



*Enhancing Accountability*

# REPORT

OF

THE NATIONAL ASSEMBLY

P. 2

DATE: 23 NOV 2022 Wednesday

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**THE AUDITOR-GENERAL**

ON

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
NORTH IMENTI CONSTITUENCY**

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



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**NORTH IMENTI CONSTITUENCY**  
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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

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**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

**Core Values**

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
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 North Imenti 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 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	NAFTALI K SILAS
2.	Sub-County Accountant	JANE MUHARI
3.	Chairman NGCDFC	JACOB KITHINJI
4.	Member NGCDFC	FAITH NGONGO

**(d) Fiduciary Oversight Arrangements**

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of North Imenti 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) North Imenti Constituency NGCDF Headquarters**

P.O. Box 1209  
NG-CDF Building  
MWENDANTU  
MERU, KENYA

*North Imenti Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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

**(f) NORTH IMENTI Constituency NGCDF Contacts**

Telephone: (254) 724988640  
E-mail: northimentingcdf.go.ke  
Website:

**(g) North Imenti Constituency NGCDF Bankers**

Cooperative Bank of Kenya Makutano branch account 01120075194800  
Makutano Branch  
P.o Box  
Meru

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

## II. NG-CDFC CHAIRMAN'S REPORT



North Imenti Constituency is one of the nine Constituencies of Meru County. It has its headquarters in Meru Town. Agriculture is the main economic activity due to the rich volcanic soils. Wholesale and retail trade also plays important role in the Constituency economy.

The NG-CDF North Imenti has always dedicated time to ensure prudent management of resources received from the NG-CDF Board and ensure equitable distribution within the five wards of the Constituency. Since inception the committee has completed several development projects that are geared towards infrastructural development, wealth creation and fight against poverty within the constituency.

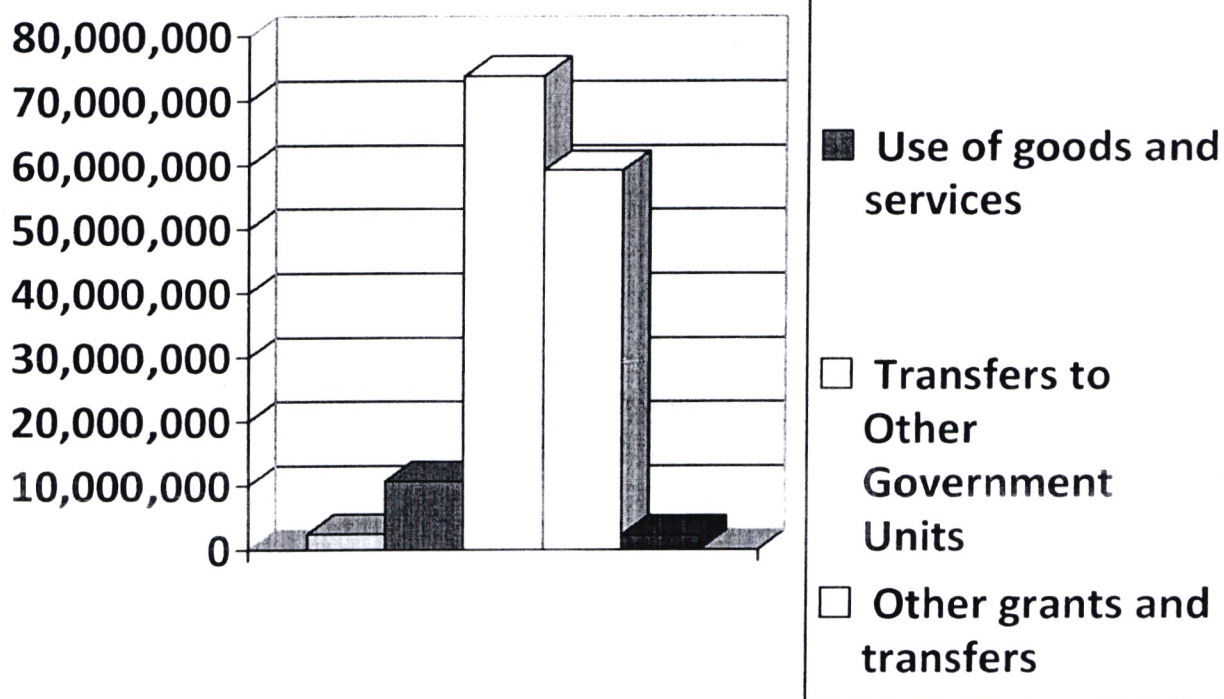
During the financial year under review, North Imenti NG-CDF was able to utilise 70% of the allocated resources. At the closure of the financial year the constituency had unutilised funds amounting to Ksh 17M and a further Ksh 45M not yet received from the Board out of the total budget allocation, the implementation has been satisfactory despite a few challenges.

### **KEY ACHIEVEMENTS**

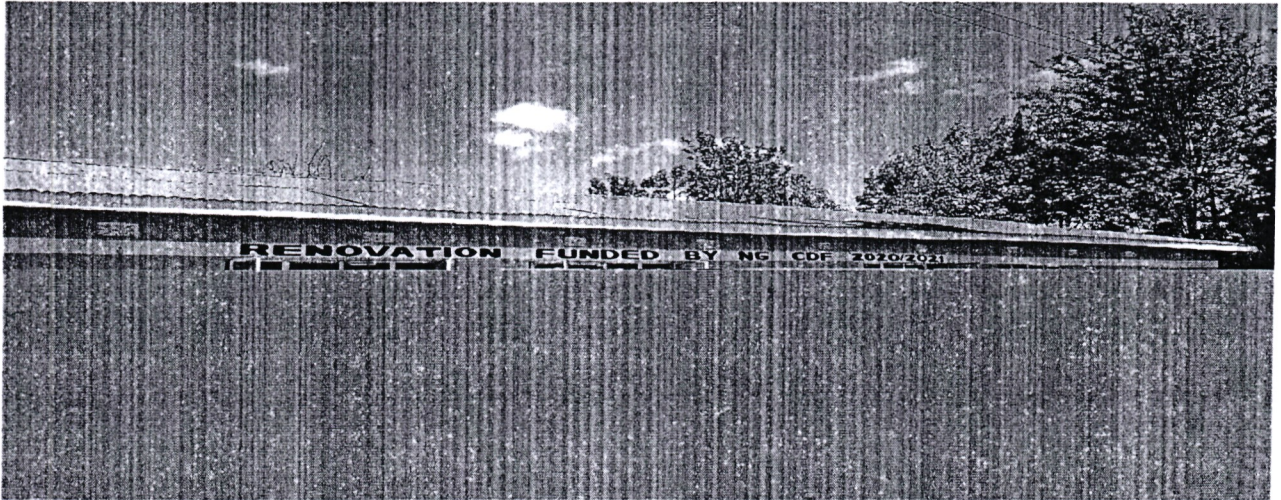
During the Financial year 2020/2021 North Imenti Ng-CDF was able to put new facilities like new classrooms, laboratories, administration blocks in the education sector, we have also renovated a number of classrooms and this has helped to create a conducive environment for learners and also the teachers, security has also improved to a great extent by construction of new infrastructure in police posts and chiefs offices. Demand for education bursaries shot up due the crippling effects on the economic lives of the constituent as a result of the Covid 19 pandemic. Planned sports tournaments could not be held as planned due to a ban in sporting activities as part of the Covid 19 containment measures. The NG-CDFC had to seek authority from the NG-CDF Board to change the planned tree planting activities and instead provide hand washing facilities to all schools in the constituency as a way of fighting against the pandemic.

*North Imenti Constituency  
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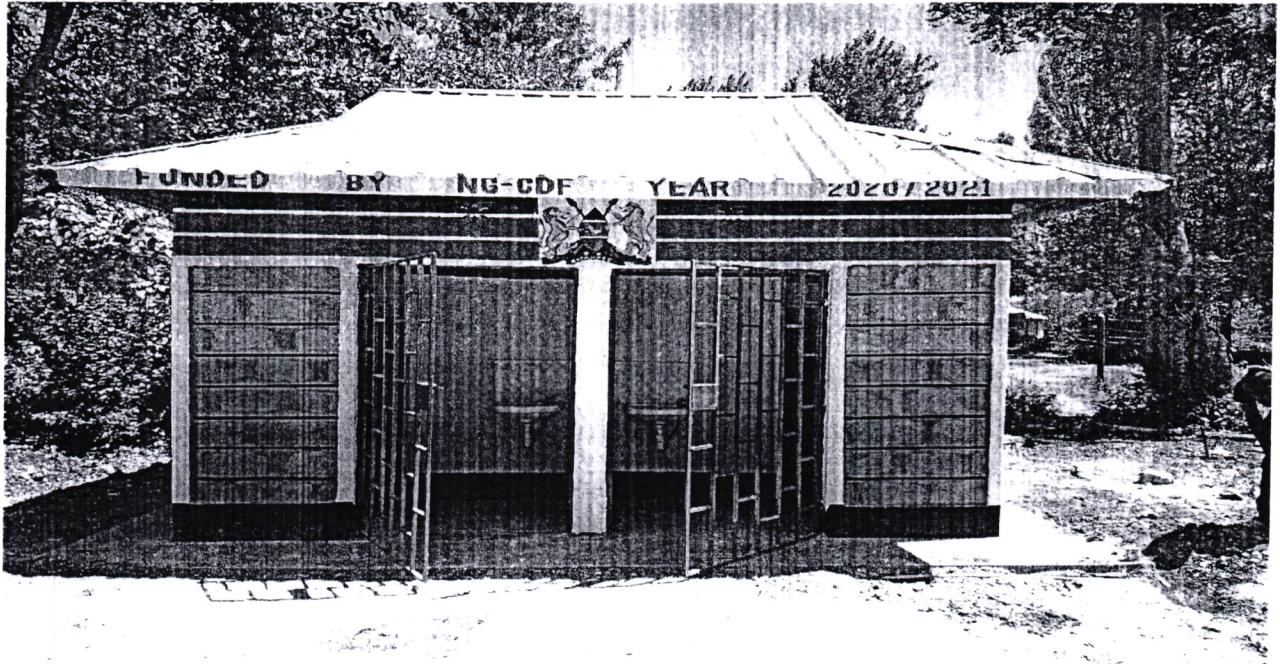
<b>PROJECT</b>	<b>AMOUNT</b>	<b>%</b>
Compensation of employees	2,458,356	2%
Use of goods and services	10,633,993	7%
Transfers to Other Government Units	73,838,241	50%
Other grants and transfers	59,187,354	40%
Acquisition of Assets	2,274,270	2%
<b>TOTAL</b>	<b>148,392,214</b>	



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



Kithoka primary school renovation of classrooms



Chief's office pit latrines funded by north Imenti NG-CDF

Signature

CHAIRMAN NGCDF COMMITTEE

**III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY’S PREDETRMINED OBJECTIVES**

**Introduction**

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

The key development objectives of *North Imenti Constituency 2018-2022* plan are to:

- a) To provide security to all constituents by improving police posts and chiefs camps
- b) To encourage economic activities of residents for self –sufficiency and empowerment
- c) To enhance knowledge in schools through refurbishing schools and conducting motivational talks
- d) To enhance the knowledge of the NG-CDF Staff by trainings and team building
- e) To improve on information communication and

**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 Sector	Objective	Outcome	Indicator	Performance
Education	To have all children of school going age attending school	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	<ul style="list-style-type: none"> <li>- number of usable physical infrastructure build in primary, secondary, and tertiary institutions</li> <li>- number of bursary’s beneficiaries at all levels</li> </ul>	In FY 20/21 -we increased number of classrooms, dormitories, laboratories etc - Bursary worth KES 36M was disbursed to beneficiaries at all levels .

*North Imenti Constituency*

*National Government Constituencies Development Fund (NGCDF)*

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Security	To provide security to all constituents by improving police posts and chiefs camp	Develop the infrastructure in the national security administration to enhance service delivery	Number of usable physical infrastructure built at sub county levels locations , sub locations and police stations	Number of Ass County Commissioners office increased from 3 to 5 Number of Chiefs offices increased by 5 Number of Ass Chiefs offices by 3 Meru police station facilities were renovated and a public toilet constructed.
Sports and youth empowerment	To encourage economic activities of residents for self sufficiency and empowerment	Reduced dependency and spur economic growth through sports and other related activities	Number of football clubs benefiting from the sports activities	Number of football clubs benefiting increased by 59
Capacity Building	To enhance the knowledge of the NG-CDF Staff and NG-CDFC by trainings and team building	Knowledge transfer	Develop the skills of the staff through trainings and team building exercises	5 staff and 10 NG-CDFC and 10 stakeholders trained during the year.
Information Communication and ICT	Enhance access to information communication and use of ICT to enhance service delivery	Equip ICT Centres with computers and internet connectivity to enable them improve service delivery	Number of usable ICT Centres with computers and internet connectivity	Number of ICT Centres increased to 4

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

North Imenti 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 North Imenti NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** North Imenti 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 as 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**

Protection of the Environment in which we live is very key to us, care for the same is also one of our key responsibilities.

##### **Our Environment Policy.**

In this policy North Imenti NG-CDF commits to:

- Comply with the relevant government legislations , regulations and approved codes of practice
- In our budgeting process we factor projects that promote conservation of our Environment
- Protecting the Environment by striving to prevent and minimise our contribution to pollution of land , air and water

- Managing and disposing of waste in a responsible manner
- Developing our management processes to ensure that environmental factors are considered during planning and implementation.

### **3. Employee welfare**

We invest in providing the best working environment for our employees. North Imenti 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. North Imenti constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

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

### **4. Market place practices-**

North Imenti NGCDF Constituency is committed to fair and ethical market practises.

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

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

NGCDF has put in efforts to ensure:

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

### **5. Community Engagements-**

North Imenti 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.

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

**V. STATEMENT OF MANAGEMENT RESPONSIBILITIES**

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


The Accounting Officer in charge of the NGCDF-North Imenti 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, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the 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- North Imenti 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 *constituency's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- North Imenti Constituency further confirms the completeness of the accounting records maintained for the *constituency*, 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 North Imenti Constituency confirms that the *constituency* 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 *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**Approval of the financial statements**

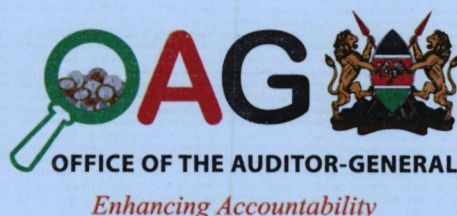
The NGCDF- North Imenti Constituency financial statements were approved and signed by the Accounting Officer on 26<sup>th</sup> August 2021.

  
\_\_\_\_\_  
Chairman NGCDF Committee  
Name: JACOB KITHINJI

  
\_\_\_\_\_  
Fund Account Manager  
Name: NAFTALI K SILAS

# REPUBLIC OF KENYA

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NAIROBI

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

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of National Government Constituencies Development Fund - North Imenti Constituency set out on pages 15 to 50,

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - North Imenti 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 Public Finance Management Act, 2012, and the National Government Constituencies Development Fund Act, 2015.

## **Basis for Qualified Opinion**

### **1.0 Inaccuracies in the Financial Statements**

#### **1.1 Project Management Committee Bank Balances**

Disclosed in Note 17.4 to the financial statements and as analyzed in Annex 5 is a balance of Kshs.15,713,145 in respect of Project Management Committee (PMC) prior year account balances. However, the balance varies with the amount reflected in the previous year's audited financial statements of Kshs.4,653,069 resulting to an unexplained variance of Kshs.11,060,076. Further, Note 17.4 reflects PMC account balances for the year under review amounting to Kshs.22,342,351 while Annex 5 reflects Kshs.22,197,068 resulting to unreconciled and unexplained variance of Kshs.145,283.

In addition, Management did not provide for audit the PMC accounts respective bank statements, cashbooks, bank reconciliation statements and certificate of bank balances.

In the circumstances, the accuracy of the PMC bank balances of Kshs.22,342,351 could not be confirmed.

#### **1.2 Statement of Cash flows**

The statement of cash flows reflects a comparative cash out flow from investing activities balance of Kshs.2,399,349. However, the prior year's audited statement of cash flows reflects a balance of Kshs.154,200 resulting to an unexplained and unreconciled variance of Kshs.2,245,149.

In the circumstances, the accuracy of the statement of cash flows could not be confirmed.

## **2. Unsupported Prior Year Adjustments**

The statement of assets and liabilities reflects prior year adjustment balance of Kshs.300,000 which was not supported or explained.

In the circumstances, accuracy of the prior year adjustment balance of Kshs.300,000 could not be confirmed.

### **3. Unsupported Acquisition of Assets**

The statement of receipts and payments and as disclosed in Note 8 to the financial statements reflects acquisition of assets expenditure of Kshs.2,274,270 which relates to construction of buildings. However, supporting documents including payment vouchers and procurement records were not provided for audit review.

In the circumstances, the accuracy and completeness of acquisition of assets expenditure of Kshs.2,274,270 could not be ascertained.

### **4. Unsupported Other Grants and Transfers - Security Projects**

The statement of receipts and payments and as disclosed in Note 7 to the financial statements reflects other grants and transfers expenditure of Kshs.60,587,354. Included in this amount is Kshs.14,060,000 in respect of security projects out of which Kshs.850,000 was incurred on construction and procuring of furniture for Runogone Chiefs Camp. However, supporting documents including invoices and certificate of works completed were not provided for audit. Further, review of the tender documents revealed that the firm that was awarded the contract completed tender documents which was different from the ones filed by the unsuccessful bidders and no evidence was provided to support that an addendum was issued to all the bidders.

In the circumstances, the accuracy and regularity of the expenditure on security projects of Kshs.850,000 could not be confirmed.

### **5. Unsupported Environment Projects**

The statement of receipts and payments reflects other grants and transfers of Kshs.60,587,354 as disclosed in Note 7 to the financial statements. Included in the amount is Kshs.2,747,354 relating to environment projects which was incurred on procurement and distribution of hand washing tanks and plastic water tanks to various schools within the Constituency. However, Management did not provide documents in support of this expenditure including invoices, delivery notes, bank statements, inspection reports, payment authorization and bill of quantities. Further procurement records to support how the suppliers were identified were not provided for audit review.

In the circumstances, the accuracy and completeness of the expenditure of Kshs.2,747,354 could not be confirmed.

### **6. Unsupported Bursary to Secondary Schools**

The statement of receipts and payments and as disclosed in Note 7 reflects expenditure of Kshs.60,587,354 in respect of other grants and transfers. Included in this amount is Kshs.36,730,000 relating to bursary disbursed to secondary schools, out of which Kshs.15,892,000 was disbursed to tertiary institutions. However, Management did not

provide the list of the beneficiaries. Further, evidence that applications for bursaries were done and that the applicants were vetted was not provided for audit review.

In the circumstances, the accuracy and value for money for Kshs.15,892,000 incurred 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 - North Imenti 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 Matter**

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

### **Other Matter**

#### **Budgetary Control and Performance**

The summary statement of appropriation reflects a revenue budget of Kshs.210,446,029 and actual revenue of Kshs.165,357,150 resulting to a revenue short fall of Kshs.45,088,879 or 21% of the budget. Similarly, the Fund spent Kshs.148,392,214 against a budget of Kshs.210,446,029 resulting to budget under absorption of Kshs.62,053,815 or 29% of the budget.

The underfunding and underperformance may have negatively affected planned activities and services delivery to the public.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis of Conclusion**

#### **1. Irregular Renewal of Security Contract**

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.10,633,993 which as disclosed under Note 5 to the financial statements includes Kshs.642,083 in respect to security operations. Review of the contract agreements

revealed that Management entered into a one (1) year renewable contract for the provision of security services with a service provider in June, 2020 which was subsequently renewed in June, 2021. However, no evidence that Management carried out a value for money assessment to determine whether the terms designated in the contract agreement remained competitive as at the time of renewal. This was contrary to Section 114(2) of the Public Procurement and Asset Disposal Act, 2015.

Further, evidence of appointment of the tender evaluation and tender opening committee members, advertisement for the tender and tender bids, list of prequalified suppliers and the procurement plan were not provided for audit review.

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

## **2. Irregular Routine Maintenance Expenditure**

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects use of goods and services expenditure of Kshs.10,633,993. Included in this amount is Kshs.173,065 relating to routine maintenance of vehicles and other transport equipment which was not supported with driver's report on defects. Further, the services were procured through direct procurement and no justification was provided for the use of the direct procurement method. This is contrary to Section 103(2)(a) of the Public Procurement and Asset Disposal Act, 2015.

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

## **3. Unsatisfactory Implementation of Projects**

The statement of receipts and payments reflects transfer to other government entities amount of Kshs.72,438,241 which as disclosed in Note 6 to the financial statements includes transfer to Primary schools amount of Kshs.41,688,241. Included in the transfers to Primary schools balance is Kshs.1,600,000 incurred on renovation of eight (8) classrooms at Gitoro Primary School. However, review of the project files and physical verification done in April, 2022 revealed poor workmanship as the floor had cracks and the paint was peeling off. Further, fasteners and permanent vents with mosquito gauze provided for in the bill of quantities had not been done.

In the circumstances, the public may have not gotten value for money on Kshs.1,600,000 incurred on the project.

## **4. Unsatisfactory Implementation of Emergency Projects**

The statement of receipts and payments and as disclosed in Note 7 reflects a balance of Kshs.60,587,354 in respect of other grants and transfers. Included in this amount is Kshs.5,050,000 in respect of emergency projects out of which Kshs.1,200,000 was incurred on construction of a special classroom, toilet, and kitchen at Meru School for Mentally Challenged school. However, physical verification of the project done in April, 2022 revealed that installation of 150 by 100 millimeter box gutters and 75 millimeter

diameter rainwater down pipe provided for in the bills of quantity had not been done. Further, the toilet had been partially done.

In the circumstances, value for money on the expenditure of Kshs.1,200,000 incurred on the emergency project could not be confirmed.

## **5. Non-Compliance with the PSASB Requirements**

In the audit report of the previous year, several paragraphs were raised. However, Management has not disclosed prior year audit recommendations in the annual reports and how it has resolved them contrary to the provisions of the Public Sector Accounting Standards Board (PSASB) template.

In the circumstances, the Fund's financial statements are not prepared in accordance with the PSASB prescribed format.

## **6. Delayed Project Implementation**

Examination of the Project Implementation Status Report provided for audit revealed that a total of Kshs.185,887,325 was disbursed to one hundred and ninety-nine (199) projects out of which one hundred and twelve (112) projects worth Kshs.133,903,342 were complete, thirty-four (34) projects worth Kshs.39,942,206 were on going while fifty-three (53) projects worth Kshs.12,041,777 had not started.

In the circumstances, value for money may not be obtained on the delayed implementation of projects.

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 comply, 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 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 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 controls 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 controls, risk management and governance.

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

### **Auditor-General's Responsibilities for the Audit**

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls 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 controls would not necessarily disclose all matters in the internal controls that might have 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 controls 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 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's 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's 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 September, 2022**

North Imenti Constituency


National Government Constituencies Development Fund (NGCDF)


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

VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2021

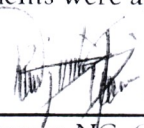
	Note	2020 - 2021	2019 - 2020
			Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	161,367,724	123,040,875
Proceeds from Sale of Assets	2	-	
Other Receipts	3	420,480	420,480
<b>TOTAL RECEIPTS</b>		<b>161,788,204</b>	<b>123,461,355</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,458,356	2,040,040
Use of goods and services	5	10,633,993	10,387,671
Transfers to Other Government Units	6	72,438,241	61,870,000
Other grants and transfers	7	60,587,354	49,913,793
Acquisition of Assets	8	2,274,270	154,200
Other Payments	9	-	1,495,000
<b>TOTAL PAYMENTS</b>		<b>148,392,214</b>	<b>125,860,704</b>
<b>SURPLUS/DEFICIT</b>		<b>13,395,990</b>	<b>-2,399,349</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-North Imenti Constituency financial statements were approved on 26<sup>th</sup> August 2021 and signed by:

  
\_\_\_\_\_  
Fund Account Manager  
Name: NAFTALI K SILAS

  
\_\_\_\_\_  
National Sub-County  
Accountant  
Name: JANE MUHARI

ICPAK M/No: 15046

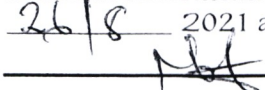
  
\_\_\_\_\_  
Chairman NG-CDF Committee  
Name: JACOB KITHINJI

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

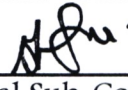
VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021

	Note	2020 - 2021 Kshs	2019 - 2020 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	17,264,936	3,568,946
Cash Balances (cash at hand)	10B	-	
<b>Total Cash and Cash Equivalents</b>		<b>17,264,936</b>	<b>3,568,946</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	
<b>TOTAL FINANCIAL ASSETS</b>		<b>17,264,936</b>	<b>3,568,946</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	
Gratuity	12B	-	
<b>NET FINANCIAL SSETS</b>		<b>17,264,936</b>	<b>3,568,946</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July.2020		3,568,946	5,968,295
Prior year adjustments	14	300,000	
Surplus/Deficit for the year		13,395,990	-2,399,349
<b>NET FINANCIAL POSITION</b>		<b>17,264,936</b>	<b>3,568,946</b>


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-North Imenti Constituency financial statements were approved on 26/8 2021 and signed by:

  
\_\_\_\_\_

Fund Account Manager  
Name: NAETALI K. JILAJ

  
\_\_\_\_\_

National Sub-County  
Accountant  
Name: JANE MURRAY  
ICPAK M/No: 15046

  
\_\_\_\_\_

Chairman NG-CDF Committee  
Name: J. Kitonyo


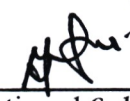
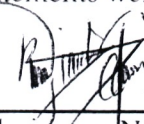
*North Imenti Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

**IX. STATEMENT OF CASH FLOW FOR THE YEAR  
ENDED 30 JUNE 2021**

		<b>2020 - 2021</b>	<b>2019- 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	161,367,724	123,040,8
Other Receipts	3	420,480	420,4
		<b>161,788,204</b>	<b>123,461,3</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	2,458,356	2,040,0
Use of goods and services	5	10,633,993	10,387,6
Transfers to Other Government Units	6	72,438,241	61,870,0
Other grants and transfers	7	60,587,354	49,913,7
Other Payments	9	-	1,495,0
		<b>146,117,944</b>	<b>125,706,5</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	
Increase/(Decrease) in Accounts Payable	16	-	
Prior year Adjustments	14	300,000	
<b>Net Adjustments</b>		300,000	
<b>Net cash flow from operating activities</b>		<b>15,970,260</b>	<b>-2,245,1</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	
Acquisition of Assets	8	(2,274,270)	-154,20
<b>Net cash flows from Investing Activities</b>		<b>(2,274,270)</b>	<b>-2,399,34</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
<b>Cash and cash equivalent at BEGINNING of the year</b>	13	<b>3,568,946</b>	<b>5,968,29</b>
<b>Cash and cash equivalent at END of the year</b>		<b>17,264,936</b>	<b><u>3,568,94</u></b>

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

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-North Imenti Constituency financial statements were approved on 26/8 2021 and signed by:

		
_____	_____	_____
Fund Account Manager Name: <u>MAFTARI K SILAJ</u>	National Sub-County Accountant Name: <u>LAND MURIEL</u> ICPAK M/No: <u>15046</u>	Chairman NG-CDF Committee Name: <u>J. Kithingji</u>

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

**X. SUMMARY STATEMENT OF APPROPRIATION FOR THE YEAR ENDED 30 JUNE 2021**

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>		Previous years Outstanding Disbursements				
Transfers from NG-CDF Board	137,088,879	69,367,724	210,025,549	164,936,670	45,088,879	78.5%
Proceeds from Sale of Assets						0.0%
Other Receipts AIA		420,480	420,480	420,480		
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>	<b>69,367,724</b>	<b>210,446,029</b>	<b>165,357,150</b>	<b>45,088,879</b>	<b>78.6%</b>
<b>PAYMENTS</b>						
Compensation of Employees	2,915,000	500,000	3,415,000	2,458,356	956,644	72.0%
Use of goods and services	7,825,900	3,000,000	10,825,900	10,633,993	191,907	98.2%
Transfers to Other Government Units	71,200,000	25,000,000	99,768,946	72,438,241	27,330,705	72.6%
Other grants and transfers	53,947,979	38,367,724	92,315,703	60,587,354	31,728,349	65.6%
Acquisition of Assets	1,200,000	2,500,000	3,700,000	2,274,270	1,425,730	61.5%
Other Payments		420,480	420,480		420,480	
<b>TOTAL</b>	<b>137,088,879</b>	<b>69,367,724</b>	<b>210,446,029</b>	<b>148,392,214</b>	<b>62,053,815</b>	<b>70.5%</b>

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

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

- i. Transfers from the board;-Funds not received from the board*
- ii. Other receipts- ALA being rent received from leasing out part of the Ng- CDF office*
- iii. Compensation to employees- Funds released very close to the closure of the financial year*
- iv. Other grants and transfers – affected by change in school calendar due to covid 19hursaries*
- v. Sporting activities affected by corona virus pandemic - banned.*
- vi. The difference between original and final budget was as a result of funds for the previous years being received in the reporting year.*

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

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	Amount
Budget utilisation difference totals	62,353,815
Less undisbursed funds receivable from the Board as at 30th June 2021	45,088,879
	17,264,936
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	0
Cash and Cash Equivalents at the end of the FY 2020/21	17,264,936

The NGCDF North Imenti Constituency financial statements were approved on 26/8 2021 and signed by:



Fund Account Manager

Name: NATTAJI K. S. LAJ



National Sub-County Accountant

Name: JANE MUTHARA

ICPAK M/No: 15046



Chairman NG-CDF Committee

Name: J. Kitiny

*North Imenti 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				
	Kshs		Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>							
1.1 Compensation of employees	2,915,000		2,200,781	5,115,781	2,458,356	2,657,425	48%
1.2 Committee allowances	2,304,869	1,000,000.00		3,304,869	3,302,758	2,111	100%
1.3 Use of goods and services	2,800,000		164,000	2,964,000	2,913,780	50,220	98%
<b>Total</b>	<b>8,019,869</b>	<b>1,000,000.00</b>	<b>2,364,781</b>	<b>11,384,650</b>	<b>8,674,894</b>	<b>2,709,756</b>	<b>76%</b>
<b>2.0 Monitoring and evaluation</b>							
2.1 Capacity building	1,800,000			1,800,000	1,770,000	30,000	98%
2.2 Committee allowances	1,221,031	1,000,000.00	524,376	2,745,407	2,728,576	16,831	99%
2.3 Use of goods and services	900,000	1,568,946.00	973,174	3,442,120	3,442,120		100%
<b>Total</b>	<b>3,921,031</b>	<b>2,568,946.00</b>	<b>1,497,550</b>	<b>7,987,527</b>	<b>7,940,696</b>	<b>46,831</b>	<b>99%</b>
<b>3.0 Emergency</b>							
3.1 Primary Schools							
3.2 Secondary schools							
3.3 Tertiary institutions							
3.4 Security projects							

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

3.5 Unutilised	7,192,206		2,132,964	9,325,170	5,050,000	4,275,170	54%
<b>Total</b>	<b>7,192,206</b>	<b>-</b>	<b>2,132,964</b>	<b>9,325,170</b>	<b>5,050,000</b>	<b>4,275,170</b>	<b>54%</b>
<b>4.0 Bursary and Social Security</b>							
4.1 Secondary Schools	18,000,000		9,464,253	27,464,253	18,670,000	8,794,253	68%
4.2 Tertiary Institutions	16,272,219		6,057,552	22,329,771	18,060,000	4,269,771	81%
4.3 Social Security							
4.4 Special Needs							
<b>Total</b>	<b>34,272,219</b>	<b>-</b>	<b>15,521,805</b>	<b>49,794,024</b>	<b>36,730,000</b>	<b>13,064,024</b>	<b>74%</b>
<b>5.0 Sports</b>							
5.1	2,741,777		4,000	2,745,777	2,000,000	745,777	73%
<b>Total</b>	<b>2,741,777</b>	<b>-</b>	<b>4,000</b>	<b>2,745,777</b>	<b>2,000,000</b>	<b>745,777</b>	<b>73%</b>
<b>6.0 Environment</b>							
Ngini Primary School	100,000			100,000		100,000	0%
Munithu Primary School	100,000			100,000		100,000	0%
Chugu Primary School	34,000			34,000		34,000	0%
Gachanka Primary School	34,000			34,000		34,000	0%
Gachua Primary School	34,000			34,000		34,000	0%
Kithoka Primary School	100,000			100,000		100,000	0%
Bishop Iwari Imathuu Primary	100,000			100,000		100,000	0%
Gichunge Primary School	34,000			34,000		34,000	0%
Mwithumwiri Primary School	100,000			100,000		100,000	0%
Kinoru Primary School	100,000			100,000		100,000	0%
Kainginyo Primary School	34,000			34,000		34,000	0%
CCM Township Primary School	100,000			100,000		100,000	0%

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

Nkabune Primary School	100,000			100,000			100,000	0%
Kambiti Primary School	34,000			34,000		34,000	100,000	0%
Mukongorone Primary	100,000			100,000			100,000	0%
Karirwara Primary School	34,000			34,000		34,000	100,000	0%
Kathithi Primary School	27,777			27,777		27,777	100,000	0%
Rwanyange Primary School	100,000			100,000			100,000	0%
Ngozi Primary School	100,000			100,000			100,000	0%
Kiamurira Primary School	34,000			34,000		34,000	100,000	0%
Giaki Girls Secondary School	100,000			100,000			100,000	0%
Rurine Day Secondary School	100,000			100,000			100,000	0%
Thuura Primary School	100,000			100,000			100,000	0%
Kithoka Primary School	34,000			34,000		34,000	100,000	0%
Kaga Primary School	34,000			34,000		34,000	100,000	0%
Mbuta Primary School	34,000			34,000		34,000	100,000	0%
Nkabune Day Sec School	100,000			100,000			100,000	0%
Mbirikene Day Sec School	100,000			100,000			100,000	0%
Kiraria primary school	100,000			100,000			100,000	0%
Mulanthakari Girls School	34,000			34,000		34,000	100,000	0%
Gachanka Day Secondary School	100,000			100,000			100,000	0%
Munithu Day Secondary School	34,000			34,000		34,000	100,000	0%
Mwirine Primary School	34,000			34,000		34,000	100,000	0%
Mwiteria primary school	100,000			100,000			100,000	0%
Ngozi Primary	34,000			34,000		34,000	100,000	0%



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Gikumene primary school	2,000,000		2,000,000	800,000	1,200,000		40%
Nihimbiri Primary school	800,000		800,000	800,000	-		100%
Kairinyo boarding primary	1,000,000		1,000,000	800,000	1,000,000		0%
Ngonyi primary school	800,000		800,000	800,000	-		100%
Nehauri primary school	800,000		800,000	800,000	-		100%
kathurine primary school	600,000		600,000	600,000	-		100%
Mwithumwitu primary school	1,000,000		1,000,000	600,000	400,000		60%
Gichunge primary school	1,000,000		1,000,000	500,000	1,000,000		0%
Bishop lawi primary school	500,000		500,000		500,000		0%
Kithoka primary school	1,000,000		1,000,000	1,000,000	-		100%
Ngune primary school	800,000		800,000	800,000	-		100%
Kambiti primary school	1,400,000		1,400,000	800,000	600,000		57%
Munithu primary school	800,000		800,000	800,000			0%
Chugu primary school	1,400,000		1,400,000		1,400,000		0%
Kathithi primary	1,400,000		1,400,000	800,000	600,000		57%
Mulahanani primary	1,000,000		1,000,000		1,000,000		0%
Nkabure primary school	800,000		800,000		800,000		0%
Niani primary school	500,000		500,000	500,000	-		100%
Burine Primary school	800,000		800,000	800,000	-		100%
Kirimaitune primary school	200,000		200,000		200,000		0%
Mukongorone primary school	800,000		800,000	800,000			0%
Thiura primary school	800,000		800,000	800,000	-		100%
Rwanyange primary	800,000		800,000		800,000		0%
Giaki primary school	800,000		800,000		800,000		0%
Niharni primary school	1,400,000		1,400,000	600,000	800,000		43%
Ciothurai primary school			900,000	900,000	-		100%



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Kinoru Day secondary school	800,000			800,000	800,000		-	100%
CCM township day secondary school	500,000			500,000	500,000		-	100%
Mwirine Day sec school sec	1,500,000			1,500,000	1,000,000	500,000	-	67%
Mwiteria Day Secondary School	1,000,000			1,000,000	1,000,000		1,000,000	0%
Gachanka Day secondary school	1,000,000			1,000,000	1,000,000		1,000,000	0%
Kirige Day secondary school	1,500,000			1,500,000	1,500,000		-	100%
Kirige Boys Secondary school	1,000,000			1,000,000	1,000,000		1,000,000	0%
Mpuri Day secondary school	1,600,000			1,600,000	1,600,000		-	100%
Kiamirru Day secondary school	1,200,000			1,200,000	1,200,000		-	100%
Irinda Day Secondary School	800,000			800,000	800,000		-	100%
Niakira Day Secondary school	1,000,000			1,000,000	1,000,000		-	100%
Ngonyi Boys Secondary School	600,000			600,000	600,000		600,000	0%
Mwithumuru Day Secondary school	1,000,000			1,000,000	1,000,000		-	100%
Runyonge day Secondary School	800,000			800,000	800,000		800,000	0%
Ngine Day secondary school	1,000,000			1,000,000	1,000,000		-	100%
Munithu Day secondary school	600,000			600,000	600,000		-	100%
Nkabure Girls Secondary School	700,000			700,000	700,000		-	100%
Rurire Day secondary School	800,000			800,000	800,000		800,000	0%
Thura Day secondary school	800,000			800,000	800,000		-	100%
Thura Boys Secondary School	1,000,000			1,000,000	1,000,000		1,000,000	0%
Giaki Girls Secondary School	1,000,000			1,000,000	1,000,000		1,000,000	0%
Nhamiri Day secondary school	600,000			600,000	600,000		-	100%
Mbirikene Day secondary school	600,000			600,000	600,000		-	100%

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CCM Iminda Day		200,000	200,000	200,000	-	100%
Chugu Boys		600,000	600,000	600,000	-	100%
Chungari Day Sec		300,000	300,000	300,000	-	100%
Gachanka Day Sec		600,000	600,000	600,000	-	100%
Gikumene Girls		2,000,000	2,000,000	2,000,000	-	100%
Kaaga Boys		1,000,000	1,000,000	1,000,000	-	100%
Kaaga Girls		1,200,000	1,200,000	1,200,000	-	100%
Kangwyo Day		500,000	500,000	500,000	-	100%
Kathurine Day		600,000	600,000	600,000	-	100%
Kiburune Day		1,000,000	1,000,000	1,000,000	-	100%
Nihamin Mixed Day		600,000	600,000	600,000	-	100%
Meru School		1,000,000	1,000,000	1,000,000	-	100%
Mpuri Day		1,000,000	1,000,000	1,000,000	-	100%
Mulathankari Girls		600,000	600,000	600,000	-	100%
Mulathankari Mixed		800,000	800,000	800,000	-	100%
Mwiteria Day		350,000	350,000	350,000	-	100%
Ngonvi Boys		1,000,000	1,000,000	1,000,000	-	100%
Nkabune Day		800,000	800,000	800,000	-	100%
Rumongone		600,000	600,000	600,000	-	100%
Thura Boys		100,000	100,000	100,000	-	100%
Rwanvange		800,000	800,000	800,000	-	100%
<b>Total</b>	<b>21,400,000</b>	<b>15,650,000</b>	<b>37,050,000</b>	<b>29,350,000</b>	<b>7,700,000</b>	<b>79%</b>
<b>9.0 Tertiary institutions Projects</b>						
<b>Total</b>						
<b>10.0 Security Projects</b>						
Kongo Acheke Assistant chiefs Office	1,000,000		1,000,000		1,000,000	0%
Lower Nchaure Assistant chief office	300,000		300,000		300,000	100%
Kirugua Assistant			200,000		200,000	0%

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chiefs office	200,000								
Nhimbiri Assistant chiefs Office	300,000			300,000			300,000		0%
Magundu Assistant chiefs office	300,000			300,000			300,000		0%
Gitimbine police post	2,500,000			2,500,000					100%
Assistant County Commissioners office -Kiathandi	500,000			500,000			500,000		100%
Kithoka Chiefs Office	500,000			500,000		100,000	400,000		20%
Kaga Chiefs Office	400,000			400,000			400,000		0%
Mulathankari Chiefs Office	400,000			400,000			400,000		0%
Assistant County Commissioners office -Giaki	300,000			300,000			300,000		100%
Assistant County Commissioners office -Thuura	300,000			300,000			300,000		100%
Chugu Chiefs Office	200,000			200,000			200,000		100%
Ciohirai Chiefs	400,000			400,000			400,000		100%
Gachua Chiefs Office	200,000			200,000			200,000		100%
Gankere Chiefs Office	600,000			600,000			600,000		100%
Githgu Chiefs Office	200,000			200,000			200,000		100%
Kaga Ass Chief	400,000			400,000			400,000		100%
Kirima Ass Chiefs	400,000			400,000			400,000		100%
Mulathankari Chiefs	600,000			600,000			600,000		100%
Municipality Ass Chiefs Office	600,000			600,000			600,000		100%
Mwleria Chiefs Office	600,000			600,000			600,000		100%
Ngonyi Chiefs Office	500,000			500,000			500,000		100%
Runongone Chiefs Office	850,000			850,000			850,000		100%
Thuura Chiefs Office	500,000			500,000			500,000		100%
Kithoka Chiefs Office	100,000			100,000			100,000		100%
Kirimaitune Chiefs Office	200,000			200,000			200,000		100%

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ACC Office Kiamwitari		500,000	500,000	500,000	-	100%
DCC North Imenti		400,000	400,000	400,000	-	100%
Gakurine Police Post		400,000	400,000	400,000	-	100%
Kambakia Police		700,000	700,000	700,000	-	100%
Rwanyange Police		260,000	260,000	260,000	-	100%
Ngonyi Police		200,000	200,000	200,000	-	100%
OCS Meru Police Station		800,000	800,000	800,000	-	100%
OCPD Meru		200,000	200,000	200,000	-	100%
Kimoru Police		240,000	240,000	240,000	-	100%
<b>Total</b>	<b>7,000,000</b>	<b>10,050,000</b>	<b>17,050,000</b>	<b>14,050,000</b>	<b>3,000,000</b>	<b>82%</b>
11.0 Acquisition of assets						
NG-CDF office project		2,274,270	2,274,270	2,274,270	-	100%
<b>Total</b>	<b>-</b>	<b>2,274,270</b>	<b>2,274,270</b>	<b>2,274,270</b>	<b>-</b>	<b>48%</b>
12.0 Other payments						
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.0 unallocated fund						
Unapproved projects					420,480	0%
AIA			420,480		-	
PMC savings						
<b>Total</b>	<b>137,088,879</b>	<b>137,088,879</b>	<b>207,751,279</b>	<b>146,117,944</b>	<b>420,480</b>	<b>70%</b>
					<b>62,053,815</b>	

## **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-North Imenti Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

#### **a) Recognition of Receipts**

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

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

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

#### **Proceeds from Sale of Assets**

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

#### **Other receipts**

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

#### ***Unutilized Funds from PMCs.***

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

**External Assistance**

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

**b) Recognition of payments**

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

**Compensation of Employees**

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

**Use of Goods and Services**

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

**Acquisition of Fixed Assets**

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

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

**5. In-kind contributions**

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

**6. Cash and Cash Equivalents.**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

For the purposes of these financial statements, Deposits (gratuity and retentions) held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition

## **North Imenti Constituency**

### **National Government Constituencies Development Fund (NGCDF)**

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

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 30 June 2020 for the period 1<sup>st</sup> July 2020 to 30<sup>th</sup> 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 30<sup>th</sup> 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.

**XIII. NOTES TO THE FINANCIAL STATEMENTS**

<b>1 TRANSFERS FROM OTHER GOVERNMENT AGENCIES</b>			
<b>Description</b>		<b>2020 - 2021</b>	<b>2019 - 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
	B096998	15,000,000.00	
Normal Allocation	B104664	21,000,000.00	
	A823707	33,367,724.00	
	B124641	9,000,000.00	
	B128001	12,000,000.00	
	B128242	6,900,000.00	
	B132004	6,000,000.00	
	B126259	7,000,000.00	
	B105054	11,600,000.00	
	B140697	12,000,000.00	
	B119611	8,500,000.00	
	B132298	6,000,000.00	
	B138967	13,000,000.00	
	B041100		50,490,876
	B047339		4,550,000
	B041175		4,000,000
	B047637		20,000,000
	B049152		6,000,000
	B104066		15,000,000
	B104445		23,000,000
Conditional Grants			
Receipt from other Constituency			
<b>TOTAL</b>		<b>161,367,724</b>	<b>123,040,876</b>

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<b>2 PROCEEDS FROM SALE OF NON-FINANCIAL ASSETS</b>		
<b>Description</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Receipts from the Sale of Buildings		-
Receipts from the Sale of Vehicles and Transport Equipment		-
Receipts from the Sale Plant Machinery and Equipment		-
Receipts from the Sale of Office and General Equipment		-
<b>TOTAL</b>	-	-

<b>3 OTHER RECEIPTS</b>		
<b>Description</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received		-
Rents <span style="float: right;">AIA</span>	420,480.00	420,480
Receipts Sale of Tender Documents	-	-
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs		-
Other Receipts Not Classified Elsewhere		-
<b>TOTAL</b>	<b>420,480</b>	<b>420,480</b>

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<b>4 COMPENSATION OF EMPLOYEES</b>			
<b>Description</b>		<b>2020 - 2021</b>	<b>2019 - 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
NG-CDFC Basic staff salaries		1,632,428	1,687,040
<b>Personal allowances paid as part of salary</b>			
House allowance		236,000	160,000
Transport allowance		295,000	193,000
Leave allowance		-	
Gratuity-contractual employees		224,440	
Employer Contributions Compulsory national social security schemes		70,488	
<b>TOTAL</b>		<b>2,458,356</b>	<b>2,040,040</b>

<b>5 USE OF GOODS AND SERVICES</b>			
<b>Description</b>		<b>2020 - 2021</b>	<b>2019 - 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services			1,195,000
Electricity		163,598	151,613
Water & sewerage charges		32,240	19,675
Office rent			-
Communication, supplies and services		130,183	609,450
Domestic travel and subsistence		0	378,600
Printing, advertising and information supplies & services		0	900,000
Rentals of produced assets			
Training expenses		1,770,000	1,450,000
Hospitality supplies and services		0	
Other committee expenses		0	2,047,400
Committee allowance		7,164,286	2,050,500
Insurance costs		297,616	323,984
Specialised materials and services			-
Office and general supplies and services		0	500,000
Fuel , oil & lubricants		229,862	150,000
Other operating expenses		0	0
Bank service commission and charges		31,060	49,401
Other Operating Expenses		-	-
Security operations		642,083	562,048
Routine maintenance - vehicles and other transport equipment		173,065	0
Routine maintenance- other assets			0
<b>TOTAL</b>		<b>10,633,993</b>	<b>10,387,671</b>

<b>6 TRANSFER TO OTHER GOVERNMENT ENTITIES</b>		
<b>Description</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to Primary Schools	41,688,241	35,740,000
Transfers to Secondary Schools	30,750,000	26,130,000
Transfers to Tertiary Institutions		
<b>TOTAL</b>	<b>72,438,241</b>	<b>61,870,000</b>

<b>7 OTHER GRANTS AND OTHER PAYMENTS</b>		
<b>Description</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary - Secondary	36,730,000	15,600,000
Bursary - Tertiary	-	11,676,000
Bursary - Special Schools	-	-
Mocks & CAT	-	-
Social Security programmes (NHIF)		
Security Projects	14,060,000	8,400,000
Sports Projects	2,000,000	4,327,354
Environment Projects	2,747,354	2,180,000
Emergency Projects	5,050,000	7,730,000
<b>TOTAL</b>	<b>60,587,354</b>	<b>49,913,354</b>

<b>8 ACQUISITION OF ASSETS</b>		
<b>Non Financial Assets</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	2,274,270.00	-
Refurbishment of Buildings		-
Purchase of Vehicles and Other Transport Equipment	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment		
Purchase of office furniture and and General		154,200

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Equipment		
Purchase of computers ,printers and other IT equipments	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets		
<b>TOTAL</b>	<b>2,274,270</b>	<b>154,200</b>

<b>9 Other Payments</b>		
Strategic Plan	-	1,495,000
ICT Hubs	-	-
		-
<b>TOTAL</b>	<b>-</b>	<b>1,495,000</b>

<b>10A: Bank Balances (cash book bank balance)</b>			
<b>Name of Bank, Account No. &amp; currency</b>	<b>Account Number</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
		<b>Kshs (30/6/2021)</b>	<b>Kshs (30/6/2020)</b>
Closing cash book bank balance			
<i>cooperative bank makutano branch</i>	<i>ACC</i> <i>01120075194800</i>	17,264,936	3,56
Equity Bank		-	
<b>TOTAL</b>		<b>17,264,936</b>	<b>3,56</b>

<b>10B: CASH IN HAND)</b>			
		<b>2020 - 2021</b>	<b>2019 - 2020</b>
		<b>Kshs (30/6/2021)</b>	<b>Kshs (30/6/2020)</b>
Location 1		-	
Location 2		-	
Location 3		-	
Other receipts (specify)		-	
<b>TOTAL</b>		<b>-</b>	

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<b>11: OUTSTANDING IMPRESTS</b>				
<i>Name of Officer</i>		<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance (30/6/2020)</i>
	<b>Date imprest taken</b>	<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
			-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
<b>TOTAL</b>		-	-	-

<b>12A Retention</b>		
	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
<b>Retention as at 1st July (A)</b>	-	-
<b>Retention held during the year (B)</b>	-	-
<b>Retention paid during the Year (C)</b>	-	-
<b>Closing Retention as at 30th June D= A+B-C</b>	-	-
<b>12 B Gratuity</b>		
	<b>2020-2021</b>	<b>2019-2020</b>
	<b>KShs</b>	<b>KShs</b>
Gratuity as at 1 <sup>st</sup> July 2020	-	-
Gratuity earned during the year 2020/2021	-	-
Gratuity paid during the Year 2020/2021	-	-
Closing Gratuity as at 30 <sup>th</sup> June 2021	-	-

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<b>13 BALANCES BROUGHT FORWARD</b>			
		<b>2020- 2021</b>	<b>2019- 2020</b>
		<b>Kshs (1/7/2020)</b>	<b>Kshs (1/7/2019)</b>
Opening cash book bank balance		<b>3,568,946.45</b>	5,968,295
Bank accounts			
Cash in hand			
Imprest			
<b>TOTAL</b>		<b>3,568,946</b>	<b>5,968,295</b>

<b>14. PRIOR YEAR ADJUSTMENTS</b>				
		<b>Balance b/f FY 2019/2020 as per Audited Financial statements</b>	<b>Adjusments</b>	<b>Adjusted Balance** b/f FY 2019/2020</b>
<b>Description of the error</b>		<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Bank accounts balances	lapsed cheques Nov 2020	3,568,946	300,000	3,868,946
Cash in hand		-	-	-
Accounts Payable		-	-	-
Receivables		-	-	-
Others (specify)		-	-	-
<b>Total</b>		<b>3,568,946</b>	<b>300,000</b>	<b>3,868,946</b>

<b>15. CHANGES IN ACCOUNTS RECEIVABLE - OUTSTANDING IMPREST</b>			
		<b>2020- 2021</b>	<b>2019- 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
Outstanding Imprest as at 1st July (A)		-	-
Imprest issued during the year (B)		-	-
Imprest surrendered during the Year ( C)		-	-
Net changes in accounts receivables (D=A+B-C)		-	-

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16. CHANGES IN ACCOUNTS PAYABLE - DEPOSITS AND RETENTION			
		2020- 2021	2019- 2020
		Kshs	Kshs
Deposits and Retention as at 1st July 2019 (A)	-	-	-
Deposits and Retention held during the year (B)	-	-	-
Deposits and Retention paid during the year ©	-	-	-
Closing accounts payable at 30th June (D=A+B-C)	-	-	-

17. OTHER IMPORTANT DISCLOSURES			
17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)			
		2020- 2021	2019- 2020
		Kshs	Kshs
Construction of buildings		-	-
Construction of civil works		-	-
Supply of goods		-	-
Supply of services		-	-
<b>TOTAL</b>		-	-
17.2: PENDING STAFF PAYABLES (See Annex 2)			
		2020- 2021	2019- 2020
		Kshs	Kshs
NGCDF Staff		856,530	-
Others (specify)		-	-
		-	-
17.3: UNUTILISED FUNDS (See Annex 3)			
		2020- 2021	2019- 2020

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		<b>Kshs</b>	<b>Kshs</b>
Compensation of employees		2,657,425	2,200,781.0
Use of goods and services		2,422,403	828,775.00
Amounts due to other Government entities (see attached list)		30,136,759	32,175,000.00
Amounts due to other grants and other transfers (see attached list)		25,216,748	36,582,754.00
Acquisition of assets		1,200,000	308,000.00
Others (AIA)		420,480	
Funds pending approval			420,480.00
		<b>62,053,815</b>	<b>72,516,190.00</b>
<b>17.4: PMC ACCOUNT BALANCES (See Annex 4)</b>			
		<b>2020- 2021</b>	<b>2019- 2020</b>
		<b>Kshs</b>	<b>Kshs</b>
PMC account balances (see attached list)		<b>22,342,351</b>	<b>15,713,145</b>

**ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE**

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Commer
	a	b	c	d=a-c		
<b>Construction of buildings</b>						
1.						
2.						
3.						
<b>Sub-Total</b>						
<b>Construction of civil works</b>						
4.						
5.						
6.						
<b>Sub-Total</b>						
<b>Supply of goods</b>						
7.						
8.						
9.						
<b>Sub-Total</b>						
<b>Supply of services</b>						
10.						
11.						
12.						
<b>Sub-Total</b>						
<b>Grand Total</b>						

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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

<b>Name of Staff</b>	<b>Designation</b>	<b>Date employed</b>	<b>Outstanding Balance 30<sup>th</sup> June 20xx</b>	<b>Comments</b>
1 FRANKLIN MUNENE	Clerk of works	1/2/2018	305,040	Awaiting contract expiry
2 ZAKIA SAIDI	Records mgt Officer	13/5/2019	170,190	
3 EVALYNE KAGWIRA	clerical officer	18/12/2020	42,780	
4 DAISY KANANA	Account Assistant	1/4/2021	14,260	
5 ISAAC KIBET MUTAI	Driver	17/10/2018	215,760	
6 VICTOR KITHINJI	Former Account Assistant	2/9/2019	108,500	
<b>Sub-Total</b>			856,530	
<b>Grand Total</b>			856,530	



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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land		-		
Buildings and structures	25,692,418	2,274,270		27,966,688
Transport equipment	7,641,000	-		7,641,000
Office equipment, furniture and fittings	402,078			402,078
ICT Equipment, Software and Other ICT Assets	887,140			887,140
Other Machinery and Equipment	-			-
	-			-
Heritage and cultural assets	-			-
Intangible assets				
<b>Total</b>	<b>34,622,636</b>	<b>2,274,270</b>		<b>36,896,906</b>

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ANNEX 5 –PMC BANK BALANCES AS AT 30 <sup>TH</sup> JUNE 2021				
PMC	Bank	Account number	Bank Balance	Bank Balance
			2020/21	2019/20
CCM IRINDA PRY	cooperativ e	O113466411830 0	1,152,502.50	150,502.50
CCM MERU TOWNSHIP MIXED	cooperativ e	O113402100680 0	500,313.50	398,553.50
CHUGU CHIEFS OFFICE	cooperativ e	O113452598830 0	20,115.00	20,015.00
CHUGU PRY	cooperativ e	O113402222580 0	1,325.00	1,325.00
CHUNGARI MIXED	cooperativ e	O113902169680 0	1,895.00	503,335.00
CIOTHIRAI CHIEFS CAMP	cooperativ e	O113466413270 0	837.50	787,150.00
CIOTHIRAI PRY SCH	cooperativ e	O113466447250 0	902,262.50	1,001,162.50
DEB TOWN SHIP	cooperativ e	O113941828750 0	601,655.00	700,655.00
GACHANKA MIXED DAY	cooperativ e	O112802002840 0	67,326.65	354,174.00
GACHANKA PRY	cooperativ e	O113902222340 1	901,125.00	801,605.00
GACHUA CHIESFS OFFICE	cooperativ e	O113441865230 0	201,152.50	1,152.50
GAKURINE POLICE POST	cooperativ e	O113466453040 0	448,900.50	48,800.50
GIAANTUNE PRY	cooperativ e	O113941829340 0	845.00	401,325.00
GICHUNGE PRY	cooperativ e	O113452557730 0	1,467.50	1,467.50
GIKUMENE PRY	cooperativ e	O113902222160 1	801,389.00	586,389.00
GITIMBINE POLICE POST	cooperativ e	O114166564710 0	49,285.00	49,285.00
GITORO PRY	cooperativ e	O113907525360 0	335,597.50	5,597.50
KAAGA ASS CHIEFS OFFICE	cooperativ e	O113452587600 0	9,032.50	9,032.50
KAMBAKIA POLICE POST	cooperativ e	O113452543490 0	697.50	2,537.50
KAMBITI PRY	cooperativ e	O113466483720 0	804,875.00	403,875.00
KARIRWARA PRY	cooperativ e	O113466448740 0	482.50	88,602.50
KATHIRUNE PRY	cooperativ e	O113441838080 1	1,437.50	3,437.50
KATHITHI PRY	cooperativ e	O113937807340 1	1,190.00	801,190.00
KATHURINE PRY	cooperativ e	O113466431010 0	585,741.51	600,741.50
KIAMIRIRU DAY	cooperativ	O113402068910		332,715.00

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	e	0	1,264,215.00	
KIAMIRIRU PRY	cooperativ e	O113466413150 0	80,672.50	80,672.50
KIBURINE SEC SCH	cooperativ e	O113466413190 0	107,842.00	707,842.00
KINORU DAY SEC. SCH	cooperativ e	O113907521100 2	403,062.76	23,062.76
KINORU PRY	cooperativ e	O113907507370 2	501,530.50	1,530.50
KITHOKA CHIEFS CAMP	cooperativ e	O114199781140 0	500,475.00	-
LOWER NCHAURE ACC OFFICE	cooperativ e	O113466400890 0	50,896.50	50,896.50
KITHOKA PRY	cooperativ e	O113907511240 1	1,004,988.50	605,468.50
MBEU PRY	cooperativ e	O113466422320 0	4,563.50	4,563.50
MBUTA PRY	cooperativ e	O113466431040 0	704,027.00	4,147.50
MERU PRY	cooperativ e	O113937859010 0	24,870.00	259,870.00
MERU SCH MENTALLY CHALL.	cooperativ e	O113952577250 0	100,572.50	572.50
MPURI PRY	cooperativ e	O113402222290 0	1,080.25	301,605.25
MULANTHANKARI CHIEFS CAMP	cooperativ e	O113441893660 0	695.50	695.50
Municipality asst chief	cooperativ e	O113466464190 0	462.50	462.50
MUNITHU DAY MIXED	cooperativ e	O113466421910 0	201,920.83	920.83
MWITERIA DAY SECONDARY SCH	cooperativ e	O113466431030 0	17,918.00	539,243.00
MWITERIA PRY	cooperativ e	O113441897030 0	804,542.50	764,542.50
MWITHUMWIRU PRY	cooperativ e	O113907518210 0	602,040.25	342,040.25
MWITHUMWIRU DAY	cooperativ e	O113907521350 1	1,076,389.00	476,389.00
NGIINE MIXED DAY	cooperativ e	O113952559890 0	1,026,372.50	506,372.50
NGIINE PRY	cooperativ e	O113952547810 0	800,275.50	275.50
NG'ONYI CHIEFS OFFICE	cooperativ e	O113466401750 0	622.50	622.50
NGONYI POLICE POST	cooperativ e	O114199783130 0	-	-
NJUKINJIRU PRY	cooperativ e	O113941889260 0	24,092.50	3,572.50
NKABUNE GIRLS SEC SCH LAB	cooperativ e	O112902217290 0	736,034.91	40,396.91
NTAKIRA DAY SEC SCH	cooperativ e	O113441864980 0	1,023,626.60	1,024,586.60
NTANI PRIMARY	cooperativ	O113902222760		201,737.75

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	e	1	1,737.75	
NTHAMIRI PRI SCH	cooperativ e	O113402258170 0	2,710.00	522,070.00
NTHIMBIRI PRY	cooperativ e	O113466409060 0	324,210.75	4,330.75
RUNOGONE CHIEFS CAMP	cooperativ e	O114152543970 0	501,054.50	54.50
RURIINE MIXED DAY	cooperativ e	O113402104790 0	2,594.63	1,314.63
RURIINE PRY	cooperativ e	O113402222350 0	2,160.00	182,160.00
THEGE PRY	cooperativ e	O113941828670 0	1,665.00	1,565.00
THUURA CHIEFS CAMP	cooperativ e	O113466483760 0	501,275.25	1,275.25
THUURA DAY SEC	cooperativ e	O113402188990 0	1,603,657.00	3,657.00
THUURA PRY	cooperativ e	O113402222530 0	800,763.00	1,000,003.00
TOTAL			22,197,068.1 4	15,713,145.48

**AUDITORS RECOMMENDATIONS**