

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

DATE: 22 NOV 2022

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Tuesday

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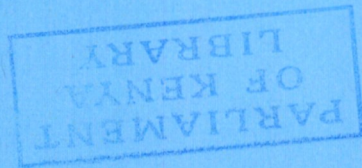
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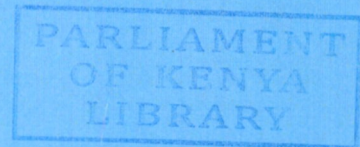
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THE AUDITOR-GENERAL

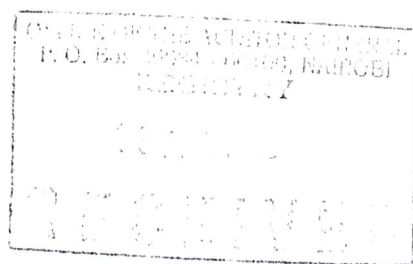


ON



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

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



MAKADARA CONSTITUENCY
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2021

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

MAKADARA NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P. O. Box 618-00515, BURUBURU

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

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

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a). Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

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Core Values

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

Functions of NG-CDF Committee

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

(b) Key Management

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

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

(c) Fiduciary Management

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

| No | Designation | Name |
|----|-----------------------|-------------------|
| 1. | A.I.E holder | Job Munyi |
| 2. | Sub-County Accountant | Stephen Mbugua |
| 3. | Chairman NGCDFC | Ronald Milare |
| 4. | Member NGCDFC | Catherine Nzilani |

(d) Fiduciary Oversight Arrangements

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

(e) Makadara Constituency NGCDF Headquarters

KCB Building, 6th Floor
Jogoo Road opposite Uchumi Supermarket
P.O.BOX 618-00515
Nairobi, KENYA

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

(f) Makadara Constituency NGCDF Contacts

Telephone: (254) 724 870 038
E-mail: jmutini@ngcdf.go.ke
Website: www.go.ke

(g) Makadara Constituency NGCDF Bankers

Equity Bank Limited
NG-CDF MAKADARA
AC/NO 0950262163417
Buruburu Branch
P.O.BOX 75104
Nairobi Kenya

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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II. NG-CDFC CHAIRMAN'S REPORT



Ronald Milare
Chairman NGCDF Makadara.

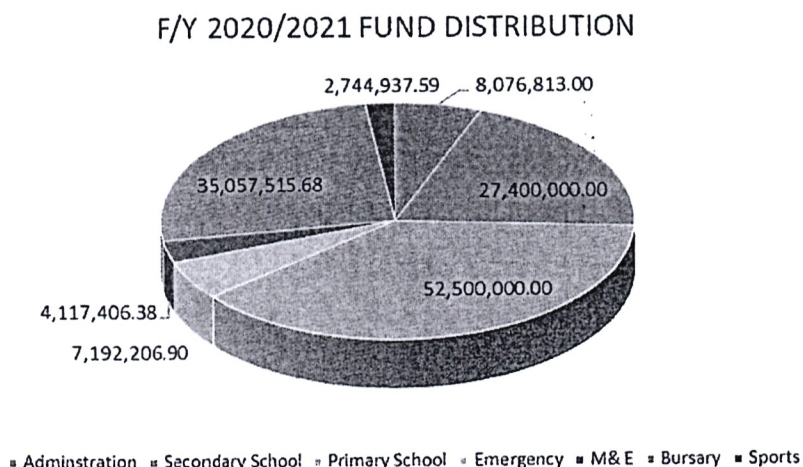
The Makadara Constituency NG-CDF total allocation for the financial year 2020/2021 was Kshs 137,088,879 This was decline from Kshs 137,367,724 allocated in financial year 2019/2020

Our key focus during the year was completing Star of Hope primary school which is located at Lunga Lunga informal settlements at Viwandani ward where there is only two public school, in order to ensure that there is 100% enrollment of pupils as per the Government agenda four initiative. Also we had to complete other projects in wards in Makadara Constituency

1. Table1.1 showing allocation on comparative Basis

| Financial Year | Allocation | Disbursement Within the year |
|----------------|-------------|------------------------------|
| 2019/2020 | 137,367,724 | 112,000,000 |
| 2020/2021 | 137,088,879 | 127,367,724 |
| Decrease | 278,845 | |

Figure 1.1 Showing Fund Distribution Financial Year 2020/2021



Key Achievements

- We were able to complete various project during the financial year and other are still ongoing.
- Construction of 32 new classrooms at Star of Hope Primary school
- We managed to disburse bursaries to 5,300 students who are bright and needy.
- We have constructed 4 new classrooms at St Anne's Girls Secondary School
- Construction and completion of Perimeter wall at Ofafa Jericho High school.
- Construction of 2 new classrooms at Bahati Primary School
- Construction of 4 new classrooms at Aquinas High School.
- Rehabilitation of Harambee Primary School roof.
- Supply of Lockers and chairs to various school.

Challenges

- Some project may require along span of implementation creating difference between initial budget and the actual cost during implementation
- Limited fund against competing needs from different institutions
- High number of vulnerable population
- Covid 19 Pandemic has slowed everything naturally and internationally

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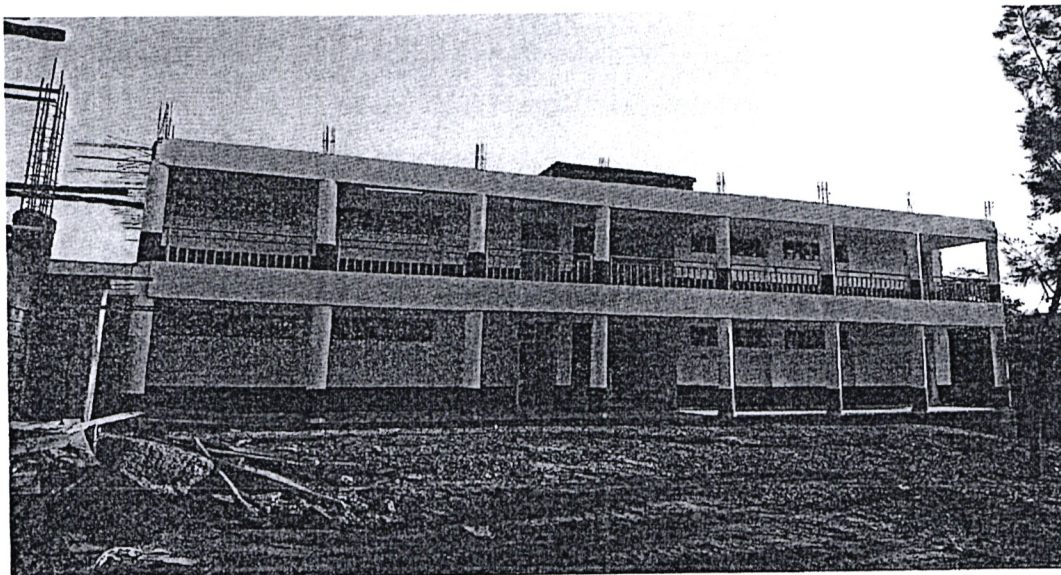
Solution

- NG-CDF board need to be flexible in fund disbursements for the projects implementation considering project with longer lifespan
- Public participation in project implementation be conducted regularly
- Collaboration with other government institutions where possible.

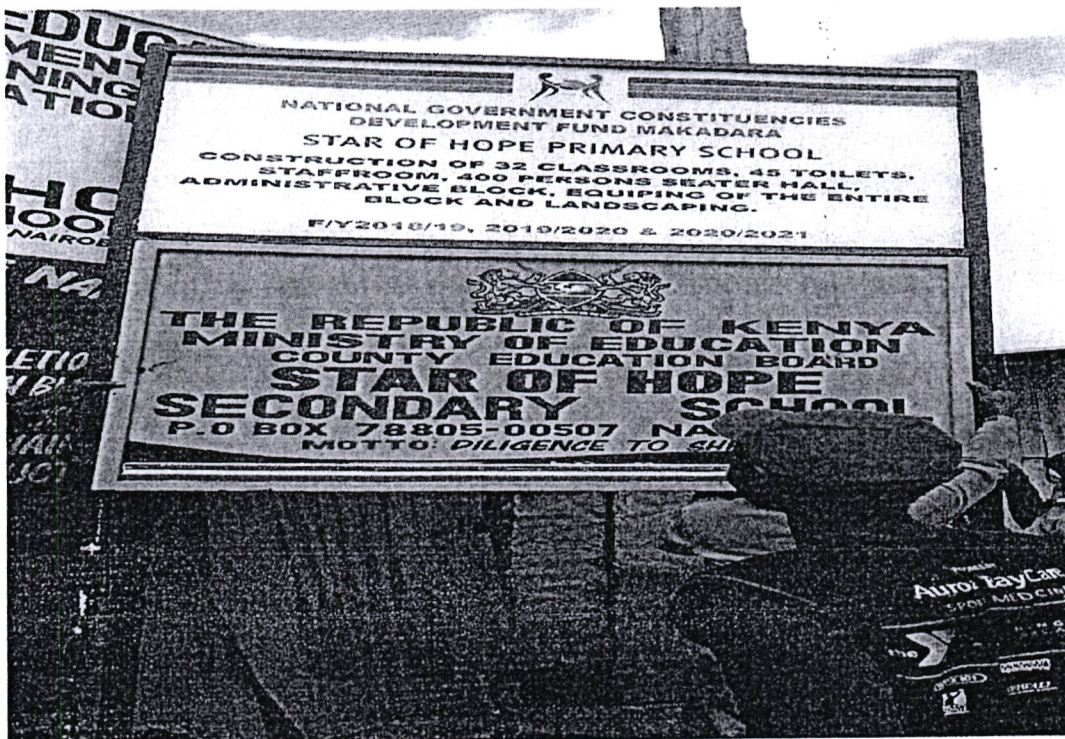
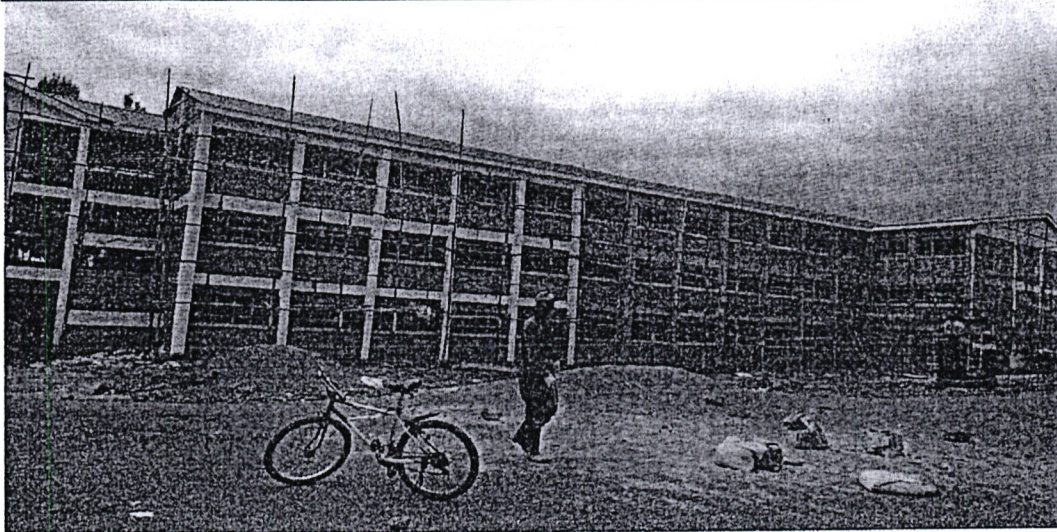
Emerging Issues

- Pandemic such as Covid 19 causing go slow in the projects implementation.
- Shortage of land to implement new projects such as school, police camp and chief camp.
- High level of unemployment's leading to high dependence levels, the government should consider increasing the NGCDF kitty to gap the unemployment.
- The continuous state of campaign moods causing uncertainty.

PHOTO GALLERY



4 New classrooms at St Anne's Girls Secondary School

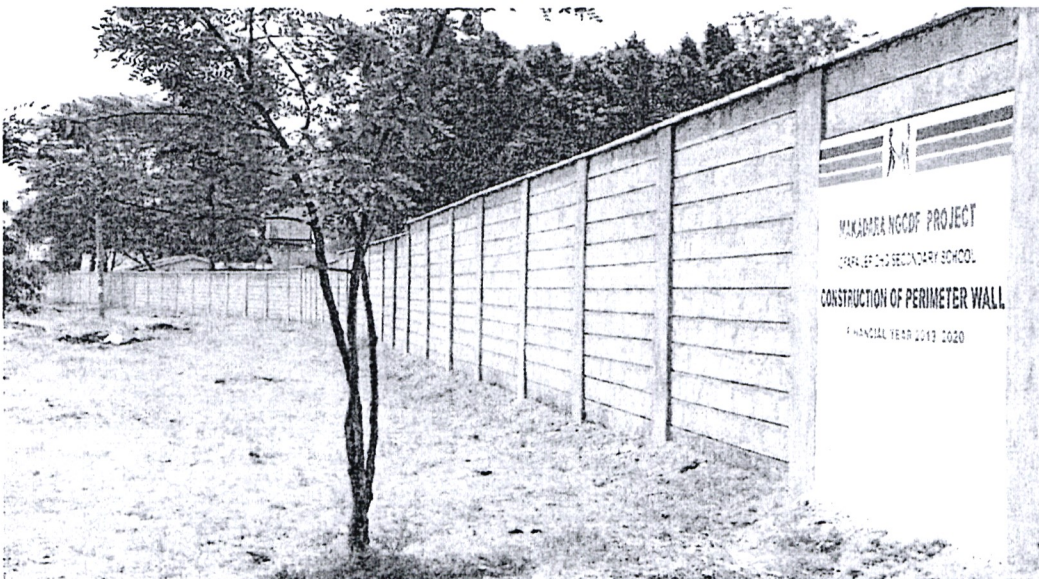


32 New Classroom at Star of Hope Primary School.

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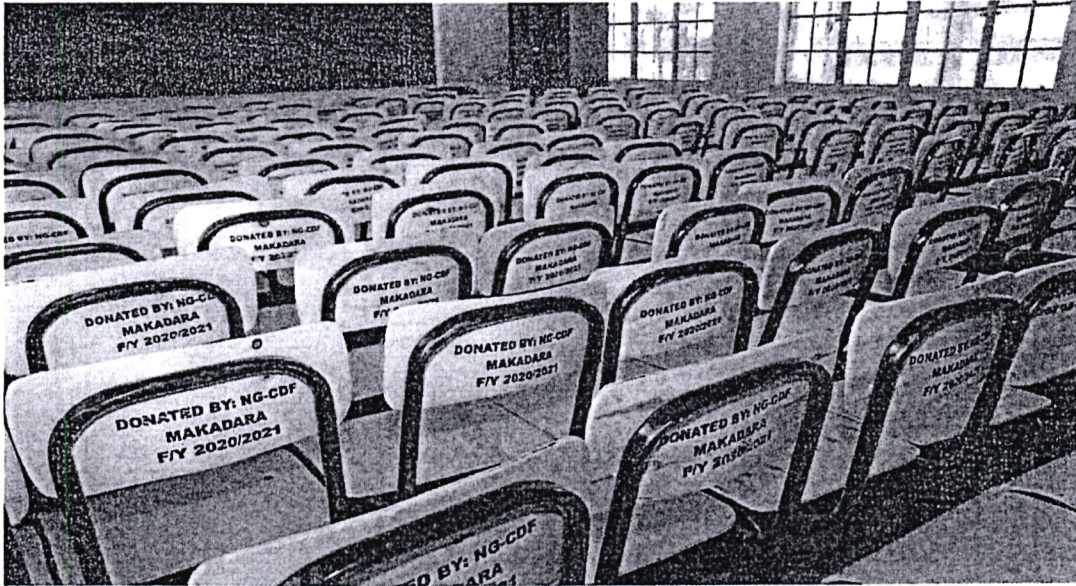


4 New classrooms at Aquinas High School



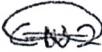
Perimeter Wall at Ofafa Jericho High School.

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Supply of desks and chairs to Ofafa Jericho primary school F/Y 2020/2021

MAKADARA NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P. U. Box 618-00515, BURUBURU

Signature 

CHAIRMAN NGCDF COMMITTEE

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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

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

- To improve education outcomes at all levels of learning.
- To empower constituents of Makadara Constituency socially and economically.
- To enhance security for the constituents through improving infrastructure for security provision and strengthen community policing mechanisms.
- To address environmental challenges and reduce the impact of disaster risks.
- To improve efficiency and effectiveness through streamlining funds processes and system.

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 | Construct and rehabilitate additional classroom and sanitation facilities in school. Provision of additional desks and lockers. Perimeter fencing of school. Support acquisition of school bus. Build Star of Hope Primary School in Viwandani ward. Bursaries for needy and deserving learners | Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions. Improved physical state of school infrastructure. Security in the school. Access to education improved in informal settlements. | No of classroom constructed or rehabilitated. No of desks provided to school. No of school perimeter wall constructed. No of School bus bought. Star of Hope primary school constructed. No of students supported through bursaries. | In FY 20/21, we Rehabilitated Harambee Primary School, Constructed 32 new classrooms at Star of Hope primary school, 4 new classrooms at St Anne's Girls Sec School. , 4 new classroom at Aquinas High school and perimeter wall at Ofafa Jericho High school. |
| Security | Construct and | State of | No of housing | In FY of |

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| | | | | |
|--------|---|--|---|---|
| | <p>rehabilitate physical infrastructure in the police stations and posts. Establish additional and construct houses for the security officers. Support construction of offices for national Administration. Install security lights in crime hot spots and public places.</p> | <p>physical facilities in the police station improved. Improved security and units for the safety for all. Housing for the police officers improved. Improved access to administrative services by the public.</p> | <p>units for the police constructed. No of security lights installed. No of new police posts established. No of police station rehabilitated.</p> | <p>2020/2021 we constructed a perimeter wall at Makadara Sub county Headquarters.</p> |
| Sports | <p>Rehabilitate and secure community sports grounds Support community clubs Link community clubs with sponsors and national agencies Sponsor constituency annual sport tournaments</p> | <p>Talents in sports and arts identified and developed among the youth. State of community sports grounds improved. Community clubs supported.</p> | <p>No of community sports ground rehabilitated and secured. No of community clubs supported. Annual constituency sports</p> | <p>In F/Y 2020/2021 Sports tournaments were performed.</p> |

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

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

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

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

2. Environmental performance

Environment strategic objective

To address environmental challenges and reduce the impact of disaster risks

Strategies to be used

- Improve environment and sanitation

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- Strengthen disaster responsiveness and management
- Build community resilience to disaster risks
- Sensitize and capacity build the public on disaster response and management

Action Plan

Makadara NG-CDF have rehabilitated some bore hole in Viwandani Ward and Makongeni ward to ensure good sanitation by the resident and encourage environment cleanliness. No of community disaster responsiveness teams established and trained on how to manager disaster and preserve environment.

Employee welfare

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

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

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

3. Market place practices-

Makadara NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

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4. Community Engagements-

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

Public Participation in Project Identification and Implementation and Monitoring

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

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

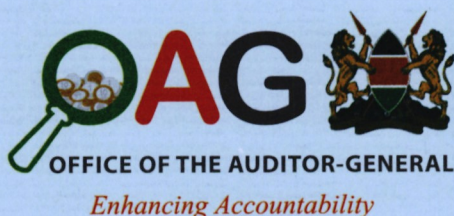
The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

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

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

REPUBLIC OF KENYA



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Makadara Constituency set out on pages 18 to 48,

which comprise the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with 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, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Makadara Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Makadara 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 opinion.

Key Audit Matters

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

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final revenue budget and actual on comparable basis of Kshs.172,588,394 and Kshs.127,499,516 respectively, resulting into an under-funding of Kshs.45,088,878 or 26% of the budget. Similarly, the Fund spent Kshs.127,151,583 against an approved budget of Kshs.172,588,395 resulting into an under-expenditure of Kshs.45,436,812 or 26% of the budget.

In the circumstances, the under-funding and under-absorption may have impacted negatively on service delivery to the constituents of Makadara.

2. Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management

has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: No. AG.4/16/3 Vol.1(9) dated 24 June, 2020

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, I confirm that, nothing 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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

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

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

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

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

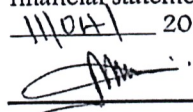
19 July, 2022

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

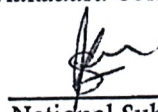
VII. STATEMENT OF RECEIPTS AND PAYMENTS

| | Note | 2020 - 2021 | 2019 - 2020 |
|-------------------------------------|------|--------------------|--------------------|
| | | | Kshs |
| RECEIPTS | | | |
| Transfers from NGCDF Board | 1 | 127,367,724 | 112,000,000 |
| Proceeds from Sale of Assets | 2 | - | - |
| Other Receipts | 3 | - | - |
| | | | |
| TOTAL RECEIPTS | | 127,367,724 | 112,000,000 |
| | | | |
| PAYMENTS | | | |
| Compensation of employees | 4 | 4,616,170 | 2,714,889 |
| Use of goods and services | 5 | 8,252,701 | 7,614,432 |
| Transfers to Other Government Units | 6 | 53,236,693 | 74,165,769 |
| Other grants and transfers | 7 | 61,046,019 | 31,422,303 |
| Acquisition of Assets | 8 | - | - |
| Other Payments | 9 | - | - |
| | | | |
| TOTAL PAYMENTS | | 127,151,583 | 115,917,393 |
| | | | |
| SURPLUS/DEFICIT | | 216,141 | (3,917,393) |


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Makadara Constituency financial statements were approved on 11/04/2022 and signed by:



Fund Account Manager
Name: Job Munyi



National Sub-County
Accountant
Name: Stephen Mbugua
ICPAK M/No:14496




Chairman NG-CDF Committee
Name: Ronald Milare


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


VIII. STATEMENT OF ASSETS AND LIABILITIES

| | Note | 2020 - 2021 | 2019 - 2020 |
|--|------|----------------|----------------|
| | | Kshs | Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances (as per the cash book) | 10A | 347,933 | 131,792 |
| Cash Balances (cash at hand) | 10B | - | - |
| Total Cash and Cash Equivalents | | 347,933 | 131,792 |
| Accounts Receivable | | | |
| Outstanding Imprests | 11 | - | - |
| TOTAL FINANCIAL ASSETS | | 347,933 | 131,792 |
| FINANCIAL LIABILITIES | | | |
| Accounts Payable (Deposits) | | | |
| Retention | 12A | - | - |
| Gratuity | 12B | | |
| NET FINANCIAL SSETS | | 347,933 | 131,792 |
| REPRESENTED BY | | | |
| Fund balance b/fwd 1st July... | | 131,792 | 4,049,185 |
| Prior year adjustments | 14 | - | |
| Surplus/Defict for the year | | 216,141 | (3,917,393) |
| NET FINANCIAL POSITION | | 347,933 | 131,792 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Makadara Constituency financial statements were approved on 11/04/2022 and signed by:


Fund Account Manager
Name: Job Munyi


National Sub-County
Accountant
Name: Stephen Mbugua
ICPAK M/No:14496


Chairman NG-CDF Committee
Name: Ronald Milare

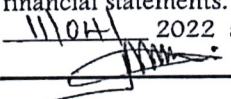
MAKADARA NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P. O. Box 618-00515, BURUBURU


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

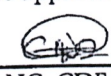
IX.STATEMENT OF CASHFLOW

| | | 2020-2021 | 2019-2020 |
|--|-----------|--------------------|--------------------|
| | | Kshs | Kshs |
| Receipts from operating activities | | | |
| Transfers from NGCDF Board | 1 | 127,367,724 | 112,000,000 |
| Other Receipts | 3 | - | - |
| | | 127,367,724 | 112,000,000 |
| Payments for operating activities | | | |
| Compensation of Employees | 4 | 4,616,170 | 2,714,889 |
| Use of goods and services | 5 | 8,252,701 | 7,614,432 |
| Transfers to Other Government Units | 6 | 53,236,693 | 74,165,769 |
| Other grants and transfers | 7 | 61,046,019 | 31,422,303 |
| Other Payments | 9 | - | - |
| | | 127,151,583 | 115,917,393 |
| Adjusted for: | | | |
| Decrease/(Increase) in Accounts receivable | 15 | - | - |
| Increase/(Decrease) in Accounts Payable | 16 | - | - |
| Prior year Adjustments | 14 | - | - |
| Net Adjustments | | - | - |
| Net cash flow from operating activities | | 216,141 | (3,917,393) |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 2 | - | - |
| Acquisition of Assets | 8 | - | - |
| Net cash flows from Investing Activities | | - | - |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | | |
| Cash and cash equivalent at BEGINNING of the year | 10 | 131,792 | 4,049,185 |
| Cash and cash equivalent at END of the year | | 347,933 | 131,792 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Makadara Constituency financial statements were approved on 11/04/2022 and signed by:


Fund Account Manager
Name: Job Munyi


National Sub-County
Accountant
Name: Stephen Mbugua
ICPAK M/No:14496


Chairman NG-CDF Committee
Name: Ronald Milare

MAKADARA NATIONAL GOVERNMENT
CONSTITUENCY DEVELOPMENT FUND
P. U. Box 618-00515, BURUBURU

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

I. X SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED



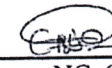
| Receipt/Expense Item | Original Budget a | Opening Balance (C/Bk) and AIA | Adjustments b | Final Budget c=a+b | Actual on Comparable Basis d | Budget Utilisation Difference e=c-d | % of Utilisation f=d/c % |
|-------------------------------------|----------------------|--------------------------------|--|-----------------------|---------------------------------|--|-----------------------------|
| RECEIPTS | | | Previous years Outstanding Disbursements | | | | |
| Transfers from NG-CDF Board | 137,088,879 | 131,792 | 35,367,723 | 172,588,394 | 127,499,516 | 45,088,878 | 73.9% |
| Proceeds from Sale of Assets | | | | 0 | - | - | 0.0% |
| Other Receipts | | | | 0 | - | - | 0.0% |
| TOTAL RECEIPTS | 137,088,879 | 131,792 | 35,367,724 | 172,588,394 | 127,499,516 | 45,088,878 | 73.9% |
| PAYMENTS | | | | | | | |
| Compensation of Employees | 3,934,000 | | 3,537,540 | 7,471,540 | 4,616,170 | 2,855,370 | 61.8% |
| Use of goods and services | 8,260,219 | | 3,603 | 8,263,822 | 8,252,701 | 11,121 | 99.9% |
| Transfers to Other Government Units | 79,900,000 | | 7,939,024 | 87,839,024 | 53,236,693 | 34,602,331 | 60.6% |
| Other grants and transfers | 44,994,660 | 131,792 | 23,887,557 | 69,014,009 | 61,046,019 | 7,967,990 | 88.5% |
| Acquisition of Assets | 0 | | | 0 | - | - | 0.0% |
| Other Payments | 0 | | | 0 | - | - | 0.0% |
| TOTAL | 137,088,879 | 131,792 | 35,367,724 | 172,588,395 | 127,151,583 | 45,436,812 | 73.7% |

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

- i. Compensation to employee had underutilization of 38.2. This was occasioned by adjustment from previous year in the 2019/2020
- ii. Transfer to Other Government Units had an underutilization of 39.4 due to remaining disbursements of funds from the Board.
- iii. Other grants and transfers had an underutilization of 11.5 % remaining disbursements of funds from the Board.
- iv. The amount of Kshs 131,792 is represented in financial Statement of the current year is opening cash book balance and balance of Kshs 35,367,724 not received from the NG-CDF board at the end of 2019/2020

| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities | |
|---|------------|
| Description | Amount |
| Budget utilization difference totals | 45,436,812 |
| Less undisbursed funds receivable from the Board as at 30th June 2021 | 45,088,878 |
| | 347,934 |
| Add Accounts payable | 0 |
| Less Accounts Receivable | 0 |
| Add/Less Prior Year Adjustments | 0 |
| Cash and Cash Equivalents at the end of the FY 202021 | 347,934 |

The NGCDF-Makadara Constituency financial statements were approved on 11/04/2022 and signed by:

| | | |
|---|--|---|
|  |  |  |
| _____ Fund Account Manager Name: Job Munyi | _____ National Sub-County Accountant Name: Stephen Mbugua ICPAK M/No:14496 | _____ Chairman NG-CDF Committee Name: Ronald Milare |

MAKADARA NATIONAL GOVERNMENT
 CONSTITUENCY DEVELOPMENT FUND
 P. O. Box 618-00515, EURUBURU

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

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

| Programme/Sub-programme | Original Budget(a) | Adjustments(b) | | Final Budget c = (a+b) | Actual on comparable basis(d) | Budget utilization difference(e = c-d) | % of Utilisation(f=d/c %) |
|---|--------------------|--------------------------------|--|------------------------|-------------------------------|--|---------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous years Outstanding Disbursements | | | | |
| | 2020/2021 | | | 2020/2021 | 30/06/2021 | | |
| | Kshs | | Kshs | Kshs | Kshs | Kshs | |
| 1.0 Administration and Recurrent | | | | | | | |
| 1.1 Compensation of employees | 3,934,000 | | 3,537,540 | 7,471,540 | 4,616,170 | 2,855,370 | 62 |
| 1.2 Committee allowances | 2,100,000 | | | 2,100,000 | 2,100,000 | - | 100 |
| 1.3 Use of goods and services | 2,042,813 | | 3,603 | 2,046,416 | 2,036,701 | 9,715 | 100 |
| Total | 8,076,813 | - | 3,541,143 | 11,617,956 | 8,752,871 | 2,865,085 | |
| 2.0 Monitoring and evaluation | | | | | | | |
| 2.1 Capacity building | 1,500,000 | | - | 1,500,000 | 1,500,000 | - | 100 |
| 2.2 Committee allowances | 1,317,406 | | - | 1,317,406 | 1,316,000 | 1,406 | 100 |
| 2.3 Use of goods and services | 1,300,000 | | - | 1,300,000 | 1,300,000 | - | 100 |
| Total | 4,117,406 | - | - | 4,117,406 | 4,116,000 | 1,406 | 100 |
| Primary Schools Projects | | | | | | | |

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

| | | | | | | | | |
|-----------------------------------|-------------------|---------|--|-------------------|-------------------|-------------------|-------------------|-----------|
| Star of hope primary school | 37,500,000 | | | | 37,500,000 | 16,583,111 | 20,916,889 | 44 |
| Star of hope primary school | 6,500,000 | | | | 6,500,000 | 450,000 | 6,050,000 | 7 |
| Kimathi primary school | 3,000,000 | | | 2,925,000 | 5,925,000 | 450,000 | 5,475,000 | 8 |
| Bahati primary school | 3,900,000 | | | | 3,900,000 | 2,960,940 | 939,060 | 76 |
| St. Annes Primary school | 1,600,000 | | | | 1,600,000 | 500,000 | 1,100,000 | 31 |
| St Paul Primary School | | | | | | 10,491,491 | - | |
| Joseph Apudo Primary School PMC | | | | | | 1,323,840 | - | |
| Total | 52,500,000 | | | 2,925,000 | 55,425,000 | 32,759,382 | 22,665,618 | 59 |
| Secondary Schools Projects | | | | | | | | |
| Ofafa Jericho secondary school | 6,400,000 | | | | 6,400,000 | 4,522,581 | 1,877,419 | 71 |
| St. Annes secondary school | 8,000,000 | | | 2,844,000 | 10,844,000 | 10,844,000 | - | 100 |
| Aquinas secondary school | 13,000,000 | | | | 13,000,000 | 5,110,730 | 7,889,270 | 39 |
| Makongeni Secondary School | | | | 2,170,024 | 2,170,024 | | 2,170,024 | - |
| Total | 27,400,000 | | | 5,014,024 | 32,414,024 | 20,477,311 | 11,936,713 | 63 |
| Bursary | | | | | | | | |
| Bursary Secondary Schools | 25,057,515 | 131,792 | | 19,333,000 | 44,522,307 | 44,182,000 | 340,307 | 99 |
| Bursary Tertiary Institutions | 7,000,000 | | | 2,170,000 | 9,170,000 | 9,170,000 | - | 100 |
| NHIF Social Security Programme | 3,000,000 | | | | 3,000,000 | 2,900,000 | 100,000 | 97 |
| Total | | | | 21,503,000 | 56,692,307 | | 440,307 | 99 |

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

| | | | | | | | | |
|-----------------------|-------------|-----------|-------------|-------------|------------|-----|--|--|
| | 35,057,515 | | | | 56,252,000 | | | |
| SPORTS | 2,744,938 | 46,019 | 2,790,957 | 2,740,000 | 50,957 | 98 | | |
| EMERGENCY | 7,192,207 | 137,024 | 7,329,231 | 1,259,419 | 6,069,812 | 17 | | |
| ENVIRONMENTAL | | 1,406,914 | 1,406,914 | | 1,406,914 | | | |
| SECURITY PROJECT | | 794,600 | 794,600 | 794,600 | | 100 | | |
| 12.0 Other payments | | | | | | | | |
| Total | | | | | | | | |
| 13.0 unallocated fund | | | | | | | | |
| Unapproved projects | | | | | | | | |
| AIA | | | | | | | | |
| PMC savings | | | | | | | | |
| Total | 137,088,879 | 131,792 | 172,588,395 | 127,151,583 | 45,436,812 | 74 | | |

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

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

XII SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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

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

Proceeds from Sale of Assets

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

Other receipts

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

Unutilized Funds from PMCs.

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

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

External Assistance

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

5. In-kind contributions

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

6. Cash and Cash Equivalents.

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

7. Accounts Receivable

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

8. Accounts Payable

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

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

9. Pending Bills

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

10. Unutilized Fund

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

11. Budget

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

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

| Description | | 2020-2021 | 2019-2020 |
|--------------|---------|--------------------|--------------------|
| | | Kshs | Kshs |
| NGCDF Board | | | |
| AIE NO | B047254 | | 10,000,000 |
| AIE NO | B041250 | | 4,000,000 |
| AIE NO | B041314 | | 18,000,000 |
| AIE NO | B047733 | | 5,000,000 |
| AIE NO | B049364 | | 15,000,000 |
| AIE NO | B104388 | | 15,000,000 |
| AIE NO | B096603 | | 11,000,000 |
| AIE NO | B096765 | | 34,000,000 |
| | | | |
| AIE NO | B096904 | 5,000,000 | |
| AIE NO | B104635 | 19,000,000 | |
| AIE NO | A823669 | 7,567,724 | |
| AIE NO | B124598 | 9,000,000 | |
| AIE NO | B124856 | 3,800,000 | |
| AIE NO | B119552 | 8,500,000 | |
| AIE NO | B119942 | 12,000,000 | |
| AIE NO | B128185 | 6,900,000 | |
| AIE NO | B128497 | 7,000,000 | |
| AIE NO | B132240 | 6,000,000 | |
| AIE NO | B138908 | 13,000,000 | |
| AIE NO | B126202 | 7,000,000 | |
| AIE NO | B126497 | 10,600,000 | |
| AIE NO | B140640 | 12,000,000 | |
| TOTAL | | 127,367,724 | 112,000,000 |

2. PROCEEDS FROM SALE OF ASSETS

| | 2020-2021 | 2019-2020 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Receipts from sale of Buildings | 00 | 00 |
| Receipts from the Sale of Vehicles and Transport Equipment | 00 | 00 |
| Receipts from sale of office and general equipment | 00 | 00 |
| Receipts from the Sale Plant Machinery and Equipment | 00 | 00 |
| | | |
| Total | 00 | 00 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

| | 2020-2021 | 2019-2020 |
|---|-----------|-----------|
| | Kshs | Kshs |
| Interest Received | 00 | 00 |
| Rents | 00 | 00 |
| Receipts from sale of tender documents | 00 | 00 |
| Hire of plant/equipment/facilities | 00 | 00 |
| Unutilized funds from PMCs | 00 | 00 |
| Other Receipts Not Classified Elsewhere | 00 | 00 |
| Total | 00 | 00 |

4. COMPENSATION OF EMPLOYEES

| | 2020-2021 | 2019-2020 |
|--|------------------|------------------|
| | Kshs | Kshs |
| NG-CDFC Basic staff salaries | 2,017,458 | 1,783,089 |
| Personal allowances paid as part of salary | | |
| House Allowance | 526,000 | 501,000 |
| Transport Allowance | 419,900 | 411,600 |
| Leave allowance | 00 | 00 |
| Gratuity to contractual employees | 1,632,612 | 00 |
| Employer Contributions Compulsory national social security schemes | 20,200 | 19,200 |
| Total | 4,616,170 | 2,714,889 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

| | 2020-2021 | 2019-2020 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Committee Expenses | 1,780,000 | 2,243,500 |
| Utilities, supplies and services | 223,900 | 387,586 |
| Other Committee Expenses | 1,253,000 | 479,000 |
| Communication, supplies and services | 189,450 | 602,520 |
| Domestic travel and subsistence | 460,000 | 521,500 |
| Printing, advertising and information supplies & services | 843,300 | 468,270 |
| Rentals of produced assets | 00 | 00 |
| Training expenses | 1,144,100 | 1,479,996 |
| Hospitality supplies and services | 477,300 | 508,510 |
| Insurance costs | 00 | 00 |
| Specialized materials and services | 00 | 00 |
| Office and general supplies and services | 743,500 | 135,284 |
| Other operating expenses | 353,050 | 00 |
| Routine maintenance – vehicles and other transport equipment | 00 | 00 |
| Routine maintenance – other assets | 00 | 00 |
| Bank services commission and charges | 45,137 | 13,020 |
| Electricity | 10,000 | 7,000 |
| Office rent | 729,964 | 768,246 |
| Total | 8,252,701 | 7,614,432 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

| Description | 2020-2021 | 2019-2020 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Transfers to primary schools (see attached list) | 32,759,382 | 63,359,793 |
| Transfers to secondary schools (see attached list) | 20,477,311 | 10,805,976 |
| Transfers to tertiary institutions (see attached list) | 00 | 00 |
| TOTAL | 53,236,693 | 74,165,769 |

7. OTHER GRANTS AND OTHER PAYMENTS

| | 2020-2021 | 2019-2020 |
|---|-------------------|-------------------|
| | Kshs | Kshs |
| Bursary – secondary schools (see attached list) | 34,652,000 | 5,667,000 |
| Bursary – tertiary institutions (see attached list) | 21,600,000 | 7,830,000 |
| Bursary – special schools (see attached list) | 00 | 00 |
| Mock & CAT (see attached list) | 00 | 00 |
| Social Security programmes (NHIF) | 00 | 00 |
| Security projects (see attached list) | 794,600 | 1,778,068 |
| Sports projects (see attached list) | 2,740,000 | 3,210,000 |
| Environment projects (see attached list) | 00 | 00 |
| Emergency projects (see attached list) | 1,259,419 | 12,937,235 |
| | | |
| Total | 61,046,019 | 31,422,303 |

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8. ACQUISITION OF ASSETS

| | 2020-2021 | 2019-2020 |
|--|-----------|-----------|
| | Kshs | Kshs |
| Purchase of Buildings | 00 | 00 |
| Construction of Buildings | 00 | 00 |
| Refurbishment of Buildings | 00 | 00 |
| Purchase of Vehicles and Other Transport Equipment | 00 | 00 |
| Overhaul of Vehicles and Other Transport Equipment | 00 | 00 |
| Purchase of Household Furniture and Institutional Equipment | 00 | 00 |
| Purchase of Office Furniture and General Equipment | 00 | 00 |
| Purchase of ICT Equipment, Software and Other ICT Assets | 00 | 00 |
| Purchase of Specialized Plant, Equipment and Machinery | 00 | 00 |
| Rehabilitation and Renovation of Plant, Machinery and Equip. | 00 | 00 |
| Acquisition of Land | 00 | 00 |
| Acquisition of Intangible Assets | 00 | 00 |
| | 00 | 00 |
| Total | 00 | 00 |

9. OTHER PAYMENTS

| | 2020-2021 | 2019-2020 |
|----------------|-----------|-----------|
| | Kshs | Kshs |
| Strategic plan | 00 | 00 |
| ICT Hub | 00 | 00 |
| | 00 | 00 |

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10: CASH BOOK BANK BALANCE
10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

| Name of Bank, Account No. & currency | 2020-2021 | 2019-2020 |
|---|----------------|----------------|
| | Kshs | Kshs |
| <i>Closing Cash book bank balance</i> | 347,933 | 131,792 |
| <i>Equity Bank Ltd NGCDFC Makadara</i> | | |
| <i>Buruburu Branch</i> | | |
| <i>A/C NO 0950262163417</i> | | |
| | | |
| Total | 347,933 | 131,792 |
| | | |
| 10B: CASH IN HAND | | |
| Location 1 | 00 | 00 |
| Location 2 | 00 | 00 |
| Location 3 | 00 | 00 |
| Other Locations (<i>specify</i>) | 00 | 00 |
| | | |
| Total | 00 | 00 |
| <i>[Provide cash count certificates for each]</i> | | |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

| <i>Name of Officer or Institution</i> | <i>Date Imprest Taken</i> | <i>Amount Taken</i> | <i>Amount Surrendered</i> | <i>Balance</i> |
|---------------------------------------|---------------------------|---------------------|---------------------------|----------------|
| | | <i>Kshs</i> | <i>Kshs</i> | <i>Kshs</i> |
| <i>Name of Officer</i> | dd/mm/yy | 00 | 00 | 00 |
| <i>Total</i> | | | | 00 |

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

12A. RETENTION

| | 2020-2021 | 2019-2020 |
|--|-----------|-----------|
| | KShs | KShs |
| Retention as at 1 st July (A) | 00 | 00 |
| Retention held during the year (B) | 00 | 00 |
| Retention paid during the Year (C) | 00 | 00 |
| Closing Retention as at 30 th June D= A+B-C | 00 | 00 |

[Provide short appropriate explanations as necessary.]

12B. GRATUITY

| | 2020-2021 | 2019-2020 |
|---|-----------|-----------|
| | KShs | KShs |
| Gratuity as at 1 st July (A) | 0 | 00 |
| Gratuity held during the year (B) | 0 | 00 |
| Gratuity paid during the Year (C) | 0 | 00 |
| Closing Gratuity as at 30 th June D= A+B-C | 0 | 0 |

[Provide short appropriate explanations as necessary]

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13. BALANCES BROUGHT FORWARD

| | 2020-2021 (1 st July 2020) | 2019-2020 (1 st July 2019) |
|---------------|--|--|
| | Kshs | Kshs |
| Bank accounts | 131,792 | 4,049,185 |
| Cash in hand | | |
| Imprest | | |
| Total | 131,792 | 4,049,185 |

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

| Description of the error | Balance b/f FY 2019/2020 as per Audited Financial statements | Adjustments | Adjusted Balance** b/f FY 2019/2020 |
|---------------------------|--|-------------|---|
| | Kshs | Kshs | Kshs |
| Bank account Balances | 00 | | 00 |
| Cash in hand | 00 | | 00 |
| Accounts Payables | 00 | | 00 |
| Receivables | 00 | | 00 |
| Others (<i>specify</i>) | 00 | | 00 |
| TOTAL | 00 | 00 | 00 |

**** The adjusted balances are not carried down on the face of the financial statement.
 (Entity to provide disclosure on the adjusted amounts)**

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

| | 2020-2021 | 2019-2020 |
|--|-----------|-----------|
| | KShs | KShs |
| Outstanding Imprest as at 1 st July (A) | 00 | 00 |
| Imprest issued during the year (B) | 00 | 00 |
| Imprest surrendered during the Year (C) | 00 | 00 |
| closing accounts in account receivables D= A+B-C | 00 | 00 |

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

| | 2020 -2021 | 2019- 2020 |
|---|------------|------------|
| | KShs | KShs |
| Deposit and Retentions as at 1 st July (A) | 00 | 00 |
| Deposit and Retentions held during the year (B) | 00 | 00 |
| Deposit and Retentions paid during the Year (C) | 00 | 00 |
| closing account receivables D= A+B-C | 00 | 00 |

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XIV 17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

| | 2020-2021 | 2019-2020 |
|-----------------------------|-----------|-----------|
| | Kshs | Kshs |
| Construction of buildings | 0 | 0 |
| Construction of civil works | 0 | 0 |
| Supply of goods | 0 | 0 |
| Supply of services | 0 | 0 |
| | 00 | 00 |

17.2: PENDING STAFF PAYABLES (See Annex 2)

| | 2020-2021 | 2019-2020 |
|----------------------------------|-----------|-----------|
| | Kshs | Kshs |
| NGCDFC Staff | 0 | 0 |
| Others (<i>Staff Gratuity</i>) | 243,063 | 1,250,262 |
| | 243,063 | 1,250,262 |

17.3: UNUTILIZED FUND (See Annex 3)

| | 2020-2021 | 2019-2020 |
|---|------------|------------|
| | Kshs | Kshs |
| Compensation of employees | 2,855,370 | 3,537,540 |
| Use of goods and services | 11,121 | 3,603 |
| Amounts due to other Government entities (see attached list) | 34,602,331 | 7,100,545 |
| Amounts due to other grants and other transfers (see attached list) | 7,967,990 | 24,857,827 |
| Acquisition of assets | | |
| Others (<i>specify</i>) | | |
| Funds pending approval | | |
| | 45,436,812 | 35,499,515 |

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17.4: PMC account balances (See Annex 5)

| | 2020-2021 | 2019-2020 |
|--|-----------|-----------|
| | Kshs | Kshs |
| PMC account balances (see attached list) | 2,673,929 | 1,836,912 |
| | | |
| | | |

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

| Name of Staff | Designation | Date employed | Outstanding Balance 30 th June 2021 | Comments |
|----------------------------|-------------------------------|---------------|---|-----------------|
| NG-CDFC Staff | | | | |
| Agnes Watiri Mwangi | Account Assistant | 1/10/2017 | 91,400 | Unpaid Gratuity |
| Evalyne Aligulah Adisa | Receptionist | 1/4/2018 | 17,970 | Unpaid Gratuity |
| Norah Achieng' Okode | Receptionist | 1/4/2018 | 17,970 | Unpaid Gratuity |
| Michael Ongubo Nyokwoyo | Clerical Officer | 1/4/2018 | 17,970 | Unpaid Gratuity |
| William Aseka Olwosi | Messenger | 1/4/2018 | 17,970 | Unpaid Gratuity |
| Phelesia Osanya | Customer Service Assistant | 1/4/2018 | 17,970 | Unpaid Gratuity |
| Janet Akinyi Ochieng | Customer Service Assistant | 1/4/2018 | 17,970 | Unpaid Gratuity |
| Vicky Apiyo Nyandimo | Secretary | 1/4/2018 | 17,970 | Unpaid Gratuity |
| Dennis Muliro Simiyu | Clerical Officer | 1/2/2021 | 25,870 | Unpaid Gratuity |
| | | | | |
| Grand Total | | | 243,063 | |

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ANNEX 3 – UNUTILIZED FUND

| Name | Brief Transaction Description | Outstanding Balance 2020/21 | Outstanding Balance 2019/20 | Comments |
|--|-------------------------------|-----------------------------|-----------------------------|----------|
| | | | | |
| Compensation of employees | | 2,855,370 | 3,537,540 | |
| Use of goods & services | | 11,121 | 3,603 | |
| Amounts due to other Government entities | | | 7,100,545 | |
| Star of hope primary school | 20,916,889 | | | |
| Star of hope primary school | 6,050,000 | | | |
| Kimathi primary school | 5,475,000 | | | |
| Bahati primary school | 939,060 | | | |
| St. Annes Primary school | 1,100,000 | | | |
| Ofafa Jericho secondary school | 1,877,419 | | | |
| Aquinas secondary school | 7,889,270 | | | |
| Makongeni Secondary School | 2,170,024 | | | |
| Sub-Total | | 34,602,331 | 10,641,688 | |
| Amounts due to other grants and other transfers | | | | |
| Bursary Secondary Schools | 340,307 | | | |
| NHIF Social Security Programme | 100,000 | | | |
| Sports | 50,957 | | | |
| Emergency | 6,069,812 | | | |
| Environmental | 1,406,914 | | | |
| Sub-Total | | 7,967,990 | 24,857,827 | |
| Acquisition of assets | | | | |
| Others (specify) | | | | |
| | | | | |
| | | | | |
| Sub-Total | | 00 | | |
| Funds pending approval | | | | |
| Grand Total | | 45,436,812 | 35,499,515 | |

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

| Asset class | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) 2020/21 |
|--|---|---|---------------------------------------|
| Land | - | - | - |
| Buildings and structures | - | - | - |
| Transport equipment | - | - | - |
| Office equipment, furniture and fittings | - | - | 1,358,476 |
| ICT Equipment, Software and Other ICT Assets | - | - | 669,650 |
| Other Machinery and Equipment | | - | - |
| Heritage and cultural assets | - | - | - |
| Intangible assets | - | - | - |
| Total | - | - | 2,028,126 |

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

| PMC | Bank | Account number | Bank Balance 2020/21 | Bank Balance 2019/20 |
|-------------------------------------|----------------------|-----------------------|-----------------------------|-----------------------------|
| St Elizabeth Primary School PMC | Equity Bank Buruburu | 0950278674973 | 51,423 | 51,423.00 |
| Dr Krapf Primary School PMC | Equity Bank Buruburu | 0950278699793 | 54,292 | 54,292.00 |
| Joseph Apudo Primary School PMC | Equity Bank Buruburu | 0950278676235 | 446,325 | 446,324.00 |
| St Michael Primary School PMC | Equity Bank Buruburu | 0950278674953 | 131,316 | 131,315.60 |
| Baraka Primary School PMC | Equity Bank Buruburu | 0950278673154 | 291,744 | 339,324.80 |
| Martin Luther Primary School PMC | Equity Bank Buruburu | 0950278674942 | 35,580 | 35,580.00 |
| Ofafa Jericho High School PMC | Equity Bank Buruburu | 0950279482671 | 752,501 | 644,672.00 |
| Bahati Primary School PMC | Equity Bank Buruburu | 0950278560219 | 51,280 | 133,980.38 |
| St Annes Girls Secondary School PMC | Equity Bank Buruburu | 0950279957411 | 649,684 | - |
| Aquinas High School PMC | Equity Bank Buruburu | 0950279990449 | 209,785 | - |
| Total | | | 2,673,929.05 | 1,836,912 |

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XV .PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---|-----------------------------------|--|
| 1.1 | Note X11 Significant accounting policies (2) Reporting Currency indicates that the values are rounded up to the nearest Kenya Shillings however, Budget execution by programs and sub programs and PMC Account balances figures were not rounded up. | All the values in Budget execution by programs and sub programs and PMC Account balances are now rounded up | Resolved | |
| 1.2 | Progress on follow-up of Auditor Recommendations is based on Draft report issues and not the certificate of the Auditor General. This is contrary to the format prescribed by the Public Sector Accounting Standard Board (PSASB) in accordance with section 194(1) (d) of the Public Finance Management Act, 2012. Consequently, the annual report and the financial statements for the year ended 30 June, 2020 as prepared and presented are not IPSAS compliant. | Progress on follow-up of Auditor Recommendations is based on Draft report since the certificate of the Auditor General has not been received to date. | Resolved | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|--|-----------------------------------|--|
| 2.1 | Note 13 Balances Brought forward reflect bank accounts balance of Kshs.131,972 while statement of receipts and payments reflect Kshs.131,792 resulting to unexplained difference of Kshs.180. | Bank accounts balance brought forward and the statement of receipts and payments have been corrected and reflect a figure of Ksh,131,792A | Resolved | |
| 2.2 | Annex 2- Analysis of Pending Staff Payables reflect outstanding balance of Kshs.1,250,262 while the statement of Assets and Liabilities and note 12 B reflect Nil balances resulting to a difference of Kshs.1,250,262 which was not explained. | Statement of Assets and Liabilities has been rectified to include and amount of Kshs 1,250,262 as indicated on the analysis of pending staff payables. | Resolved | |
| 3.0 | The statement of assets and liabilities reflects a closing bank balance (as per cashbook) of Kshs.131, 792 as at 30 June, 2020. A review of bank reconciliation statement revealed that there were Unpresented cheques totalling Kshs.335, 081, however, there were no records availed for audit to show the dates when cheques were subsequently cleared/presented after closure of the financial year. Further, cheques amounting to Kshs.7,070 were already stale (six months from the dates they were written) have been included in bank reconciliation for the year ended 30 June, 2020 as Unpresented cheques and it's not clear why they were not reversed in the cashbook. | There were no stale cheques at the end of the financial year included in the 31 st June 2020 reconciliations. | Resolved | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|-----------------------------------|--|
| | In the circumstances, the accuracy of the bank balance of Kshs.131, 792 as at 30 June, 2020 could not be confirmed. | | | |
| Other matter | <p>The Summary Statement of Appropriation: Recurrent and Development Combined shows a final budget of Kshs.151,416,909 against actual expenditure of Kshs.115,917,393 resulting in to an unexplained under-utilization of Kshs.35,499,516 or 23.4% as tabulated below contrary to Section 25 (3) of the Public Finance Management Act, 2012:</p> <p>The management has not adhered to the budget contrary to values and principles of Public Service as provided for under Article 232 (1 - c) of the Constitution which requires responsive, prompt, effective, impartial and equitable provision of services.</p> <p>Consequently, the under absorption may have impacted negatively on service delivery to the constituents of Makadara.</p> | <p>The total amount received in 2019/2020 financial year was Kshs 112,000,000 however the last disbursement of Kshs 34,000,000 was received in the last month of the financial year hence couldn't be absorbed entirely within the few remaining days to the end of the financial year. Further the NG-CDFB was yet to disburse Kshs 35,499,516 for financial year in question hindering 100 was received Due to late disbursement of funds all the projects could not be fully implemented by the end of the financial year.</p> | Resolved | |
| Unsupported Constructed | Note 6 to the financial statements reflects Transfers to Other Government entities of Kshs.74,165,769 which includes Kshs.63,359,793 for transfers to primary | The PMC plays the acceptance committee by inspecting the works done and recommending the | Resolved | |

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

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|---|---|-----------------------------------|--|
| on of Perimeter Wall at Joseph Apudo Pny Sch. | schools out which Kshs.41,448,677 was paid for construction of a primary school. A review of the documents confirmed that the Fund awarded Tender No MNG-CDF-007-17/18 for proposed construction of 450 M perimeter wall at Joseph Apudo Primary School to Emco Tech Limited at a contract sum of Kshs.7,838,584. The project started on 4 June, 2019 and completed on 7 December, 2019 and that Kshs.3,167,700 was paid vide Interim Certificates No 01 dated 2 December, 2019 and Kshs.4, 677,021 and No 2 dated 22 April, 2020. However, examination of payment vouchers and their supporting documents in respect of the above stated projects revealed that there was no inspection and acceptance committee minutes/certificate of completion as required by Section 48 (1) of the Public Procurement and Asset Disposal Act, 2015. | relevant payments at different levels of the project. The final completion certificate will be issued by the supervising engineer after payment of retention. | | |
| Delayed Project Star of Hope Primary School | In these circumstances the Fund was in breach of the law. Examination of the Contract Agreement between the Fund and Dragome Construction Company Limited revealed that the construction of thirty-two (32) classrooms at Star of Hope Primary School- Viwandani Ward commenced on 13 November, 2018 and was to be completed in six (6) months (11 May, 2019). | <ul style="list-style-type: none"> Due to the magnitude of the project the NG-CDFC had planned and committed to complete the project in a period of three financial years starting 2018/2019. The project will | Resolved | |

**Makadara Constituency
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| | <p>Documents availed for audit revealed that Kshs.24,088,992 was paid vide interim certificate No 04 dated 24 March, 2020 and Kshs.31,524,082.94 vide interim certificate No. 05 dated 22 May, 2020 during the financial year under review.</p> <p>Audit inspection carried out on 5 February, 2021 revealed that, structure and roofing was complete and forty-four (44) (No) steel doors were fitted. However, plastering, floor and painting are yet to be done and the contractor was not on site and the project seemed to have stalled.</p> <p>The Fund Administrator was therefore in breach of the law.</p> | <p>there for be completed within the current financial year.</p> <ul style="list-style-type: none"> Due to delayed disbursement of funds from the NGCDF Board in the current year due to covid-19 effects. The contractors had stopped the works temporarily. However the FAM has already written a letter to him to resume work as soon as possible | | |

