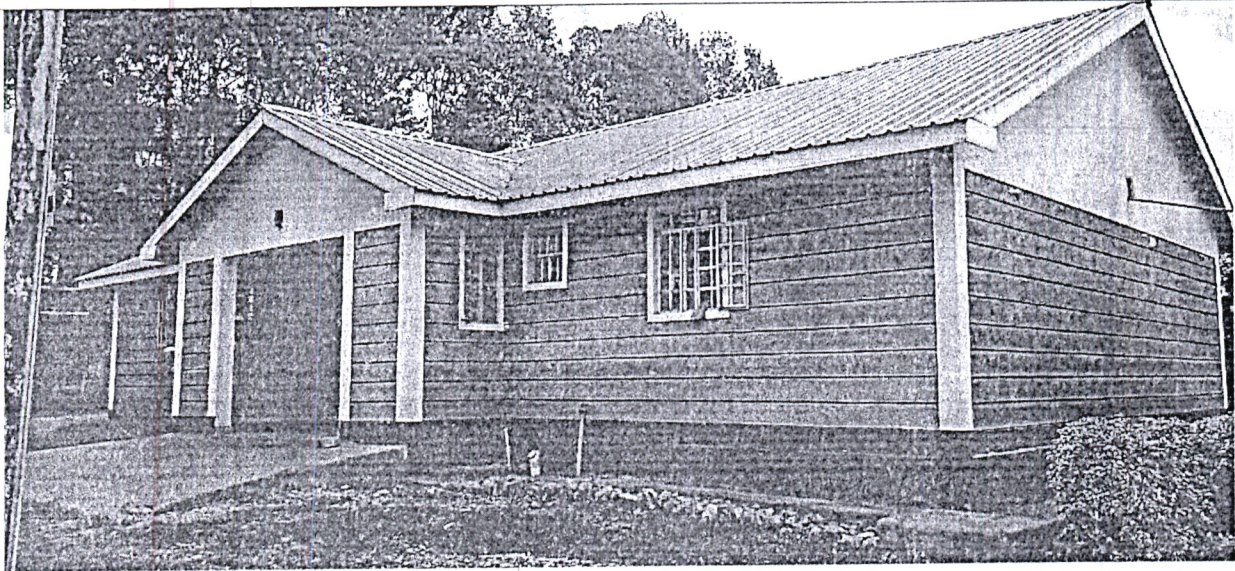


FIG -1.3 - Children Protection Unit – Construction of child protection Unit FY-2020-2021



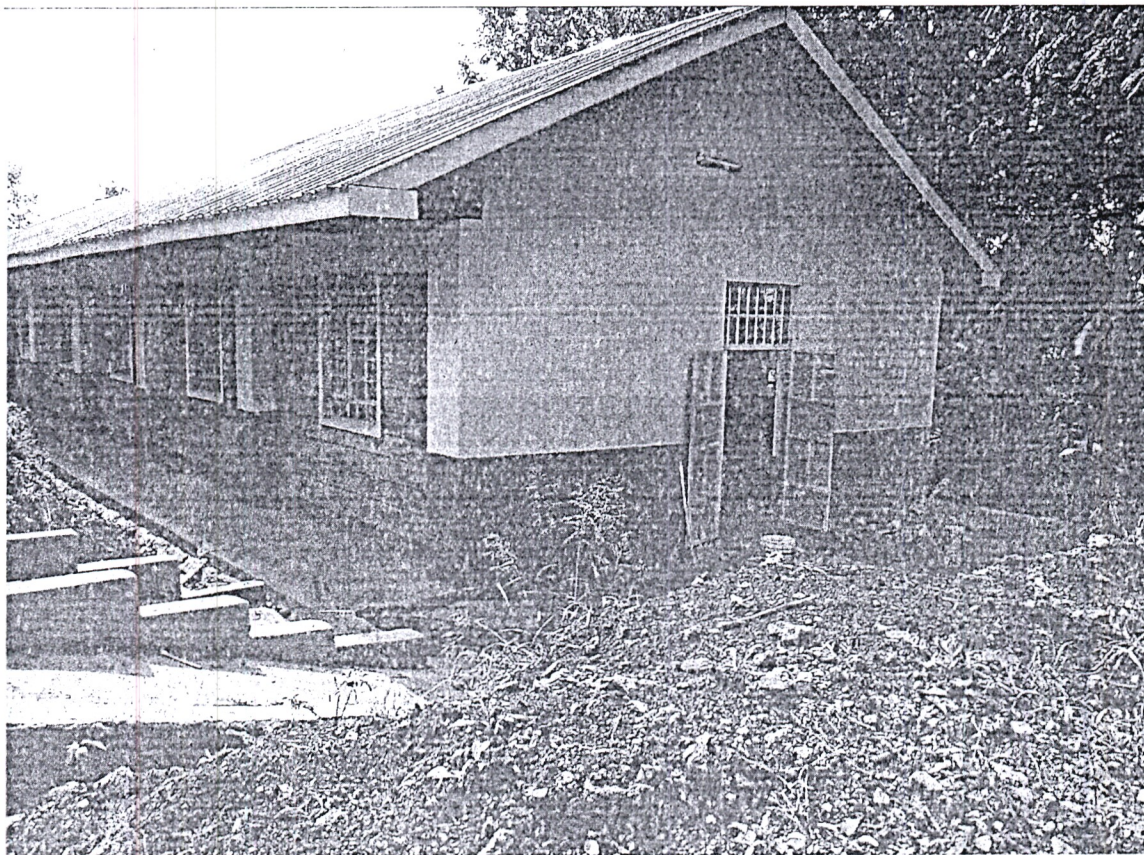


Fig 1.4 -Githuya Secondary School - Construction of girls' /boys dormitory block
-FY 2020/2021



Fig 1.6 - Handege Primary School - Construction of gate with watchman cubicle and chain-link fence FY 2020-2021

EMERGING ISSUES RELATED TO THE ENTITY:

Late disbursement of Funds which derail implementation of projects
Covid 19 related issues which changed the way we work during implementation of projects

IMPLEMENTATION CHALLENGES

There has also been staff turnover challenge i.e. Fund account manager's transfers which results to time consumption in understanding the constituency environment with its operational challenges.

Signature



JAME KIMANI NAGE

CHAIRMAN NGCDF COMMITTEE



III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

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

- a) Promote and improve the quality of education standards
- b) Improve the security status, and strengthen security sector
- c) Improve sports and talents among the youth.
- d) Enhance quality leadership and policy direction for effective fund management.

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school and training institution infrastructure	High number of admission in primary schools and improved transition to secondary schools and tertiary institutions	- number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels	In FY 2020/21 we increased number dormitories and classroom and did some renovations. Purchased school buses different schools is still ongoing. The Bursary beneficiaries also increased.
Security	To improve security status and strengthen security sector	Construction and renovation of Ap police post in Gatundu South Constituency	-Number of police stations in every ward	In FY 2020/2021 The Construction of the new children protection Unit is ongoing
Environment	Improve and enhance conservation in the constituency.	Levelling, landscaping and tree planting program has been initiated	- Number of institution that the constituency has planted trees.	- Levelling and landscaping is still ongoing @ GTTI



Gatundu South Constituency

National Government Constituencies Development Fund (NGCDF)

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

Sports	Empower and develop youths through sports.	Sport tournament has been empowered and initiated	- Engage with the number of teams that are active in the constituency	- In the FY 2020/2021 Number of Constituency tournament increased from 4 per ward to 11 per location.
Disaster Management	Fire protection facilities has been provided inside and outside the building.	Provision of fire protection and clothing.	- Fire extinguishers are adequate and well maintained	- Number increased from 1-4.



IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

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

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

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

2. Environmental performance

NGCDF Gatundu south has ensured that the environment we live and work in is protected. Our key responsibility and an important aspect is the way in which we carry our operations.

Environmental Policy.

- ✓ Observe all the relevant environmental regulation.
- ✓ Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air and water.



- ✓ Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources.
- ✓ Managing and disposing of all wastage in a responsible manner.
- ✓ Monitoring and continuously improving our environmental performance

3. Employee welfare

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

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Gatundu South constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Gatundu South NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

5. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and

Gatundu South Constituency

National Government Constituencies Development Fund (NGCDF)

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

policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NGCDF Board in accordance with the Act.

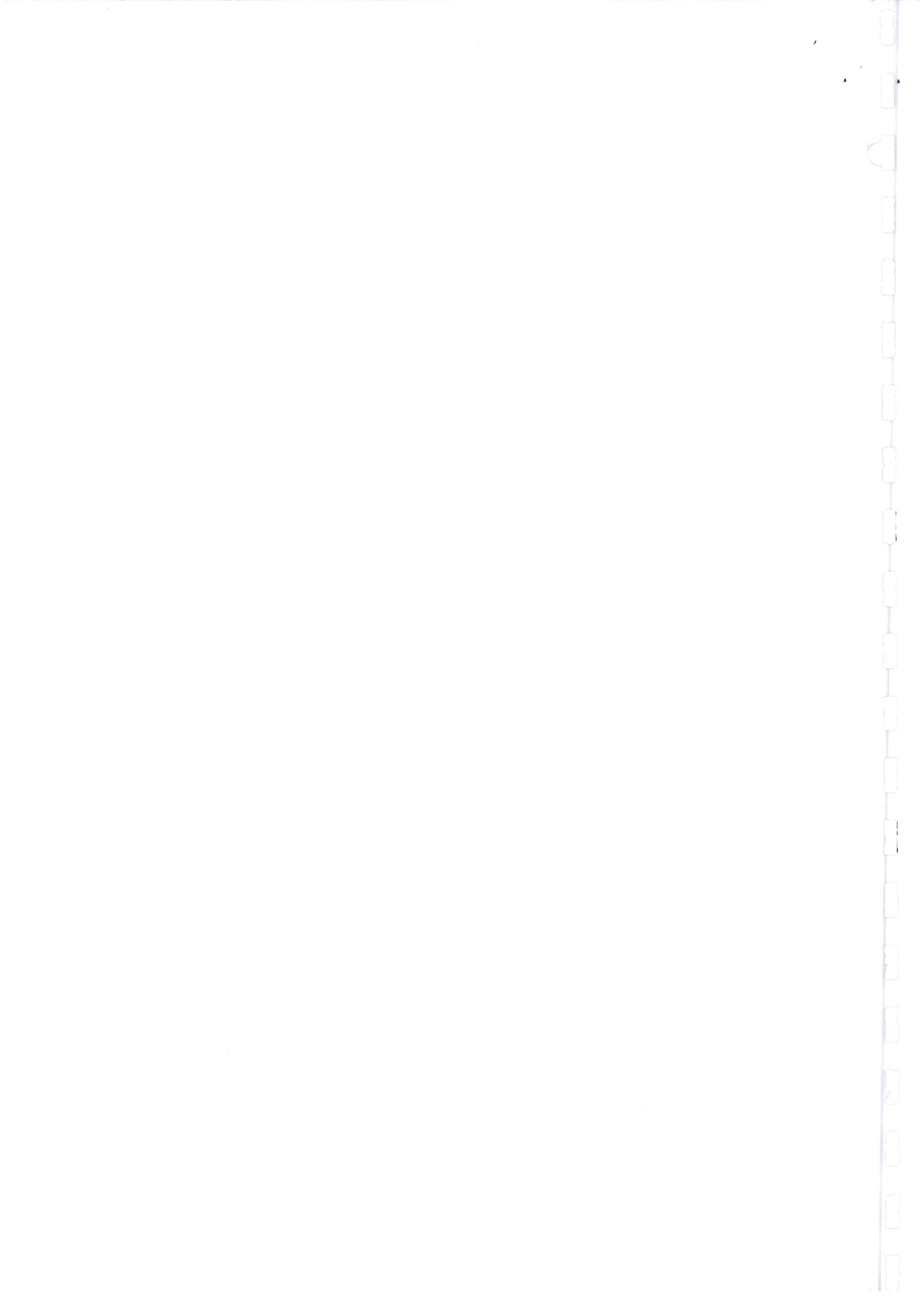
Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

The NGCDF during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

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



V. STATEMENT OF MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-Gatundu South Constituency is responsible for the preparation and presentation of the constituency financial statements, which give a true and fair view of the state of affairs as at the end of the financial year (period) which ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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 constituency ; (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-Gatundu South Constituency accepts responsibility for the constituency financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of constituency's transactions during the financial year ended June 30, 2021, and of the Constituency's financial position as at that date. The Accounting Officer in-charge of the NGCDF- Gatundu South Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the constituency's financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the financial statements

The NGCDF- Gatundu South Constituency financial statements were approved and signed by the Accounting Officer on 31st May, 2022.


Chairman NGCDF Committee
Name: **James K. Nage**

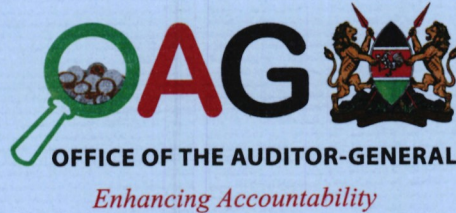



Fund Account Manager
Name: **Samuel N. Mawiyoo**



REPUBLIC OF KENYA

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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Gatundu South set out on pages 18 to 53, which

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Gatundu South as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1. Inaccuracy in the Financial Statements

Note 17.3 to the financial statements under other important disclosures reflects unutilized funds comparative balance of Kshs.81,182,941 while the prior year financial statements reflected an unutilized funds balance of Kshs.74,798,681 resulting to an unreconciled balance of Kshs.6,384,260.

In the circumstances, the accuracy and completeness of the unutilized funds comparative balance of Kshs.81,182,941 could not be confirmed.

2. Irregular Payment for School Buses

The statement of receipts and payments and the corresponding disclosure Note 6 to the financial statements reflects transfer to other Government unit amounting to Kshs.87,811,679. The amount includes transfers to secondary schools amounting to Kshs.63,811,679 out of which Kshs.21,300,000 was paid to a garage on 17 September, 2020 in respect of purchase of three (3) school buses for Nembu, Gitare and Kagio Secondary Schools. Review of the contract documents revealed that the buses were to be delivered and payments made within thirty (30) days from date of the invoice. However, physical verification carried out on 7 April, 2022 revealed that the buses were yet to be delivered to the respective schools. As a result, Management made payments for undelivered buses. In addition, the minutes of the open forums at which the residents identified the buses as projects were not submitted for audit verification.

In the circumstance, the accuracy and regularity of the expenditure of Kshs.21,300,000 could not be confirmed,

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Gatundu South 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 report in the year under review.

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects final receipts budget and actual on comparable basis totalling to Kshs.218,271,820 and Kshs.183,182,942 respectively, resulting to an underfunding amounting to Kshs.35,088,878 or 16% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.218,271,820 and Kshs.151,065,169 respectively, resulting to an under expenditure of Kshs.67,206,651 or 31% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Irregular Re-Allocation of Funds

The statement of receipts and payments and the corresponding disclosure Note 6 to the financial statements reflects transfer to other Government units amounting to Kshs.87,811,679. The amount includes transfers to secondary schools amounting to Kshs.63,811,679 out of which an amount of Kshs.10,000,000 was disbursed for the construction of two (2) dormitories of two hundred (200) students capacity at Handege Secondary School. Physical verification carried out on 7 April, 2022 revealed that the dormitories were not constructed. Although the Fund Account Manager explained that the disbursed funds were used for constructing classrooms in Handege primary school, no approval from the National Government Constituencies Development Fund Board was provided. This is contrary to Section 6(2) of the National Government Constituencies

Development Fund Act, 2015 which stipulates that once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval of the Board.

In the circumstances, Management was in breach of the law.

3. Irregular Bursary Award

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.51,079,858 which, as disclosed in Note 7 to the financial statements, includes bursary expenditure totalling to Kshs.26,780,830. Review of supporting documents provided in support of the expenditure revealed there was no Education Bursary, Mock Examinations and Continuous Assessments Tests Committee to invite, analyze and make appropriate recommendations of bursary awards to applicants. In addition, application forms used were not the ones prescribed by circular number CDFB/CEO/board circulars VOL II (021) of 18 June, 2020 and the Fund Management did not maintain a Bursary Application Register containing details of applicants such as names of applicants, amounts applied for and schools admitted to.

In the circumstances, Management was in breach of the guidelines.

4. Sports Projects Expenditure

The statement of receipts and payments and the corresponding disclosure Note 7 to the financial statements reflects other grants and transfers amounting to Kshs.51,079,858. The amount includes sports projects expenditure amounting to Kshs.5,830,132 out of which an amount of Kshs.3,150,000 was incurred on the renovation of Gatundu Stadium. However, construction of sports stadium is a devolved function as per the fourth schedule of the Constitution of Kenya, 2010. Management has not provided an explanation for funding a devolved function project.

Further, physical verification carried out on 8 April, 2022 revealed that planting of bougainvillea seedlings along the chain-link fence was not done, part of the fence was not fenced using the chain-link as provided for in the Bill of Quantities and floors that had been renovated on the existing podiums had already chipped off an indication of poor workmanship.

In the circumstances. Management was in breach of the law and value for money may not have been realized for the expenditure of Kshs.3,150,000 incurred on the renovation of the stadium.

5. Irregular Expenditure on Emergency Expenses

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.51,079,858 which, as disclosed in Note 7 to the financial statements, includes emergency expenditure amounting to Kshs.7,719,242. However, the emergency expenditure was not reported to the National Government Constituencies Development

Fund Board. This is contrary to Regulation 20(2) of the National Government Constituencies Development Fund Regulations, 2016 which stipulates that the utilization of the emergency reserve shall be reported to the Board within thirty days of the occurrence of the emergency, in the format prescribed by the Board. The emergency payments were made in respect of among others Kabiru Primary School project to facilitate construction of one (1) block of eight (8) pit latrines and urinal at Kshs.528,241 which was requested in the 2019/2020 financial year and the expenditure was therefore not an emergency .

Further, review of documents provided for audit revealed that the tender was awarded to a contractor who had not attached a CR12 form to the tender document which was a preliminary requirement. Physical verification carried out on 7 April, 2022 revealed that although the building was complete and in use, the completion certificate was not provided for audit verification.

In the circumstances, Management was in breach of the law.

6. Failure to Return Unutilized Project Management Committee Balances

Annex 5 to the financial statements reflects Project Management Committee unutilized fund balances of Kshs.277,398 which were not transferred to the Constituency Fund account. This is contrary to Section 12 (8) of the National Government Constituency Development Fund Act, 2015 which requires that all unutilized funds of the Project Management Committees shall be returned to the Constituency Fund account. Further, Project Management Committee returns and bank statements were not provided for audit.

In the circumstances, Management was in breach of the law.

7. Under-Allocation of Bursary Funds

The statement of budget execution by sectors and projects indicates a total allocation of Kshs.25,900,000 relating to bursary and social security. However, allocation is approximately 19% of the total allocation of Kshs.137,088,879. This is contrary to Regulation 21(5) of the National Government Constituencies Development Fund Regulations, 2016 which stipulates that Constituency Committees shall allocate not less than twenty five percent of the funds allocated to a constituency for bursaries. As a result, the management made an under-allocation of Kshs. 8,372,220 to bursary and social security expenditure.

In the circumstances, Management was in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and 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 sustainability of services basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and 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 Constituency 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 applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


29 July, 2022

Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021


VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Not e	2020 - 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	171,367,724	68,000,000
Proceeds from Sale of Assets	2	-	820,000
Other Receipts	3	-	-
TOTAL RECEIPTS		171,367,724	68,820,000
PAYMENTS			
Compensation of employees	4	1,794,400	2,950,974
Use of goods and services	5	10,379,232	7,614,761
Transfers to Other Government Units	6	87,811,679	67,497,700
Other grants and transfers	7	51,079,858	33,049,220
Acquisition of Assets	8	-	2,500
Other Payments	9	-	38,500
TOTAL PAYMENTS		151,065,169	111,153,655
SURPLUS/(DEFICIT)		20,302,555	(42,333,655)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Gatundu South Constituency financial statements were approved on 31st May, 2022 and signed by:


Fund Account Manager
Name: Samuel N. Mawiyoo




National Sub-County
Accountant
Name: Eric Mwenda
ICPAK M/No:17187


Chairman NG-CDF Committee

Name: James K. Nage



**Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	32,117,773	11,815,218
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		32,117,773	11,815,218
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		32,117,773	11,815,218
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	-	-
TOTAL FINANCIAL LIABILITES		-	-
NET FINANCIAL ASSETS		32,117,773	11,815,218
REPRESENTED BY			
Fund balance b/fwd	13	11,815,218	54,148,879
Prior year adjustments	14	-	-
Surplus/Deficit for the year.		20,302,555	(42,333,655)
NET FINANCIAL POSITION		32,117,773	11,815,218

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Gatundu South Constituency financial statements were approved on 31st May, 2022 and signed by:

Samuel N. Mawiyoo
Fund Account Manager
Name: Samuel N. Mawiyoo



Eric Mwenda
National Sub-County
Accountant
Name: Eric Mwenda
ICPAK M/No:17187

James K. Nage
Chairman NG-CDF Committee
Name: James K. Nage




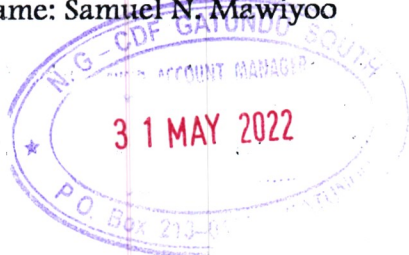
Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021


IX. STATEMENT OF CASHFLOW

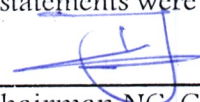
		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	171,367,724	68,000,000
Other Receipts	2	-	820,000
Total receipts		171,367,724	68,820,000
Payments for operating activities			
Compensation of Employees	4	1,794,400	2,950,974
Use of goods and services	5	10,379,232	7,614,761
Transfers to Other Government Units	6	87,811,679	67,497,700
Other grants and transfers	7	51,079,858	33,049,220
Other Payments	9	-	38,500
Total payments		151,065,169	111,151,155
Total Receipts Less Total Payments			
Adjusted for:		-	-
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		20,302,555	(42,333,655)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	2,500
Net cash flows from Investing Activities		-	(2,500)
NET INCREASE IN CASH AND CASH EQUIVALENT		20,302,555	(42,333,655)
Cash and cash equivalent at BEGINNING of the year	10	11,815,218	54,148,873
Cash and cash equivalent at END of the year		32,117,773	11,815,218

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Gatundu South Constituency financial statements were approved on 31st May, 2022 and signed by:

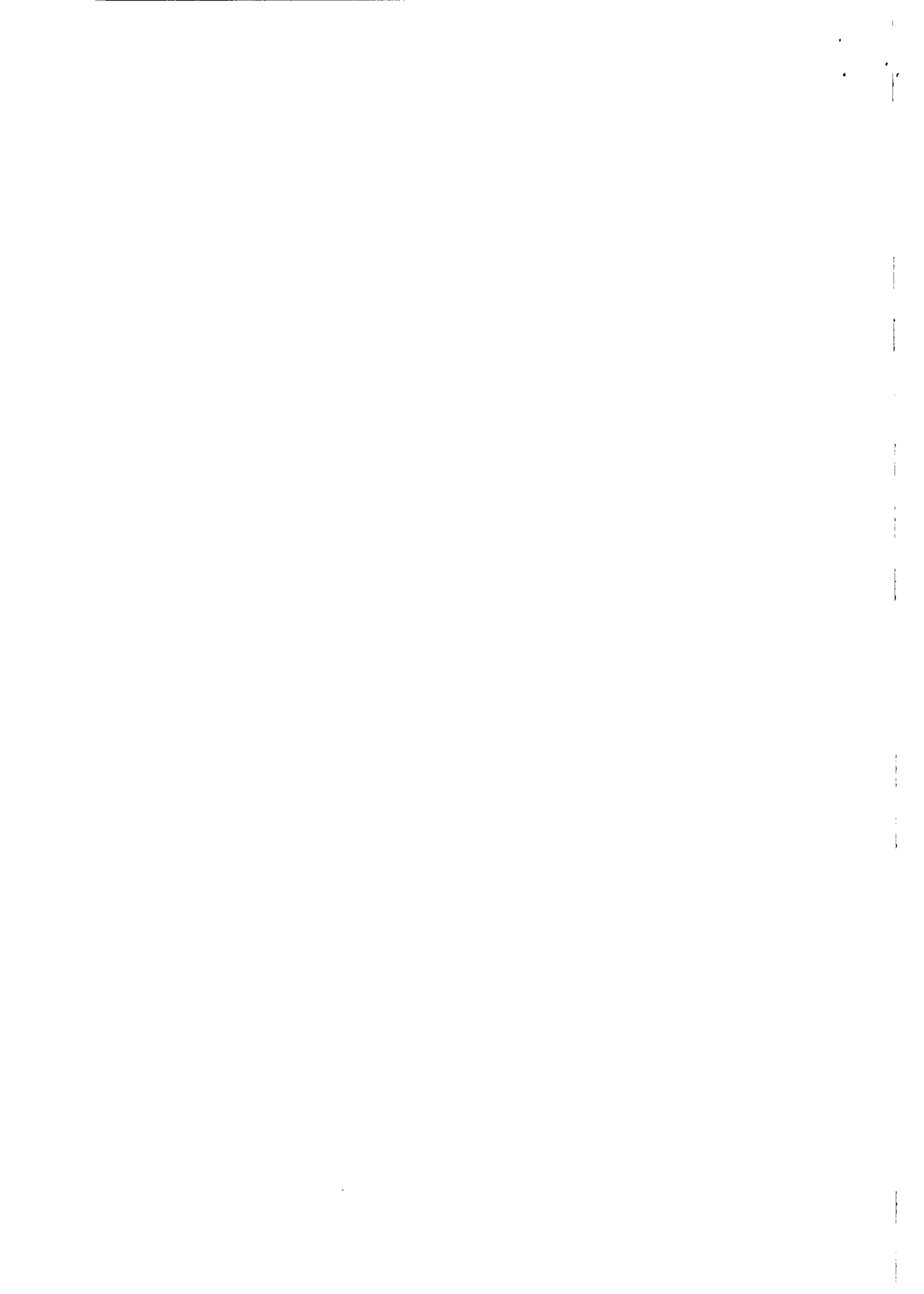

Fund Account Manager
Name: Samuel N. Mawiyoo




National Sub-County
Accountant
Name: Eric Mwenda
ICPAK M/No: 17187


Chairman NG-CDF Committee
Name: James K. Nage





X. SUMMARY STATEMENT OF APPROPRIATION

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	A	B	C	D	E	F	G
	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021	e-o-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
RECEIPTS							
Transfers from NGCDF Board	137,088,879	11,815,218	69,367,723	218,271,820	183,182,942	35,088,879	83.9%
Proceeds from Sale of Assets	-	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	-	-
TOTALS	137,088,879	11,815,218	69,367,723	218,271,820	183,182,942	35,088,879	83.9%
PAYMENTS							
Compensation of Employees	2,920,400	1,475,896	693,698	5,089,994	1,794,400	3,295,594	35.3%
Use of goods and services	8,494,695	446,798	5,348,776	14,290,269	10,379,232	3,911,037	72.6%
Transfers to Other Government Units	88,300,000	-	48,300,000	136,600,000	87,811,679	48,788,321	64.3%
Other grants and transfers	37,373,784	8,883,309	13,025,249	59,282,343	51,079,858	8,202,485	86.2%
Acquisition of Assets	0	-	2,000,000	2,000,000	-	2,000,000	0.0%
Other Payments	0	14	0	14	-	14	0.0%
Funds pending approval**	0	1,009,200	0	1,009,200	-	1,009,200	0.0%
TOTALS	137,088,879	11,815,218	69,367,723	218,271,820	151,065,169	67,206,651	69.2%

Gatundu South Constituency


National Government Constituencies Development Fund (NGCDF)


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


- a. Compensation of Employees, other grants and transfers, other payments were underutilized since we have not received Ksh. 45,688,879 from the board yet.
- b. There was no budget for other payments.
- c. The final budget included the 2020/2021 allocation of Ksh. 137,088,879, bank balance and AIA of Ksh. 3,067, 910 and amount dew from the board for other year 2020/2021 ksh. 69,367, 724

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	67,206,651
Less undisbursed funds receivable from the Board as at 30 th June 2021	35,088,879
	32,117,773
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/2021	32,117,773

The NGCDF- Gatundu South Constituency financial statements were approved on 21st May, 2022 and signed by:



Fund Account Manager
Name: Samuel N. Mawiyoo




National Sub-County Accountant
Name: Eric Mwenda
ICPAK M/No: 17187



Chairman NG-CDF Committee
Name: James K. Nage


X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget 2020/2021 Kshs	Adjustments		Final Budget 2020/2021 Kshs	Actual on comparable basis 30/06/2021 Kshs	Budget utilization difference Kshs
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements Kshs			
1.0 Administration and Recurrent						
1.1 Compensation of employees	2,920,400	1,475,896	698,698	5,089,994	1,794,400	3,295,594
1.2 Committee allowances	3,000,000	165,002	1,700,003	4,865,005	4,833,000	32,005
1.3 Use of goods and services	1,373,664	281,730	416,063	2,071,457	1,645,282	426,175
1.4 Acquisition of assets						
Total	7,294,064	1,922,628	2,809,764	12,026,456	8,272,682	3,753,774
2.0 Monitoring and evaluation						
2.1 Capacity building	2,200,000	66	2,200,000	4,400,066	1,900,000	2,500,066
2.2 Committee allowances	900,000		500,000	1,400,000	500,000	900,000
2.3 Use of goods and services	1,021,031		532,710	1,553,741	1,500,950	52,791
Total	4,121,031	66	3,232,710	7,353,807	3,900,950	3,452,857
3.0 Emergency						
3.1 Primary Schools	7,192,207	993	526,041	7,719,241	7,719,242	(0)
3.2. Kiburu Primary school						
3.3 Tertiary institutions						
3.4 Security projects						
3.5 Unutilised			2,200	2,200		2,200
Total	7,192,207	993	528,241	7,721,441	7,719,242	2,200
4.0 Bursary and Social Security						
4.1 Secondary Schools	11,500,000			11,500,000	17,940,754	(6,440,754)
4.2 Tertiary Institutions	13,600,000	8,880,830		22,480,830	8,076,676	14,404,154
4.3 Social Security						

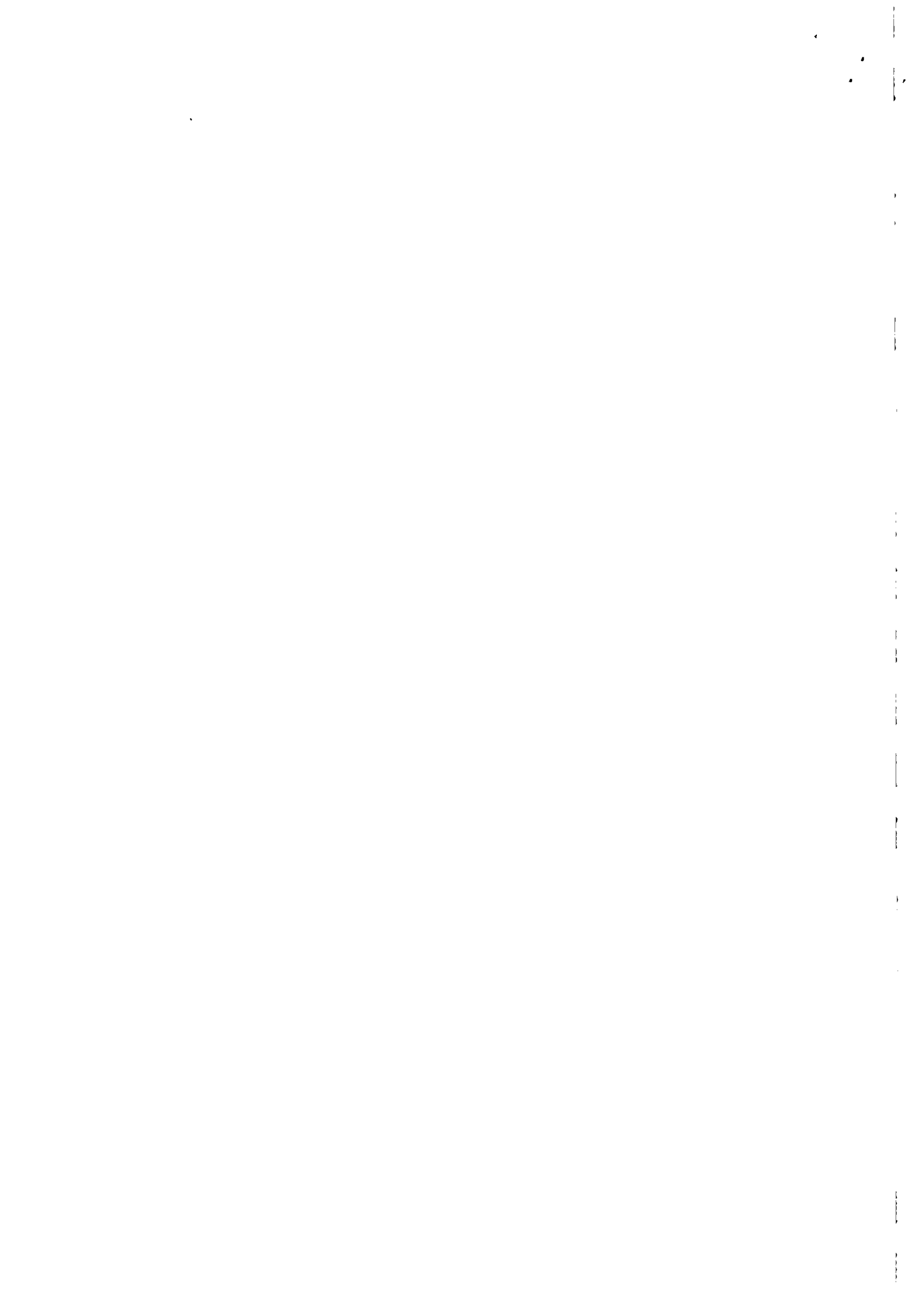


Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
4.4 Special Needs	800,000	169	-	800,169	763,400	36,769
Total	25,900,000	8,880,999	-	34,780,999	26,780,830	8,000,169
5.0 Sports						
5.1 Sports	2,681,577	1,317	3,347,354	6,030,248	5,830,132	200,116
Total	2,681,577	1,317	3,347,354	6,030,248	5,830,132	200,116
6.0 Environment						
6.1 - handege Primary Shool	1,600,000	-	-	1,600,000	1,600,000	-
6.2 Gatundu TTI	-	-	1,649,654	1,649,654	1,649,654	-
Total	1,600,000	-	1,649,654	3,249,654	3,249,654	-
7.0 Primary Schools Projects						
Ngenda Primary School	5,000,000	-	-	5,000,000	5,000,000	-
Kamunyū Primary School	10,000,000	-	-	10,000,000	10,000,000	-
Gathururi Primary School	-	-	2,000,000	2,000,000	2,000,000	-
Muthurumbi Primary school	7,000,000	-	-	7,000,000	7,000,000	-
Total	22,000,000	-	2,000,000	24,000,000	24,000,000	-
8.0 Secondary Schools Projects						
Handege Secondary School	5,000,000	-	-	5,000,000	10,000,000	(5,000,000)
Kagio Secondary School	-	-	-	-	2,511,679	(2,511,679)
Gathuri Secondary School	-	-	5,000,000	5,000,000	5,000,000	-
Gitare Secondary School	-	-	5,000,000	5,000,000	5,000,000	-
Gitare Secondary School	-	-	7,100,000	7,100,000	7,100,000	-
Nembu Secondary Scool	-	-	7,100,000	7,100,000	7,100,000	-

Kenya
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kagio Secondary Schoool	-		7,100,000	7,100,000	7,100,000	-
Gachoka Secondary School			5,000,000	5,000,000	5,000,000	-
Gathage Secondary School			5,000,000	5,000,000	5,000,000	-
Muthiga Girls High school	5,000,000		5,000,000	10,000,000	5,000,000	5,000,000
Gatitu High School	5,000,000		-	5,000,000	5,000,000	-
Kiamworya Secondary School	5,000,000			5,000,000		5,000,000
Icaciri Secondary School	5,000,000			5,000,000		5,000,000
Ndarugu Secondary School	5,000,000			5,000,000		5,000,000
Ikuma Secondary School	5,000,000			5,000,000		5,000,000
Githuya Secondary School	7,100,000			7,100,000		7,100,000
Wamwangi Secondary School	7,100,000			7,100,000		7,100,000
Gachoka Secondary School	7,100,000			7,100,000	-	7,100,000
Gathiru High School	5,000,000			5,000,000		5,000,000
Kamatwa Secondary School	5,000,000			5,000,000		5,000,000
Total	66,300,000	-	46,300,000	112,600,000	63,811,679	48,788,321
9.0 Tertiary institutions Projects						
Total	-	-	-	-	-	-
10.0 Security Projects						
10.1 Gatundu Police Station	-		7,500,000	7,500,000	7,500,000	-
Total	-	-	7,500,000	7,500,000	7,500,000	-
11.0 Acquisition of assets						
11.1 Motor Vehicles	-					
11.2 CDF office	-		2,000,000	2,000,000		2,000,000



National Government Constituencies Development Fund (NGCDF)
 Reports and Financial Statements for The Year Ended June 30, 2021

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/BK) and AIA	Previous Years' Outstanding Disbursements			
11.3 Purchase of furniture and equipment	-		-	-	-	-
11.4 Purchase of computers	-		-	-	-	-
Total	-	-	2,000,000	2,000,000	-	2,000,000
12.0 Other payments		14		14		14
Total	-	14	-	14	-	14
13.0 unallocated fund						
AIA						
Tender		189,200		189,200		189,200
Motor vehicle		820,000		820,000		820,000
Total	-	1,009,200	-	1,009,200	-	1,009,200
	137,088,879	11,815,218	69,367,723	218,271,820	151,065,169	67,206,651

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



XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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



External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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



15. Related Party Transactions

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

*Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO	B047414		4,000,000
AIE NO	B041274		18,000,000
AIE NO	B047693		5,000,000
AIE NO	B047885		7,000,000
AIE NO	B049264		14,000,000
AIE NO	B104286		20,000,000
AIE NO	B 096947	15,000,000	
AIE NO	B 104597	20,000,000	
AIE NO	A 823512	32,367,724	
AIE NO	B 124516	9,000,000	
AIE NO	B 124840	2,000,000	
AIE NO	B 124938	10,000,000	
AIE NO	B 119793	13,000,000	
AIE NO	B 128083	6,900,000	
AIE NO	B 128393	6,000,000	
AIE NO	B 132137	6,000,000	
AIE NO	B 138806	12,000,000	
AIE NO	B 126102	10,000,000	
AIE NO	B 126391	14,100,000	
AIE NO	B 140537	15,000,000	
TOTAL		171,367,724	68,000,000

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	820,000
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	820,000



*Gatundu South Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

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

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	1,794,400	2,827,576
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	-	123,398
Employer Contributions Compulsory national social security schemes	-	-
Total	1,794,400	2,950,974

Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services	281,140	-
Electricity	40,352	50,000
Water & sewerage charges	16,210	20,000
Office rent		-
Communication, supplies and services	88,600	-
Domestic travel and subsistence	125,500	165,400
Printing, advertising and information supplies & services	-	68,000
Rentals of produced assets		-
Training expenses	1,900,000	1,916,920
Hospitality supplies and services	-	162,657
Other committee expenses	1,615,500	959,600
Committee allowance	3,416,000	2,618,000
Insurance costs		-
Specialised materials and services		-
Office and general supplies and services	1,292,785	909,216
Fuel , oil & lubricants	-	1,750
Other operating expenses	1,587,425	731,338
Bank service commission and charges	15,720	11,880
Other Operating Expenses	-	-
Security operations		-
Routine maintenance - vehicles and other transport equipment	-	-
Routine maintenance- other assets		-
Total	10,379,232	7,614,761

Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	24,000,000	4,997,700
Transfers to secondary schools (see attached list)	63,811,679	40,000,000
Transfers to tertiary institutions (see attached list)	-	22,500,000
TOTAL	87,811,679	67,497,700

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	17,940,754	17,002,770
Bursary – tertiary institutions (see attached list)	8,076,676	8,786,400
Bursary – special schools (see attached list)	763,400	590,050
Mock & CAT (see attached list)	-	-
Social Security programmes (NIIF)	-	-
Security projects (see attached list)	7,500,000	-
Sports projects (see attached list)	5,830,132	-
Environment projects (see attached list)	3,249,654	-
Emergency projects (see attached list)	7,719,242	6,670,000
Total	51,079,858	33,049,220

Gatundu South Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	2,500
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	2,500

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	38,500
ICT Hub	-	-
Total	-	38,500

*Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs (30/6/2021)	Kshs (30/6/2020)
<i>Equity Bank, Gatundu South NG-CDF, Account No. 0660261950170</i>	32,117,773	11,815,218
Total	32,117,773	11,815,218
10B: CASH IN HAND		
Location 1	-	-
Total	-	-

Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
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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>Total</i>				-

12A. RETENTION

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

12B. GRATUITY

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

Gatundu South Constituency
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BALANCES BROUGHT FORWARD

	2020-2021 (1 st July 2020)	2019-2020 (1 st July 2019)
	Kshs	Kshs
Bank accounts	11,815,218	54,148,873
Cash in hand	-	-
Imprest	-	-
Total	11,815,218	54,148,873

14. PRIOR YEAR ADJUSTMENTS

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

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

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

17.2: PENDING STAFF PAYABLES (See Annex 2)

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

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	3,295,594	2,169,594
Use of goods and services	3,911,037	5,795,574
Amounts due to other Government entities (see attached list)	48,788,321	48,300,000
Amounts due to other grants and other transfers (see attached list)	8,202,485	21,908,559
Acquisition of assets	2,000,000	2,000,000
Others (<i>specify</i>)	14	14
Funds pending approval	1,009,200	1,009,200
Total	67,206,651	81,182,941



Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

(The following table shows the breakdown of the PMC account balances as at 30 June 2021)

The following table shows the breakdown of the PMC account balances as at 30 June 2021

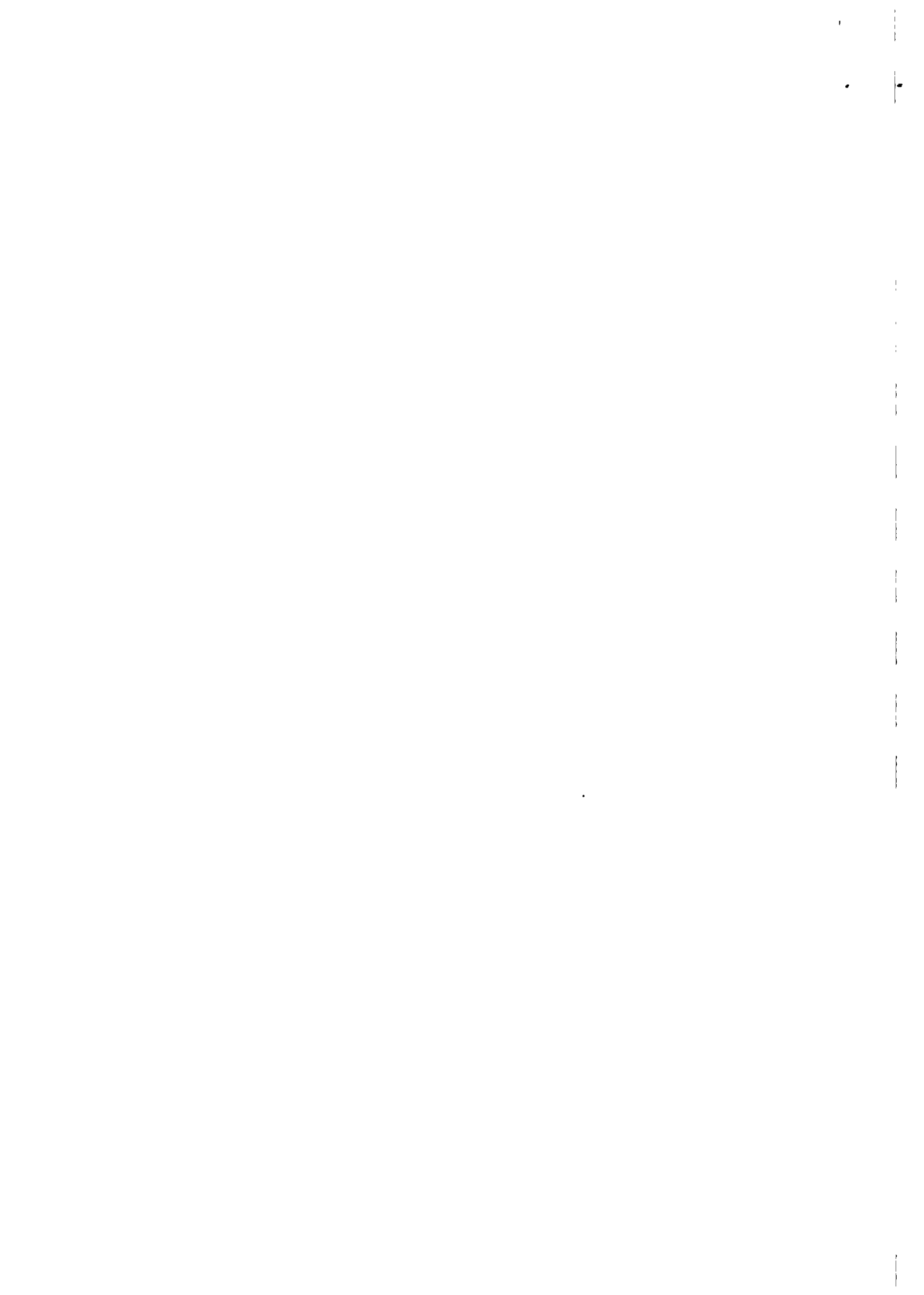
(The following table shows the breakdown of the PMC account balances as at 30 June 2021)



*Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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



ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

*Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees	Payment of staff salaries and gratuity	3,295,594	2,169,594	
Use of goods & services	Purchase of fuel, repairs and maintenance, printing, stationery, telephone, travel and subsistence, office tea.	3,911,037	5,795,574	
Amounts due to other Government entities				
Handege Secondary School	Construction of a 200 capacity dormitory to completion.	(5,000,000)		
Kagio Secondary Schoool	Construction of 2 bedroom self-contained house with a Store to Completion.	(2,511,679)		
Murthiga Girls High school	Construction of a 200 capacity dormitory to completion.	5,000,000		
Kiamwonya Secondary School	Construction of a 200 capacity dormitory to completion.	5,000,000		
Icaciri Secondary School	Construction of dining hall (250 students) to completion.	5,000,000		
Ndarugu Secondary School	Construction of a 200 capacity dormitory to completion.	5,000,000		
Ikuma Secondary School	Construction of a 200 capacity dormitory to completion.	5,000,000		
Githuya Secondary School	Purchase of school bus (ISUZU FRR, 51 Seater)	7,100,000		



**Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Wamwangi Secondary School	Purchase of school bus (ISUZU FRR, 51 Seater)	7,100,000	
Gachoka Secondary School	Purchase of school bus (ISUZU FRR, 51 Seater)	7,100,000	
Gathiru High School	Construction of a 200 capacity dormitory to completion.	5,000,000	
Kamutwa Secondary School	Construction of a 200 capacity dormitory to completion.	5,000,000	
Sub-Total		55,994,952	7,965,168
Amounts due to other grants and other transfers			
Security			
Gatundu Police Station	Construction of the new children protection Unit		7500000
Bursary			
Secondary Schools	Payment of bursary to needy student in secondary school	(6,440,754)	0
Tertiary Institutions	Payment of bursary to needy student in Universities and colleges	14,404,154	8880830
Special Needs	Payment of bursary to needy student in special schools	36,769	169
Sport	Carry out constituency sports tournament and the winning teams/schools to be awarded with trophies, balls and games kit.	200,116	3,348,671
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	2,200	529,234

**Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021**

Environment	Construction of gate with watchman cubicle	0	1,649,654
Sub-Total		8,202,485	21,908,559
Acquisition of assets			
CDF office	Fencing of Gatundu NGCDF Office with Chain link and concrete posts and Construction of Car shade	2,000,000	2,000,000
Others (specify)		14	14
Sub-Total		2,000,014	2,000,014
Funds pending approval		1,009,200	1,009,200
Grand Total		67,206,651	81,182,941

*Gatundu South Constituency
National Government Constituencies Development Fund (NGCDF)
Reports and Financial Statements for The Year Ended June 30, 2021*

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	16,173,825.20	-	-	-
Buildings and structures	3,094,999.00	-	-	16,173,825.20
Transport equipment	3,337,140.00	-	-	3,094,999.00
Office equipment, furniture and fittings	381,640.00	-	-	3,337,140.00
ICT Equipment, Software and Other ICT Assets	865,796.00	-	-	381,640.00
Other Machinery and Equipment	-	-	-	865,796.00
Heritage and cultural assets	-	0	0	-
Intangible assets	-	0	0	-
Total	23,853,400.20		0	23,853,400.20



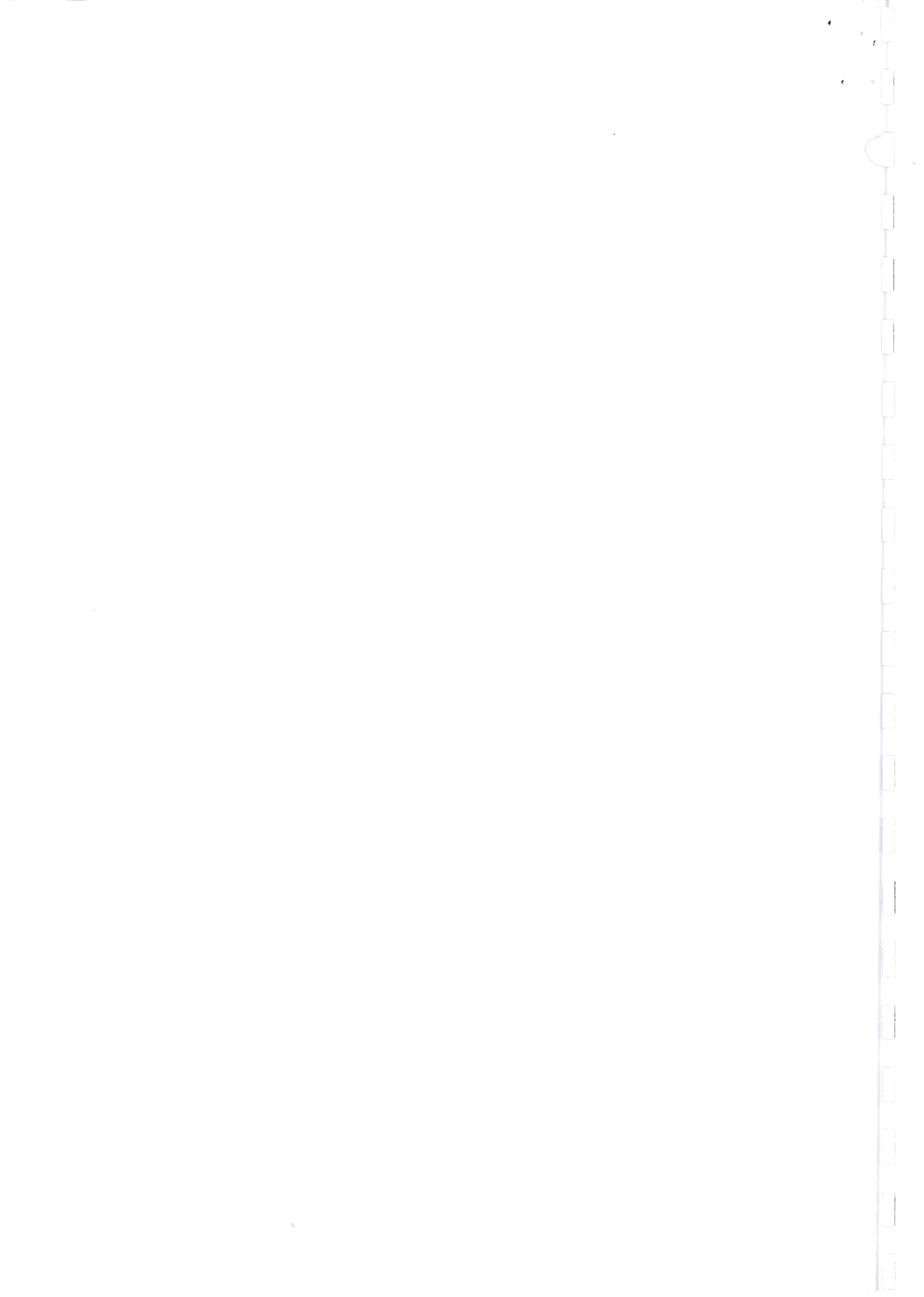
Gatundu South Constituency

National Government Constituencies Development Fund (NGCDF)

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

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

S/NO.	PROJECT NAME	ACCOUNT NUMBER	AMOUNT(Ksh)
1.	Gathuri Primary School	0660280794471	0.00
2.	Kagio Secondary School	0660177484345	56,713.00
3.	Gatundu Police Station	0660280097598	460.00
4.	Nembu Secondary School	0660179762639	1728.90
5.	Gitare Secondary School	0660179758890	65,700.00
6.	Gatundu Technical Training Institute	0660278549923	847.93
7.	Gathage Secondary School	0660278817692	150.00
8.	Kibiru Primary School	0660180357530	28,201.81
9.	Gathuri Secondary School	0660280405588	10.00
10.	Muthurumbi Primary School	0660177247709	18,013.00
11.	Kamunyu Primary School	0660280798455	10.00
12.	Ng'enda Primary School	0660278973625	300.00
13.	Handege Primary School	0660179753652	808.00
14.	Muthiga Girls High School	0660280408768	20.00
15.	Handege Secondary School	0660179768980	808.00
16.	Gatitu High School	0660280811846	250.00
17.	Gachoka Secondary School	0660179751163	100,949.40
18.	Githuya Secondary School	0660278821633	1779.27
19.	Wamwangi Secondary School	0660179786551	649.00
20.	Kiamworia Secondary School	0660281041733	0.00
	TOTAL		277,398.31



PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	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)
1	Misallocation of Expenditure Kshs.19,348,940	The attached is extract of NGCDF Act 2015 Sec (24) in line with nature of projects: projects to be in respect of national government functions. The Kenya Medical Training Colleges are under Education Tertiary, and therefore the NGCDF Board approved them for implementation. (Annex 1)	Resolved on Certifica	5 days	30 days
2	Net Financial Position.	The Financial statement as a template of IPSAS, the statement	Resolved on Certifica	5 days	30 days

Gatundu South Constituency

**National Government Constituencies Development Fund (NGCDF)
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3	<p>Budgetary Performance</p>	<p>of Assets and liabilities is the financial position, being positive is not a liability rather the Net asset. Being the closing balance as per the attached Bank Reconciliation and Expenditure Report. (Annex 2)</p>	<p>Resolved on Certificate</p>	<p>5days</p>	<p>30 days</p>
		<p>The NGCDF Gatundu South had an approved budget of Kshs.86,810,344.82 and Kshs.11,379,310.34 respectively totalling to Kshs.101,074,199 in different 4period, leading to delay in project proposal submission for approval and project implementation at the end of financial year. Attached are Circular and proposal submission in various period. (Annex 3)</p>			



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4	<p>Repair And Maintenance Of Motor Vehicle</p>	<p>We concur with above recommendation, the motor vehicle had an accident on 25th February, 2015 and the Repair were required, the attached is a police abstract and photos indicating the issue. The attached is the memorandum and article of association of the Cebtec company indicating further service & duties the company can render including Motor vehicle spare parts and implements on pg 2 of 14 (c). We also awarded the company on the basis of recommendation from Motor Hub, being the lowest bidder, The motor vehicle was repaired as per inspection report attached from the mechanical engineer, the NGCDFC is in process of</p>	<p>Resolved on Certificate</p>	<p>5 days</p>	<p>30 days</p>

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		disposing off the Motor vehicle as per the attached inspection report dated 14 th January, 2019 which indicates it is in good condition except the chassis bent. Attached is the memorandum and article of association, Recommendation Letter, Inspection report, and Disposal committee minutes, for Disposal (Annex 4)			
5	Construction Of Ablution Block At Gatundu Primary School	We concur with above recommendation, the Ksh. 4,635,930 was funds spent from Emergency vote head, which was unforeseen expense at the time of project proposal. Hence the project being in the same institution the PMC combined the BQ. Attached are the Code list indicating how it was	Resolved on Certificate	5 days	30 days

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>financed. Code lists, Request letter for Emergency (Annex 5)</p>			

