

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 23 FEB 2022	DAY: Wed
TABLED BY: OF CLERK-AT THE-TABLE:	The Majority Whip Hon. E. Wangwey MP Benson Inzoga.

THE AUDITOR-GENERAL

ON

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

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

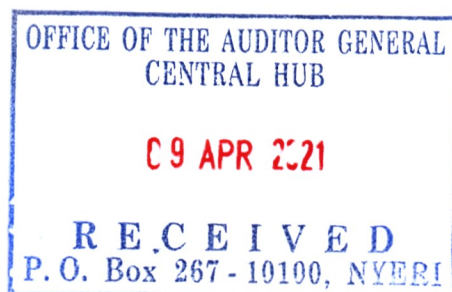


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -MARAGUA
CONSTITUENCY**

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)



1825 548 93

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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	3
II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE.....	6
III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES.....	6
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING	Error! Bookmark not defined.
V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES	22
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE <i>NGCDF- MARAGUA CONSTITUENCY</i> 23	
VII. STATEMENT OF RECEIPTS AND PAYMENTS	24
VIII. STATEMENT OF ASSETS AND LIABILITIES.....	25
IX. STATEMENT OF CASHFLOW.....	26
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	27
XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	14
XII. SIGNIFICANT ACCOUNTING POLICIES.....	36
XIII. NOTES TO THE FINANCIAL STATEMENTS.....	22



I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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



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

Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No.	Designation	Name
1.	A.I.E holder	Alex Mwangi
2.	Sub-County Accountant	Kago Gichohi
3.	Chairman NGCDFC	Simon Kiragu
4.	Member NGCDFC	Simon Karanja

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF MARAGUA Constituency Headquarters

NG CDF Office Building,
P.O Bo 643-10205
Maragua



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

(f) NG-CDF MARAGUA Constituency Contacts

Telephone: (254) 0723146 230
E-mail.cdfmaragua@cdf.go.ke

(g) NG-CDF MARAGUA Constituency Bankers

1. Equity Bank Kenya Ltd
P.O Box 443
Kenol.
A/C 0220 291 029 972

(h) Independent Auditors

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

(i) Principal Legal Adviser

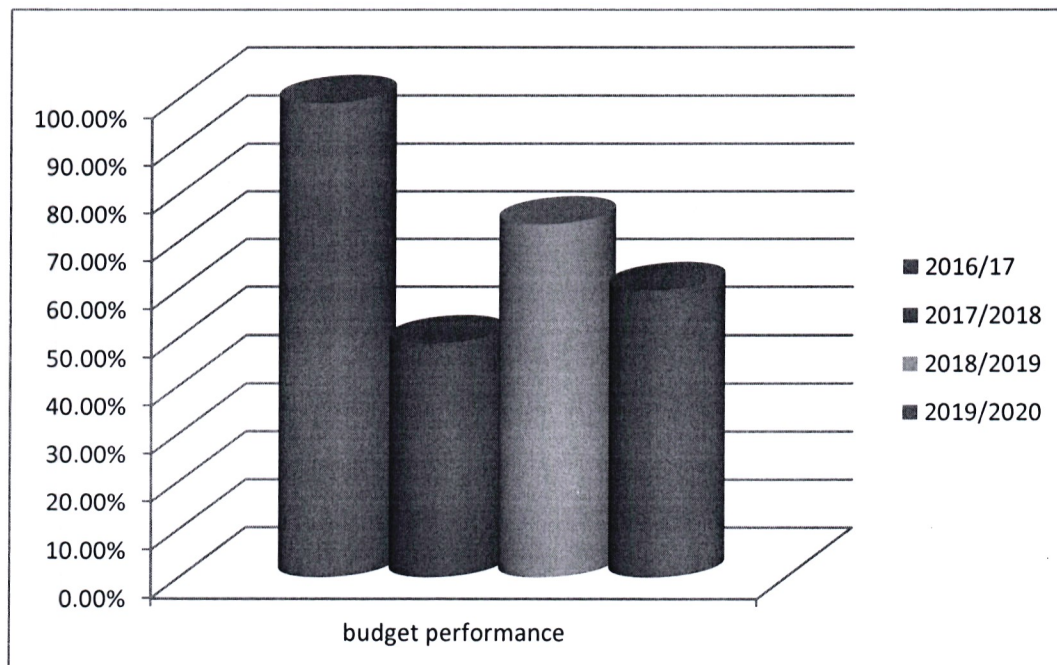
The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya



II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Achievements of Maragua NG CDF

On behalf of the committee and management, I am pleased to inform you that Maragua NG CDF, managed to disburse of Kes.94.6 million towards various projects for the year under review. This translates to decrease in budget performance to 59.6% from the previous year's performance of 73.8% this therefore results to lower budget absorption. This is despite the COVID 19 pandemic, uncertainty in politics, delayed disbursement of funds and late formation of NG-CDFCs within the financial year,

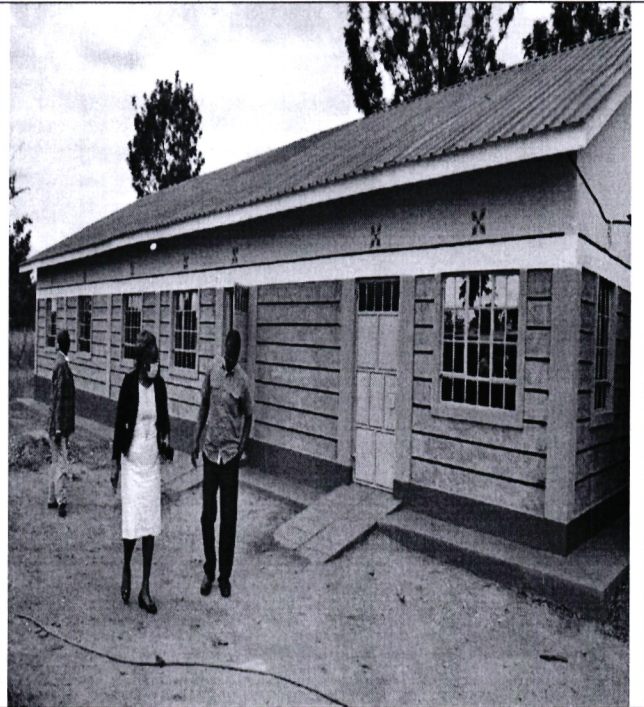


Key Achievements

Within the year under review Maragua NG-CDF has managed to fully sponsor 30 bright and needy students throughout their secondary education. Maragua NGCDF has also been able to pay bursary fees for 4500 students in secondary schools therefore disbursing Ksh 25 million and also 4 million for those who joined universities in the month of August. .In terms of project implementation, 20 projects allocated during the first disbursement are fully completed and in use as shown below.



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





Sampled complete projects in use. (Mihango secondary school classroom, College primary school dining hall, Maganjo primary toilet block and P.K secondary school storey classroom.)

Emerging issues relating to NG CDF

Maragua like any other public institution is faced with emerging issues and this relates to increase in the bursaries request. We attribute this to the hard economic times parents are faced with as well as increase in the School fees. Most parents are finding it very hard to afford school fees for both secondary and tertiary education at the same time. This we find poses a great danger to our education sector and much effort is needed.

Implementation challenges and recommended way forward.

Project Management Committees procurement process still poses a greater challenge to the committee. We shall continuously endeavour to train and build PMCs capacity in order to

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

appreciate the laws and regulations governing procurement and project implementation.

Appreciation

The great progressive success that Maragua NG CDFC has achieved has been because of invaluable support from Maragua Constituents, and in this regard and on behalf of the NG CDFC, i wish to take this opportunity to thank you all and request you to continue with the same spirit for many years to come.

Allow me to also recognise and thank NGCDFB, KNAO, MP Hon. Mary Waithera, MCAs and Sub-county heads in Maragua who have given us support and all other stakeholders who stood with us all along. Finally, i would like to appreciate the contribution and individual dedication of Maragua NG CDF staff towards our success.

Sign  

Simon Kiragu

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.

MARAGUA is a constituency whose latent for growth is promising. The constituency stands feet high on the potent of the capable constituents, its geographical location and the existence of natural resources. The recognition of its potential development and growth majorly depends on its process of planning for and regulating physical and economic development that capitalizes on reliable opportunities and prudent financial and administrative threads.

In underscoring the planning of the constituency, the National Government Constituency Development Fund Committee (NG-CDFC) in its strategic plan (2018-2023) outlined key strategic objectives that were to be used to spur development in the constituency. The plan sort to contribute towards the identification of how and where development programmes identified will be implemented especially in the economic activities with special focus on marketing and value addition, improved social infrastructure on road development and improved governance. It was anticipated that this will help in achieving food security, improved quality of education, health care for all, expanded access to ICT and environmental conservation among others.

The key development objectives of NGCDF-MARAGUA Constituency's 2018-2023 plan are to:

In underscoring the above, the key development objectives of NGCDFC-MARAGUA Constituency's 2018-2023 plan included but not limited to;

Strategic Area One: Education

Objective: Become a national model for education by improving schools infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.

Initiative: Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children.

Initiative: Enhance and develop social programmes that support education within the constituency.

Strategic Area Two: Water and Environment

Objective: Improve access to clean water and a more sustainable and conserved environment in MARAGUA through natural resources conservation initiatives

Initiative: Initiate and enhance conservation programs within the constituency

Initiative: Water and Sanitation: To ensure water sustainability in the Constituency

Strategic Area Three: Security

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

Objective: Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure

Initiative: Improving infrastructure and service delivery

Strategic Area Four: Sports

Objective: Empower and develop youth and special groups to reduce dependence and spur economic growth through sports

Initiative: Develop and empower youth and special groups through sports.

Strategic Area Five: Information Communication and Technology (ICT)

Objective: Enhance access to information and technology by MARAGUA residents and use ICT to enhance service delivery and spurring development.

Initiative: Enhancement of infrastructure and accessibility of ICT resources in the constituency.

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	Number of classrooms increased from 427 to 504 Number of laboratories increased from 10 to 17 Number of dormitories increased from 8 to 18 Number of administration blocks increased from 13 to 22
Water and Environment	Improve access to clean water and a more sustainable and conserved environment through natural resources conservation initiatives	Drill boreholes to promote access to clean and safe water Equip schools and public facilities with sanitation	Number of boreholes drilled Number of sanitation facilities built in primary and secondary Number of trees	Number of boreholes increased from 13 to 24 Number of sanitation facilities increased from 40 to 52



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

Constituency Program	Objective	Outcome	Indicator	Performance
		facilities Provide tree seedlings to schools to improve the forest cover	planted	Number of trees planted increased from 0 to 10
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of renovated chiefs' offices increased from 9 to 12 Number of assistant chiefs' offices increased from 1 to 8 Number of police lines increased from 2 to 5
Sports	Empower and develop youth and special groups to	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased from 10 to 30
Information Communication and Technology (ICT)	Enhance access to information and technology and use ICT to enhance service delivery	Equip chiefs' offices with computers and internet connectivity to enable them improve service delivery	Number of usable chiefs' offices with computers and internet connectivity	Number of ICT centres at the chiefs' offices increased from 0 to 4



1. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – MARAGUA Constituency just like any Government entity has the responsibility of ensuring public involvement in project identification, prioritization of projects and adequate allocation of funds to the projects. In undertaking the aforementioned, the MARAGUA NG-CDF Committee always highlights Corporate Responsibility as a tool with relevance for public policy actualization with the aim of enhancing sustainable and inclusive development programs in the constituency. The financial prudence has a lot of weight in development agenda which drives on a delicate thread of enormous community expectations. In enhancing the financial trust in various sectors, we assessed the risks factors, long term and short term performance. We further looked at performance on responsible leadership with clear undertone on the interest of the constituents and stakeholders and sufficient respect for environmental, social and governance issues.

This is aimed at ensuring efficient and effective management of public resources at the grassroots level thus transformation of livelihoods. It remains our purpose and the driving force behind everything we do. It's what guides us to deliver our strategies, 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 MARAGUA NG-CDF Committee endeavored to work within the existing policy guidelines that helped in focusing on the service deliver 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.

Model	Definition	Relevance to sustainable strategy
Vision	To be renowned Constituency in advocating for all round socio-economic development and sustainability.	What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place
Mission	To involve all the stakeholders in the development process of the Constituency in order to achieve desires development goals.	This communicates what the office does to attain sustainable developments
Core Values	Accountability, Transparency, Integrity, Honesty, Equality, Equity	These are the norms , principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives

To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring



1. ENVIRONMENTAL PERFORMANCE

Environment Policy and Action Plan

Protection of the environment in which we live and operate is part of MARAGUA NG-CDF initiatives

Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

Our Environmental Policy

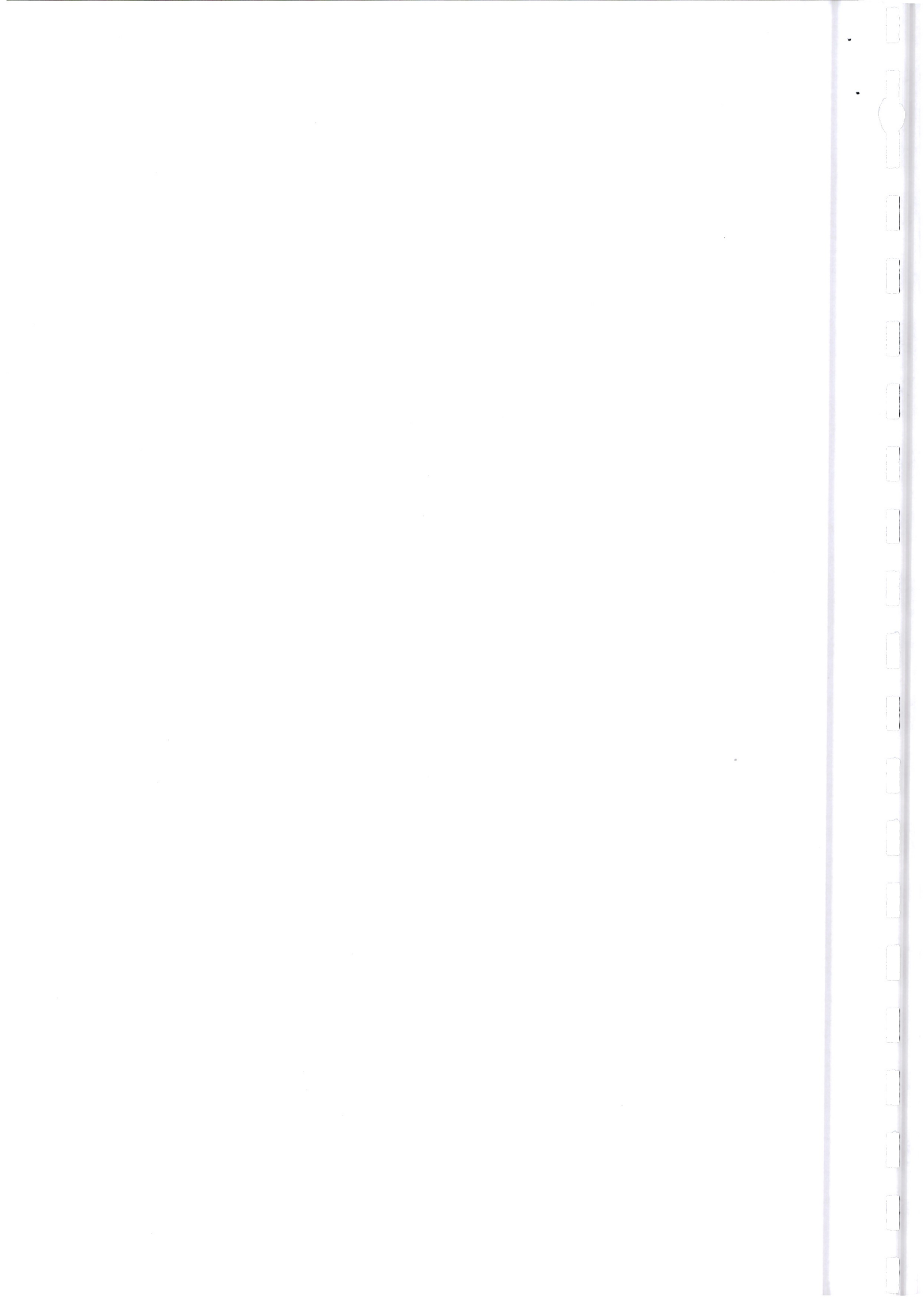
In this policy statement MARAGUA NG-CDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- 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;
- Providing training for our CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

Our Environmental Action Plan

MARAGUA NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below:



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

Impact Area	Approach
Capacity Building	<ul style="list-style-type: none"> • Promote environmental awareness by sensitizing the MARAGUA NG-CDFC, NG-CDFC staff and PMCs on good conservation practices • To encourage, through regular communication to MARAGUA NG-CDFC, staff, and other stakeholders changes in individual behavior to reduce usage
Conservation of Energy and Resources	<ul style="list-style-type: none"> • To maximize use of available technologies to remove the need to use paper • To encourage our clients to engage with us using electronic means where possible • To maximize on rain water harvesting • To make energy efficiency a key factor in the selection of any new energy device being purchased • To invest in available energy saving technologies and devices within our existing premises
Environmental Protection and Conservation	<ul style="list-style-type: none"> • To promote use of volt guards to control power surges • We have constructed culverts and gabions to prevent soil erosion • To encourage tree planting in the constituency to improve the forest cover. • To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires
Pollution Control and Waste Management	<ul style="list-style-type: none"> • To ensure that all paper waste is recycled • To ensure segregation of waste • To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

3. EMPLOYEES WELFARE

TERMS AND CONDITIONS OF SERVICE

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

Categories of Employment

MARAGUA NG-CDFC offers only categories of employment, which are

Contract employees who are employed for 3 years 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.

Recruitment Procedure

The Fund Account Manager declares vacancies in the office through the NG-CDFC, an approval is then sought for advertisement within the constituency to be done

The Advertisement contains the following:

- 1 Job title
- 2 Main purpose of the job
- 3 A brief description of the key responsibilities of the job
- 4 Education, experience, skills and competencies required for the job
- 5 Location of the job



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

1. Clear instructions on how to apply and information to be submitted in the application
2. Closing date for receipt of applications

Appointment of a selection and Interview subcommittee

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

Interviews

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

Offer of Appointment

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

Letters of Appointment

A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

Orientation and Induction of employees

The NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this.

Induction and orientation is done within the first three months of employment.

Promotions

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.

HEALTH, SAFETY AND WELL BEING

This provides guidelines on the health, safety and well-being of the office staff

Guidelines to General Safety

The office has maintained healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

Emergency Preparedness



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

Every Department depending on the nature of work and services shall plan for foreseeable Incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to Be followed in such events.

Fire precautions

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers

Provision of protective equipment and clothing

The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

Reporting of an Accident

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly deployed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

Guidance and Counseling

The current challenges in the workplace and family environment affects the performance and wellbeing of an officer. To address these challenges, the office undertakes guidance and counseling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

Health Care Services

The staff, including spouses and children, is eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

HIV/AIDS

HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive.

HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offence for any person to discriminate another on the ground of actual, perceived or suspected HIV status.

It is the responsibility of the Fund Account Manager in liaison with NG-CDFC to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling. There



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

shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

Drug and Substance Abuse

Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NG-CDFC.

Persons Living with Disability

An employee with an impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities

The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities

Sexual harassment and other Forms of Harassment

Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive.

Disciplinary action will be taken against an officer of the Institute for harassing another person.

Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

Bullying – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

Reporting Harassment Cases

Any staff who believes that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

4. 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



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

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.

a) Responsible competition practice.

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 anti-corruption, responsible political involvement, fair competition and respect for competitors

i. Responsible Supply chain and supplier relations

Payments to suppliers are done promptly upon presentation of requisite supporting documents

ii. Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices

Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

iii. Product stewardship

In order to safeguard consumer rights and interests, the MARAGUA NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

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 successful project outcome and their sustainability.

Effective public engagement is about recognising 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.

In summary stakeholders participation is important since:

- (*α*) Providing information helps them understand the issues, options, and solutions available for the projects
- (*β*) Consulting with the public aids in obtaining their feedback on alternatives or decisions
- (*c*) Involving the public to ensures their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable .

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

Public Awareness and Sensitisation Exercise Provide

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.
- Ensuring implementation of NG-CDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NG-CDF kitty
- Identify control and report any irregularities witnessed during NG-CDF project implementation cycle
- Measure the impact of the projects funded by NG-CDF
- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya

Covid-19 Mitigation Measures

Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures.

- Through Kenya Pipeline Corporation distributed 4,000 bottles of 250mls sanitizers to the community free of charge.



- i. The office purchased 120 hand wash pots and basins that were distributed to the Government offices within the constituency
- ii. Through The National Youth Service the office distributed 4,000 facial masks
- iii. Printing of brochures disseminating information regarding Corona Virus protection measures

1911

1912

1913



IV. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

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

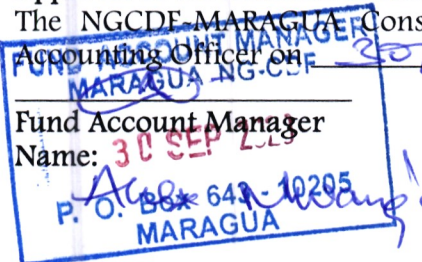
The Accounting Officer in charge of the NGCDF-MARAGUA Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-MARAGUA 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-MARAGUA 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-MARAGUA Constituency financial statements were approved and signed by the Accounting Officer on 30/9/2020

Fund Account Manager
Name: 30 SEP 2020

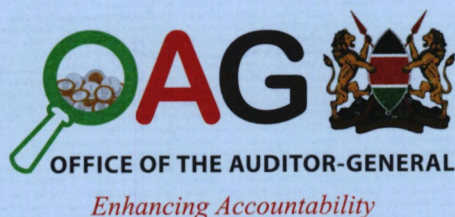


Sub-County Accountant
Name: B. KAGHO GICHOTA
ICPAK Member Number: 25013

**THE NATIONAL SUB-COUNTY ACCOUNTANT
MURANG'A SOUTH
P. O. Box 32 - 01020,
KENOL**

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MARAGUA 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 - Maragua Constituency set out on pages 24 to 61, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation-recurrent and development for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Maragua Constituency as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unreconciled Cash and Cash Equivalents Balance

The statement of assets and liabilities as at 30 June, 2020, reflects cash and cash equivalents balance of Kshs.1,773,095. Further, the bank confirmation certificate for the account reflected a balance of Kshs.5,396,665 as at 30 June, 2020 resulting in unreconciled variance of Kshs.3,623,570. No reason was given for the failure to reconcile the two balances.

In the circumstances, the accuracy and completeness of Cash and Cash equivalents balance of Kshs.1,773,095 as at 30 June, 2020 could not be confirmed.

2. Inaccurate Pending staff payables

Note 17.2 to the financial statements and as analyzed in Annex 2 reflects pending staff payables balance of Kshs.348,842 relating to staff gratuity as at 30 June, 2020. However, a recasting of the schedule results to a total of Kshs.302,567, resulting in a variance of Kshs.46,275. Being gratuity paid in the year under review, erroneously included in the gratuity payable totals.

Consequently, the accuracy of the pending staff payables as at 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 - Maragua 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. Prior Year Unresolved Issues

In the report of the previous year, several issues were raised under Report on the Financial statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, although the Management has indicated that some of the issues have been resolved, the matters remained unresolved as the National Assembly has yet to deliberate on the audit report for 2018/2019.

2. Budget Execution

The summary statement of appropriation: recurrent and development combined for the year ended 30 June, 2020 reflects the Fund received a total of Kshs.110,993,470 against a budgeted amount of Kshs.180,361,194 resulting in an underfunding of Kshs.69,367,724 or 38% of the budget. Further, the Fund incurred a total expenditure of Kshs.109,220,376 against an overall expenditure budget of Kshs.180,361,194 resulting in an under absorption of Kshs.71,140,81 or 39% of the budget.

The underfunding and under performance affected the implementation of planned projects and may have impacted negatively on service delivery to the residents of Maragua Constituency.

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. Project Management Committees (PMC) Bank Accounts

Disclosed in Annex 5 to the financial statements are unutilized balances totalling Kshs.3,013,575 in respect of fifty-six (56) Project Management Committee (PMC) bank accounts as at 30 June 2020. However, no explanation was given for failure to close the accounts and transfer the balances to the NG-CDF account. This is contrary to Section 12(8) of the NGCDF Act, 2015, which requires that all unutilized funds of the project management committee shall be returned to the constituency account.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash

Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness

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

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


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

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

- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 February, 2022

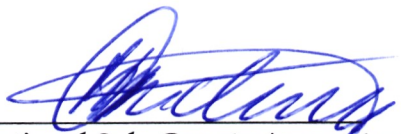
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MARAGUA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

VI. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	68,500,000	120,420,807
Proceeds from Sale of Assets	2		
Other Receipts	3		
TOTAL RECEIPTS		68,500,000	120,420,870
PAYMENTS			
Compensation of employees	4	1,667,376	1,209,284
Use of goods and services	5	11,420,758	10,814,449
Transfers to Other Government Units	6	42,025,000	59,962,705
Other grants and transfers	7	52,790,893	47,482,292
Acquisition of Assets	8	1,316,349	
Other Payments	9		
TOTAL PAYMENTS		109,220,376	119,468,730
SURPLUS/(DEFICIT)		(40,720,376)	952,076

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MARAGUA Constituency financial statements were approved on 30/9/20 2020 and signed by:

**FUND ACCOUNT MANAGER
MARAGUA NG-CDF**
Fund Account Manager
Name: Aracela Mwangi
Box 643 - 10205
MARAGUA


National Sub-County Accountant
Name: B. Karo Gichoti
ICPAK Member Number: 250
**THE NATIONAL SUB-COUNTY ACCOUNTANT
MURANG'A SOUTH
P. O. Box 32 - 01020,
KENOL**

THE UNIVERSITY OF CHICAGO
MURKIN SOUTH
1000 S. UNIVERSITY ST.
CHICAGO, ILL.

CONFIDENTIAL



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

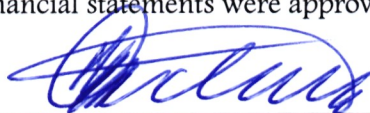
VII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	1,773,095	42,493,470
Cash Balances (cash at hand)	10B		-
Total Cash and Cash Equivalents		1,773,095	42,493,470
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		1,773,095	42,493,470
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
TOTAL FINANCIAL LIABILITES		-	-
NET FINANCIAL ASSETS		1,773,095	42,493,470
REPRESENTED BY			
Fund balance b/fwd	13	42,493,470	40,814,138
Prior year adjustments	14	-	727,256
Surplus/Defict for the year		(40,720,376)	952,076
NET FINANCIAL POSITION		1,773,095	42,493,470

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MARAGUA Constituency financial statements were approved on

30/9/2020 and signed by:

FUND ACCOUNT MANAGER
MARAGUA NG-CDF
Name: Alex Mwangi
P. O. Box 643 - 10205
MARAGUA


National Sub-County Accountant
Name: B. Kago Gichotho
ICPAK Member Number: 25013

THE NATIONAL SUB-COUNTY ACCOUNTANT
MURANG'A SOUTH
P. O. Box 32 - 01020,
KENOL



THE NATIONAL ARCHIVES
1100 COLLEGE AVENUE
COLLEGE PARK, MARYLAND 20740

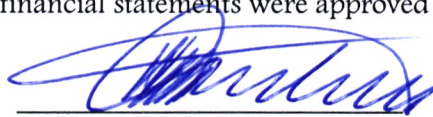
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
MARAGUA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

VIII. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	68,500,000	120,420,807
Other Receipts	3	-	
Total receipts		68,500,000	120,420,807
Payments for operating expenses			
Compensation of Employees	4	1,667,376	1,209,284
Use of goods and services	5	11,420,758	10,814,449
Transfers to Other Government Units	6	42,025,000	59,962,705
Other grants and transfers	7	52,790,893	47,482,292
Other Payments	9	-	
Total payments		107,904,026	119,468,730
Total Receipts Less Total Payments		(39,404,026)	952,076
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	727,256
Net cash flow from operating activities		-	1,679,332
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(1,316,349)	(598,884)
Net cash flows from Investing Activities		(1,316,349)	(598,884)
NET INCREASE IN CASH AND CASH EQUIVALENT		(40,720,376)	1,679,332
Cash and cash equivalent at BEGINNING of the year	13	42,493,470	40,814,138
Cash and cash equivalent at END of the year		<u>1,773,094</u>	<u>42,493,470</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MARAGUA Constituency financial statements were approved on 30/9/2020 and signed by:

FUND ACCOUNT MANAGER
MARAGUA NGCDF
Fund Account Manager
Name: 30 SEP 2020
ICPAK Member Number:
P. O. Box 643 - 10205
MARAGUA


National Sub-County Accountant
Name: B. KAGO GICPPH
THE NATIONAL SUB-COUNTY ACCOUNTANT
MURANG'A SOUTH
P. O. Box 32 - 01020,
KENOL



REPRODUCTION OF THIS DOCUMENT IS PROHIBITED WITHOUT THE WRITTEN PERMISSION OF THE NATIONAL ARCHIVES

1968-01-15
1968-01-15
1968-01-15

NATIONAL GOVERNMENT CONSTITUTIONAL DEVELOPMENT FUND (NGCDF) – MAIN ACCOUNTS
Reports and Financial Statements
For the year ended June 30, 2020

IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,724	42,993,470	180,361,194	110,993,470	69,367,724	61.5%
Proceeds from Sale of Assets			-		-	
Other Receipts		-	-		-	
	137,367,724	42,993,470	180,361,194	110,993,470	69,367,724	61.5%
PAYMENTS						
Compensation of Employees	2,400,000	990,716	3,390,716	1,667,376	1,723,340	49.2%
Use of goods and services	9,963,095	2,444,000	12,407,095	11,420,758	986,337	92.1%
Transfers to Other Government Units	67,400,000	11,842,460	79,242,460	42,025,000	37,217,460	53.0%
Other grants and transfers	57,604,629	26,399,945	84,004,574	52,790,893	31,213,681	62.8%
Acquisition of Assets		1,316,349	1,316,349	1,316,349	(0)	
Other Payments			-		-	
TOTALS	137,367,724	42,993,470	180,361,194	109,220,376	71,140,818	60.6%

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




- The underutilization of compensation of employees relates to a CDFC staff who resigned mid-year and the vacancy was not immediately filled.
- The under expenditure on transfer to other government units and other grants and transfer was as a result of slow receipt of funds to the constituency as at the close of the financial year.

The NGCDF-MARAGUA Constituency financial statements were approved on 30/7/2020 and signed by:

FUND ACCOUNT MANAGER
MARAGUA NG-CDF

Fund Account Manager
Name: AP. Box 643, 19205 MARAGUA


Sub-County Accountant
Name: B. KARE GICPAK
ICPAK Member Number: 25013

THE NATIONAL SECURITY ACCOUNTANT
MURANG'A SOUTH
P.O. BOX 32 - 01020
KENOL

11/11/11
11/11/11
11/11/11

11/11/11
11/11/11



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

X. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,560,000.00	1,150,716.00	3,710,716.00	1,667,375.70	2,043,340.30
1.2 Committee allowances	3,200,000.00	150,700.00	3,350,700.00	2,850,000.00	500,700.00
1.3 Use of goods and services	2,482,063.45	131,926.03	2,613,989.48	2,613,989.48	-
2.0 Monitoring and evaluation					
2.1 Capacity building	1,350,000.00	80,000.00	1,430,000.00	1,430,000.00	-
2.2 Committee allowances	1,671,032.00	8,000.00	1,679,032.00	908,164.21	770,867.79
2.3 Use of goods and services	1,100,000.00	18,604.27	1,118,604.27	1,118,604.27	-
3.0 Emergency	7,198,241.38	3,323,970.45	10,522,211.83	3,756,197.00	6,766,014.83
3.1 Primary Schools					
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
4.0 Bursary and Social Security					
4.1 Primary Schools					

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

4.2 Secondary Schools	15,341,931.04	154,117.84	15,496,048.88	15,496,048.88	-
4.3 Tertiary Institutions	9,000,000.00	392,451.22	9,392,451.22	4,064,052.10	5,328,399.12
4.4 Universities			-		-
4.5 Social Security	10,000,000.00		10,000,000.00	6,358,777.12	3,641,222.88
5.0 Sports	2,747,354.48	2,180,817.51	4,928,171.99	2,180,817.51	2,747,354.48
5.1			-		-
5.2			-		-
5.3			-		-
6.0 Environment	2,747,354.48	1,060,817.51	3,808,171.99	2,385,000.00	1,423,171.99
6.1					
6.2					
6.3					
7.0 Primary Schools Projects (List all the Projects)					
Kinoo primary school	450,000.00		450,000.00	450,000.00	-
Irembu primary school	500,000.00		500,000.00		500,000.00
College primary school	1,500,000.00		1,500,000.00	1,000,000.00	500,000.00
Wathiani primary school	2,000,000.00		2,000,000.00		2,000,000.00
Itaara primary	1,000,000.00		1,000,000.00	1,000,000.00	-
Kawamanda primary school	3,700,000.00		3,700,000.00		3,700,000.00
Kiyo primary	850,000.00		850,000.00	850,000.00	-
Kiambamba primary	1,000,000.00		1,000,000.00	600,000.00	400,000.00





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

Matanya primary school		750,000.00	750,000.00	750,000.00	-
Irembu primary school		750,000.00	750,000.00		750,000.00
Gathanga primary school		3,000,000.00	3,000,000.00		3,000,000.00
huhoini primary school		500,000.00	500,000.00	500,000.00	
8.0 Secondary Schools Projects (List all the Projects)			-		
Maranjau secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-
Snr. Gichohi secondary school	3,600,000.00		3,600,000.00	1,100,000.00	2,500,000.00
Nginda mixed secondary school	2,500,000.00		2,500,000.00	2,500,000.00	-
Maganjo secondary school	1,500,000.00		1,500,000.00		1,500,000.00
Ikundu secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-
Kangangu secondary school	500,000.00		500,000.00		500,000.00
Kamahuha girls secondary school	400,000.00		400,000.00	400,000.00	-
Makuyu girls secondary school	2,000,000.00		2,000,000.00	2,000,000.00	-
Mithini secondary school	400,000.00		400,000.00	400,000.00	-
Maragua ridge secondary school	7,000,000.00		7,000,000.00		7,000,000.00
Mungu-ini secondary	1,500,000.00		1,500,000.00	1,500,000.00	-
Itaaga secondary	500,000.00		500,000.00	500,000.00	-
Muchagara secondary	2,000,000.00		2,000,000.00	1,000,000.00	1,000,000.00



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

Kambiti secondary	850,000.00		850,000.00	600,000.00	250,000.00
Huhoini secondary school	800,000.00		800,000.00	800,000.00	-
Mihango secondary	1,350,000.00		1,350,000.00	1,350,000.00	-
P.k secondary school	2,800,000.00		2,800,000.00	2,800,000.00	-
Mutithi secondary school	1,600,000.00		1,600,000.00	1,600,000.00	-
Gikomora secondary school	2,500,000.00		2,500,000.00		2,500,000.00
Itaaga secondary school	200,000.00		200,000.00		200,000.00
Igikiro mixed secondary school	1,000,000.00		1,000,000.00		1,000,000.00
Nginda mixed secondary school		1,500,000.00	1,500,000.00	1,500,000.00	-
Gathera secondary school		2,300,000.00	2,300,000.00	2,300,000.00	-
Maragua national library		2,000,000.00	2,000,000.00	2,000,000.00	-
Nginda education zone office		500,000.00	500,000.00	500,000.00	-
9.0 Tertiary institutions Projects (List all the Projects)					
9.1					
9.2					
9.3					
9.4					
10.0 Security Projects					
Maragua a.c.c hall	2,400,000.00		2,400,000.00		2,400,000.00
Mihango A.P post	250,000.00		250,000.00		250,000.00



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

Kiambaa A.P post	400,000.00			400,000.00		400,000.00
Thangira A.P houses	1,500,000.00			1,500,000.00		1,500,000.00
Kenol police station	2,750,000.00			2,750,000.00		2,750,000.00
Methi chiefs hall	519,747.55			519,747.55		519,747.55
Kenol dci offices	2,750,000.00			2,750,000.00	2,750,000.00	-
Maragua A.C.C hall		2,000,000.00		2,000,000.00	2,000,000.00	-
Maragua police station		200,000.00		200,000.00	200,000.00	-
Muranga south sub-county A.P houses		3,000,000.00		3,000,000.00	3,000,000.00	-
Muranga south sub-county office.		2,500,000.00		2,500,000.00	2,500,000.00	-
Makuyu police station		2,400,000.00		2,400,000.00	2,400,000.00	-
Gikomora A.P houses		800,000.00		800,000.00	800,000.00	-
Githanji A.P post		800,000.00		800,000.00	800,000.00	-
saba saba police post		3,000,000.00		3,000,000.00	3,000,000.00	-
Karurumo A.P houses		600,000.00		600,000.00	600,000.00	-
Saba saba chiefs office		1,700,000.00		1,700,000.00	1,700,000.00	1,700,000.00
Makuyu security light		250,000.00		250,000.00	250,000.00	-
Gakoigo security light		250,000.00		250,000.00	250,000.00	-
11.0 Acquisition of assets						
11.1 Motor Vehicles (including motorbikes)						





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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2019, 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) –
MARAGUA 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) –
MARAGUA CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2019.

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

XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
NGCDF Board		
AIE NO 2019/2020	4,000,000	11,379,931
AIE NO 2015/2016	500,000	10,000,000
AIE NO 2019/2020	18,000,000	11,000,000
AIE NO 2019/2020	8,000,000	7,000,000
AIE NO 2019/2020	9,000,000	6,000,000
AIE NO 2019/2020	20,000,000	55,040,876
AIE NO 2019/2020	9,000,000	20,000,000
TOTAL	68,500,000	120,420,807

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) –
MARAGUA 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 temporary employees	1,621,131	1,209,284
Personal allowances paid as part of salary	-	-
Pension and other social security contributions (Gratuity)	46,245	-
Employer Contributions Compulsory national social security schemes	-	-
Total	1,667,376	1,209,284

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MARAGUA 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	2,803,500	2,909,300
Utilities, supplies and services	1,434,730	667,512
Communication, supplies and services		19,278
Domestic travel and subsistence		
Electricity	13,834	13,118
Water & sewerage charges	1,060	4,550
Printing, advertising and information supplies & services		
Rentals of produced assets		
Training expenses	2,963,000	2,420,000
Hospitality supplies and services		
Insurance costs		
Other committee expenses	3,424,100	2,883,000
Specialized materials and services		
Office and general supplies and services		431,000
Other operating expenses		47,075
Fuel, oil & Lubricants	501,754	552,624
Routine maintenance – vehicles and other transport equipment	278,750	41,994
Routine maintenance – other assets		25,000
Strategic plan		799,998
Total	11,420,758	10,814,449



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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools (see attached list)	17,675,000	26,095,900
Transfers to secondary schools (see attached list)	21,850,000	33,866,805
Transfers to tertiary institutions (see attached list)	2,500,000	
Transfers to health institutions (see attached list)		
TOTAL	42,025,000	59,962,705

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	21,854,826	19,272,806
Bursary – tertiary institutions (see attached list)	4,064,052.10	17,717,000
Bursary – special schools (see attached list)		
Mock & CAT (see attached list)		
Security projects (see attached list)	18,550,000	6,957,464
Sports projects (see attached list)	2,180,817.51	
Environment projects (see attached list)	2,385,000	1,120,000
Emergency projects (see attached list)	3,756,197	2,415,023
Total	52,790,893	47,482,292

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Equity Bank Kenya Ltd kenol branch A/C 0220 291 029 972</i>	1,773,095	42,493,470
Total	1,773,095	42,493,470
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) –
MARAGUA 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>	dd/mm/yy	xxx		-
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx		-
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx		-
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx		-
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx		-
<i>Name of Officer or Institution</i>	dd/mm/yy	xxx		-
Total				-

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

12A. RETENTION

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

[Provide short appropriate explanations as necessary]

12B. GRATUITY DEPOSITS

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

[Provide short appropriate explanations as necessary]



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

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	42,493,470	40,814,138
Cash in hand		
Imprest		
Total	42,493,470	40,814,138

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	xxx	xxx	
Cash in hand	xxx	xxx	
Accounts Payables	xxx	xxx	
Receivables	xxx	xxx	
Reversed stale cheques (bursary)	xxx	xxx	727,256
	xxx	xxx	727,256

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST*

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
MARAGUA 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 gratuity	348,842.15	327,803.20
Others (<i>specify</i>)	-	
	348,842.15	327,803.20

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	300,000	990,716
Use of goods and services	409,291.76	2,444,000
Amounts due to other Government entities (see attached list)	1,063,803.24	11,342,460
Amounts due to other grants and other transfers (see attached list)		26,399,945
Acquisition of assets		1,316,349
Others (<i>specify</i>)		
	1,773,095	42,493,470



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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	3,013,785	5,676,743
	3,013,785	5,676,743

NATIONAL GOVERNMENT ENTITY – MARAGUA NG-CDF

Reports and Financial Statements

For the year ended June 30, 2020

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	a	b	c	d=a-c	
Construction of buildings					
3.					
4.					
5.					
Sub-Total					
Construction of civil works					
6.					
7.					
8.					
Sub-Total					
Supply of goods					
9.					
10.					
11.					
Sub-Total					
Supply of services					
12.					
13.					
14.					
Sub-Total					
Grand Total					





NATIONAL GOVERNMENT ENTITY - MARAGUA NG-CDF
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land	N/A			N/A
Buildings and structures	9,500,000			9,500,000
Transport equipment	5,020,000			5,020,000
Office equipment, furniture and fittings	2,004,411			2,004,411
ICT Equipment, Software and Other ICT Assets	621,000	127,759		748,759
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	17,145,411	127,759		17,273,170



NATIONAL GOVERNMENT ENTITY - MARAGUA NG-CDF
Reports and Financial Statements
For the year ended June 30, 2020

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

PMC	Bank	Account number	Bank Balance 2019/20
Saba saba primary school cdf/pmc account.	equity kenol branch	890262345961	18,307
Matanya Primary School cdf/pmc account	equity kenol branch	890264391537	1,590
Kambiti Primary School cdf/pmc account	equity kenol branch	890264487860	32,839
Ichagaki primary school cdf/pmc account	equity kenol branch	890270885093	13,485
Munguini primary school cdf/pmc account	equity kenol branch	890270885792	1,267
Itaara primary school cdf/pmc account	equity kenol branch	890272197464	61,097
Wairuri primary school cdf/pmc account	equity kenol branch	890262366583	22,223
MITHINI Primary School cdf/pmc account	equity kenol branch	890269253967	46,320
Githuya primary school cdf/pmc account	equity kenol branch	890270188582	5,627
Gathuri primary school cdf/pmc account	equity kenol branch	890262346548	5,893
Igikiro primary school cdf/pmc account	equity kenol branch	890269235746	784
Ndorome primary school cdf/pmc account	equity kenol branch	890264467805	15,382
Kiawamanda primary school cdf/pmc account	equity kenol branch	890270343430	215.7
Muchagara primary school cdf/pmc account	equity kenol branch	220299452022	
Irembu Primary School cdf/pmc account	equity kenol branch	890271953441	376
Kiunguini Primary School cdf/pmc account	equity kenol branch	890262346060	15.03
Kimorori Primary School cdf/pmc account	equity kenol branch	0890264455375`	63.75
Mihango Primary School cdf/pmc account	equity kenol branch	890263528346	50,832.55
Marema Primary School cdf/pmc account	equity kenol branch	890299519601	85
Punda milia A.P post	equity kenol branch	890272139685	78
Kaharo A.P post	equity kenol branch	890272141240	164
Kiambaa A.P post	equity kenol branch	890272137871	516
Thagira Secondary School cdf/pmc account	equity kenol branch	890299719701	5
Mwangaza Secondary School cdf/pmc account	equity kenol branch	0890263551235	290,072.50
Nginda Secondary School cdf/pmc account	equity kenol branch	890272204665	67,898
Mungu-ini Secondary School cdf/pmc account	equity kenol branch	890263469559	380,432
Ichagaki Secondary School cdf/pmc account	equity kenol branch	890261651001	75,711
Senior Gichohi Primary School cdf/pmc account	equity kenol branch	90192429990	9,708
Percy Davis Primary School cdf/pmc account	equity kenol branch	890262345894	47,483
Muhohoyo Primary School cdf/pmc account	equity kenol branch	890299421499	8,913
Kinoo Primary School cdf/pmc account	equity kenol branch	890263683913	21,027



NATIONAL GOVERNMENT ENTITY - MARAGUA NG-CDF

Reports and Financial Statements

For the year ended June 30, 2020

Maji kiboko Primary School cdf/pmc account	equity kenol branch	890261630521	235,173
Punda milia Primary School cdf/pmc account	equity kenol branch	890263718690	2,438.75
Kaharo Primary School cdf/pmc account	equity kenol branch	890264496893	128,960
Maragua Primary School cdf/pmc account	equity kenol branch	890272138521	1,695
Ikindu Primary School cdf/pmc account	equity kenol branch	890272140348	2,874
Nginda Primary School cdf/pmc account	equity kenol branch	890270948692	1,035
Mutithi Sec School	equity kenol branch	0890297471689	39,221
Snr chief gichohi secondary	equity kenol branch	0890277517690	10,535
Irembu mixed secondary school	equity kenol branch	0220298996218	134,245
Kaharo boys secondary school	equity kenol branch	0890266004280	66,088.25
Ichagaki mixed secondary school	equity kenol branch	0890261651001	146,666
Karia-ini secondary school	equity kenol branch	0890263542188	9,708.25
Maranjau primary school	equity kenol branch	0890264025202	14,880
Maganjo secondary school	equity kenol branch	0890264467387	54,732
Ikundu secondary school	equity kenol branch	0890278851233	204,983
Thaara primary school	equity kenol branch	0890265935527	694,581.00
Mithini primary school	equity kenol branch	0890269253967	3120
Kagaa primary school	equity kenol branch	0890297456021	46320
Karungangi primary school	equity kenol branch	0890270347719	4751
Mihango primary school	equity kenol branch	0890263528346	7964
Gikomora primary school	equity kenol branch	0890273283720	85
Mutithi primary school	equity kenol branch	0890270369411	4412
Kitune primary school	equity kenol branch	0890297403659	19915
Githanji primary school	equity kenol branch	0890262345419	7.45
Kangangu Primary school	equity kenol branch	0890278830988	495.8
GITHANJI A.P POST	equity kenol branch	0890270210909	280
total			3,013,575



NATIONAL GOVERNMENT ENTITY - MARAGUA NG-CDF

Reports and Financial Statements

For the year ended June 30, 2020

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1	<p>Budget Execution Observation</p> <p>During the year under review, the Constituency received a total of Kshs.161,962,201 from the National Government Constituencies Development Fund Board. Out of the total budgeted expenditure of Kshs.161,962,201, the NGCDF incurred a total actual expenditure of Kshs.119,468,730 and thus resulting in under expenditure of Kshs.42,493,470 or 26.2% of the approved amount.</p> <p>The under expenditure occurred mainly on the following items</p>	<p><i>The Maragua NG-CDF had intended to implement all the projects as per the approved project proposal 2018/2019 at the time of audit 40% of the projects were not implemented. The reason for the delayed implementation of the 40% of the projects was as a result of delayed release of funds the board as at 30th June 2019 thus the delay in release of funds by the management to the respective project management committees. However, the funds were received and implementation done in the subsequent financial year 2019/2020 to completion and are of much benefit to the community.</i></p> <p>See annex 4.1</p>	Fund manager	resolved	30/9/2020



NATIONAL GOVERNMENT ENTITY - MARAGUA NG-CDF

Reports and Financial Statements

For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.2	<p>Prior Year Adjustments Criteria</p> <p>Section 68 of the Public Finance Management Act 2012 states that in the performance of a function under subsection (1), an accounting officer shall ensure that all expenditure made by the entity complies with subsection (1);</p> <p>(b) Ensure that the entity keeps financial and accounting records that comply with this Act.</p>	<p><i>The prior year adjustment in the statement of assets and liabilities of ksh 727,256 relates to stale bursary cheques for the financial year 2017/2018 that were cancelled from the bank reconciliation and in the cash book and later re-issued as bursary to other bright and needy students within the constituency.</i></p> <p><i>See annex 4.2</i></p>	Fund manager	resolved	30/9/2020
4.3	<p>Unutilized Funds Observation</p> <p>Note 15.3 of the financial statement indicate unutilized funds of Kshs.42, 493,470 that has not been supported as follows;</p>	<p>Management Comments</p> <p><i>As at 30th June 2019, the management had not implemented projects worth ksh 42,493,470 that relates to 40% of the budget for 2018/2019. The specific projects that relate to this balance have been annexed for your perusal to support the figure of ksh 42,493,470. These projects have however</i></p>	Fund manager	Not-resolved	30/9/2020



NATIONAL GOVERNMENT ENTITY - MARAGUA NG-CDF
Reports and Financial Statements
For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<i>been implemented to completion and are in use. See annex 4.3</i>			
4.4	<p>Sub Committee for Bursary Disbursements Observation</p> <p>The statement of receipts and payments for the year ended 30 June 2019 reflects other grants and transfers of Kshs.26,510,000 which relate to bursary to secondary schools of Kshs.18,219,000, bursary to tertiary of Kshs.8,021,000 and bursary to special schools of Kshs.270,000. However, records availed for audit indicated the Maragua National Government Constituency Development Fund did not have a bursary sub-committee to approve the bursary allocations.</p>	<p><i>Maragua NG-CDF uses the selected bursary committee members from each of the 34 sub location within the constituency these members are constituted by the area locals and are normally composed of between 7-10members.</i></p> <p><i>The role of the bursary committee members is to vet the applications at the sub-location level and rank the applications in their level of need.</i></p> <p><i>The following is there is the procedure:</i></p> <p>➤ <i>The NG-CDFC allocates and approves the bursary allocation for each sub-location via</i></p>	Fund manager	Not-resolved	30/9/2020



NATIONAL GOVERNMENT ENTITY - MARAGUA NG-CDF
Reports and Financial Statements
For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><i>minuted resolution this is later communicated to the respective sub-location bursary committees.</i></p> <ul style="list-style-type: none"> ➤ <i>Advertisement is done constituency wide and bursary application forms issued to various sub-location via help of assistant chiefs.</i> ➤ <i>Applicants are expected to collect the bursary forms, fill and return dully filled forms to the sub-locations committees for vetting and ranking.</i> ➤ <i>The list of the beneficiary from the sub-locations is signed by the</i> 			



NATIONAL GOVERNMENT ENTITY - MARAGUA NG-CDF
Reports and Financial Statements
For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p><i>members and forwarded to the NG-CDF office for the final cheque preparations.</i></p> <p>➤ <i>The list of beneficiary is placed on assistant chief's notice board and in public places as the cheques are disbursed to the beneficiary.</i></p>			
4.5	<p>Project Management Committees (PMC) Bank Accounts</p> <p>Observation Note 15.4 and annex 5 to the financial statements for the year ended 30 June 2019 reflects Project Management Committee (PMC) bank accounts holding total bank balance of Kshs.5, 676,743 as at 30 June 2019. However, it was noted that some PMC bank accounts</p>	<p><i>Management Comments</i></p> <p><i>As at 30th June 2019, the financial statement reflected PMC bank accounts balances amounting to Ksh 5,676,743. This money relates to final payments and retention money owed to contractors for the currently on-going projects. Some of the contractors had not finalized on the on-going works thus had not been fully settled while for others the retention period was not yet</i></p>	Fund manager	Not-resolved	30/9/2020



NATIONAL GOVERNMENT ENTITY - MARAGUA NG-CDF
Reports and Financial Statements
For the year ended June 30, 2020

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>had retained amounts that were unutilized at year end and had not been returned to the CDF main account as provided for in the law despite having completed the projects the money were issued for.</p>	<p><i>over thus the money remained in the PMC bank accounts. The management however acknowledges the audit recommendation on returning the unutilized money to the main NG-CDF account and is in the process of identifying all the complete projects balance for this to be done. See annex 4.5</i></p>			

