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**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*

**REPORT**

THE NATIONAL ASSEMBLY  
PAPERS PAID

DATE: 01 MAR 2023 DAY: Wednesday **OF**

LED Majority Whip

TABLE: Mod6

**THE AUDITOR-GENERAL**

**ON**

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

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



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**NDARAGWA 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)

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

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

**I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT**

**(a) Background information**

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

**Mandate**

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

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

**Vision**

Equitable Socio-economic development countrywide

**Mission**

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

### **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 Ndaragwa 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:

<b>No</b>	<b>Designation</b>	<b>Name</b>
1.	A.I.E holder	<b>A. Kiragu Mwangi</b>
2.	Sub-County Accountant	<b>Antony Ngunjiri</b>
3.	Chairman NG-CDFC	<b>Joshua Magu Iregi</b>
4.	Member NG-CDFC	

#### **(d) Fiduciary Oversight Arrangements**

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

P.O. Box 16-20306  
CDF Office Building  
Nyahururu – Nyeri Road  
Ndaragwa, KENYA

*Ndaragwa Constituency  
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**(f) Ndaragwa Constituency NGCDF Contacts**

Telephone: (254) 721898531  
E-mail: [cdfndaragwa@ngcdf.go.ke](mailto:cdfndaragwa@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) Ndaragwa Constituency NGCDF Bankers**

Bank Name:	Cooperative Bank
Branch:	Nyahururu
Account Name:	Ndaragwa CDF
Account Number:	01120037972400
Address:	Nyahururu

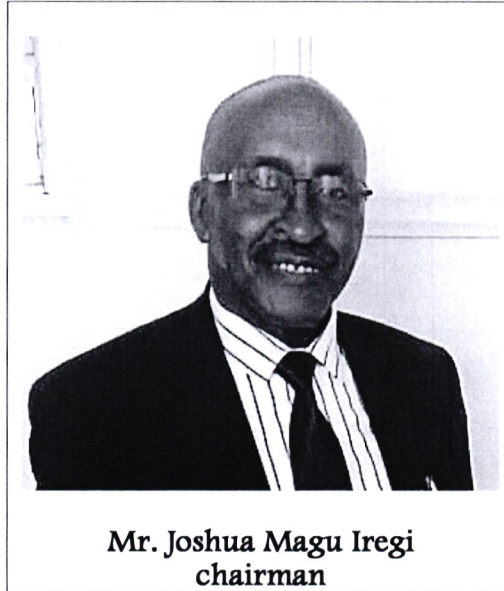
**(h) Independent Auditors**

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

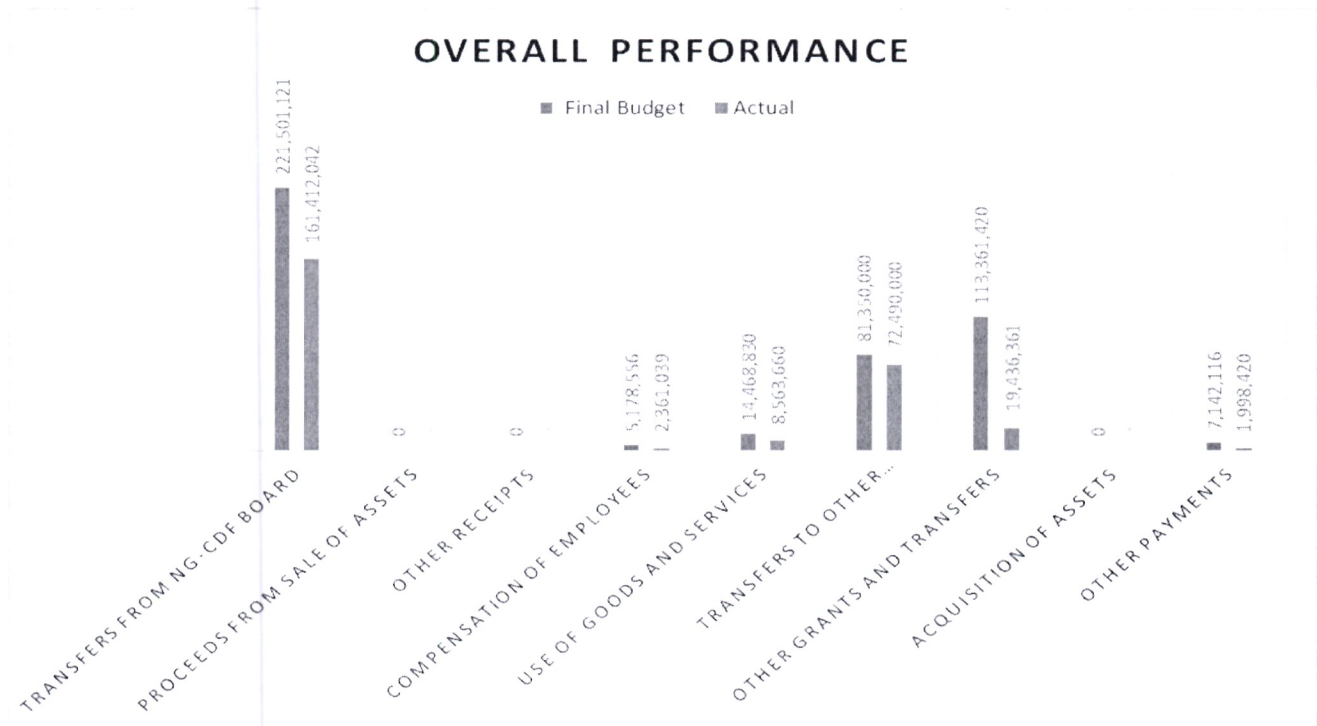
**II. NG-CDFC CHAIRMAN’S REPORT**



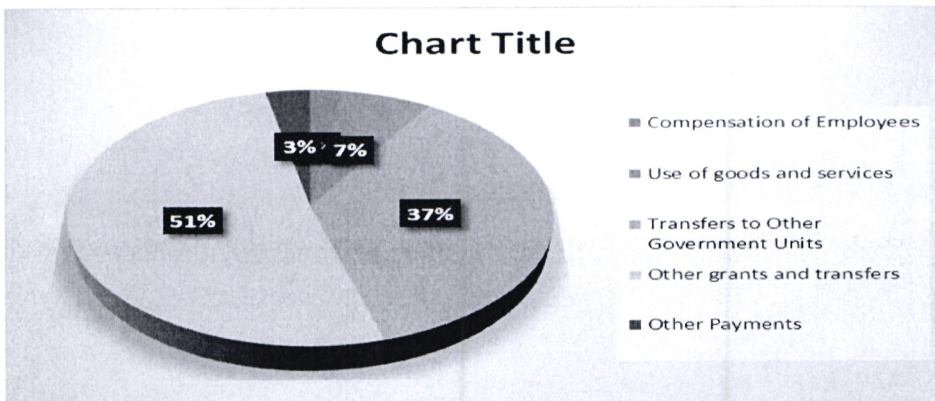
It is my great pleasure to present the annual report and financial statement prepared in accordance with the cash basis of accounting method under the International Public Sector Accounting Standard (IPSAS) for the financial year ended 30<sup>th</sup> June, 2021.

**Overall budget performance**

The overall budget performance stands as 73%. This was as a result of some of the funds delayed at the head office



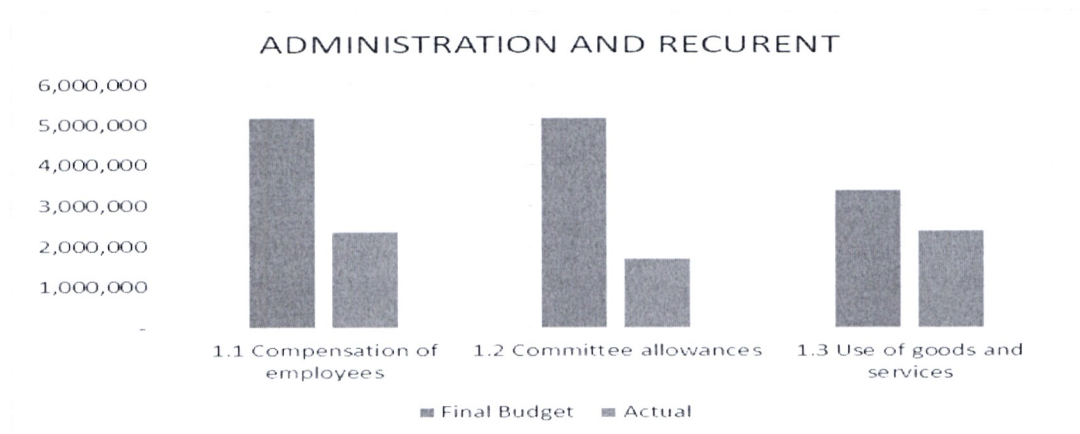
**Allocation summary**



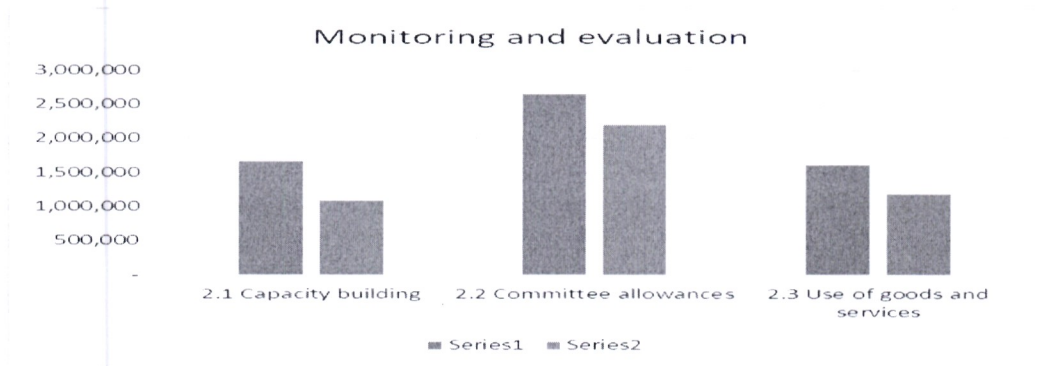
Generally the biggest share of the monies is allocated to other grants in which comprises Bursary during this time the bursary fund was reallocated to education projects since the schools were closed down due to covid 19 perdemic

Transfer to other governmet forms 37% of the funds this is used to do infrustructures in the schools and and security offices this allows the students to have better facilities to learn in and the security offices help in a=ensuring the community has convinient access to services

**Actual Performance of administration and recurrent against the Budget**



Actual Performance of monitoring and evaluation against the Budget



**ACHIEVEMENTS**

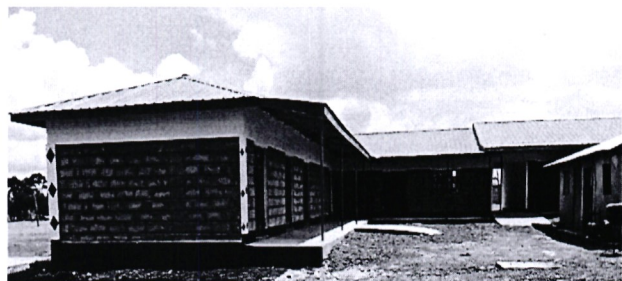
**Construction of new school**

The constituency has been able to construct Five new secondary schools which will help in decongesting some of the existing schools and also helping in reducing the distance the students travel to school

These schools are Aberdare secondary school, kahuna day secondary school, kahutha day secondary school ,kimaru day secondary school and mwai kibaki day secondary schools we have also been able to construct administration offices, classes and renovation of classes both in primary and secondary schools



*Kimaru day secondary school*



*subuku secondary administration office*

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***SECURITY OFFICE***

We have been able to do construct several security offices among them that were completed during this financial year these projects has helped in ensuring that the security community is enhances one of these offices is kirima chiefs office as shown below



karima chiefs office

**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.

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

To achieve its vision and mission, the NG - CDFC Ndaragwa has derived the following strategic objectives which are anchored on five priority areas as guided by the NG – CDF Act. Each objective has matching strategies and strategic activities:

- a. **Education and Training:** Improve infrastructure in learning institutions; improve access to education; and improve academic performance in KCPE and KCSE
- b. **Enhance and Sustain the Security:** Ensure that Ndaragwa Constituency has a secure and stable environment that fosters peace- ful co-existence, democracy and prosperity
- c. **Conservation of environment for posterity:** Promote sustainable environment management practices in Ndaragwa Constituency
- d. **Youth, Culture and Sports:** Effective participation of youth in the socio-cultural development of Ndaragwa Constituency.
- e. **Information, Communication & Technology (ICT):** Increase access to innovations and ICT infrastructure in Ndaragwa Constituency

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:

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

Thematic Area	Strategic	Strategies	Expected Results	Performance
<b>1. Education and Training</b>	<p>b. To improve infrastructure in learning institutions</p> <p>c. To improve access to education</p> <p>d. To improve academic performance in KCPE and KCSE</p>	<ul style="list-style-type: none"> <li>• Timely disbursement of bursary funds to needy students in secondary schools and tertiary institutions</li> <li>• Construct classrooms in primary and secondary schools</li> <li>• Construct modern laboratories and dormitories in secondary schools</li> <li>• Construct kitchens and dining halls in primary and secondary schools</li> <li>• Purchase land for some primary and secondary schools</li> <li>• Fence learning institutions (primary, secondary and tertiary institutions)</li> <li>• Construct libraries and administration blocks in primary and secondary schools</li> <li>• Construct toilets and latrines in primary and secondary schools</li> <li>• Purchase desks and lockers in learning institutions</li> <li>• Distribute electricity to learning institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Improved education standards</li> <li>• Increased transition from primary to secondary schools</li> <li>• Increased transition from secondary school to TVET and University</li> <li>• Improved retention of learners in primary, secondary and tertiary institutions</li> <li>• Increased number of youths with technical and vocational skills</li> <li>• Increased employability of skilled youth</li> <li>• Increase number of women with technical skills</li> </ul>	<p>In the FY 2020/2021. We increased schools' infrastructures through constructing 7 classrooms, renovated 68 classes and constructed one admin block in the primary schools</p> <p>In secondary schools we were able to construct 21 classes We 8 door toilets for three schools each Supplied 180 desks to various schools</p>
<b>2. Security</b>	To enhance and sustain security in Ndaragwa Constituency	<ul style="list-style-type: none"> <li>• Construction of Deputy County Commissioner's office</li> <li>• Construction and renovations of Assistant County Commissioners Office</li> <li>• Construction of Chiefs and Assistant Chiefs offices</li> <li>• Construction of police stations and police posts</li> </ul>	<ul style="list-style-type: none"> <li>• Conducive working environment for security personnel</li> <li>• Increased security coverage</li> <li>• Secure business environment</li> </ul>	In the FY 2020/2021. We were able to do 3 door toilets in one chief office, One Armoury ,

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

<b>3. Environment</b>	To promote sustainable environment management practices	<ul style="list-style-type: none"> <li>• Construct -toilets in schools</li> <li>• Plant trees in public schools and chiefs' offices</li> <li>• Create awareness on use of energy saving jikos</li> </ul>	<ul style="list-style-type: none"> <li>• Increases awareness and use of green economy in the constituency</li> <li>• Increase forest cover in the constituency</li> <li>• A more informed citizenry on environmental conservation</li> </ul>	In the FY 2020/2021. We have improved environmental management through water harvesting program in 10 schools to help in water management.
<b>4. Youth, Culture and Sports</b>	To harness youth talent and promote local culture To promote sustainable youth empowerment programmes	<ul style="list-style-type: none"> <li>• Conduct campaigns on drugs and substance abuse, and on HIV and AIDS</li> <li>• Create awareness on the establishment of youth groups.</li> <li>• Support cultural exhibitions</li> <li>• Support football tournaments</li> <li>• Purchase sporting uniforms and equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Job opportunity for talented youth</li> <li>• A positively engaged youth</li> <li>• Reduced Crime rate</li> </ul>	In the FY 2020/2021. We have improved community integration through clubs' participation and distributing of sports uniforms, balls and trophies
<b>5. ICT</b>	To increase access to ICT infrastructure	<ul style="list-style-type: none"> <li>• Construct ICT laboratories in schools</li> <li>• Install ICT infrastructure in the NG – CDF Ndaragwa offices</li> <li>• Establish ICT Hubs for the community</li> </ul>	<ul style="list-style-type: none"> <li>• Efficiency in service delivery</li> <li>• Increased number of youths doing online businesses</li> <li>• Lowered cost of doing business</li> </ul>	During this period there was no funds dedicated to the ICT

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

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

##### **1. SUSTAINABILITY STRATEGY AND PROFILE**

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

##### **2. ENVIRONMENTAL PERORMANCE**

The NG-CDFC Ndaragwa has an objective ensuring that we promote sustainable environment management practices

This is done by ensuring the we;

- Construct proper toilets in schools
- Plant trees in public schools and chiefs' offices
- water harvesting in public schools
- Create awareness on use of energy saving Jikos
- Train people on various ways of conserving the environment
- Train people on various ways of conserving the environment
- During the year we were not able to plant trees but we did water harvesting for several schools both secondary schools and primary schools
- During the handing over of projects the community is usually sensitized on various impacts of drug abuse on the person and the community at large.
  
- During the sports and handing over of the projects there community is sensitized o environmental conservation drug abuse and their effects on the community

##### **The Expected Results are**

- Increases awareness and use of green economy in the Constituency
- Increase forest cover in the Constituency
- A more informed citizenry on environmental conservation

##### **3. EMPLOYEES WELFARE**

NG-CDFC Ndaragwa undertakes recruitment on the basis of fair competition and merit; representation of Kenya's diverse communities; adequate and equal opportunities to all gender, youth, members of all ethnic groups, persons with disabilities and minorities. One third gender rule is observed, members of staff are subjected to training orientations and promotions depending of ones performance

##### **4. MARKET PLACE PRACTICES**

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

entrench equitable distribution of development in line with the NG-CDFC Act 2015 provisions

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

a. **Responsible competition practice.**

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

b. **Responsible Supply chain and supplier relations**

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

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

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

d. **Product stewardship**

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

## **5. COMMUNITY ENGAGEMENTS**

### **Public Participation in Project Identification and Implementation and Monitoring**

NG-CDF Ndaragwa through the Chairperson ensures that there was public participation to deliberate on development matters in the ward and in the constituency. NG-CDFC then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency,

We conduct public participation with stakeholders to:

- We get the information that helps us to understand the issues, options, and solutions available for the projects
- Helps in obtaining their feedback on alternatives or decisions
- Enhances project ownership
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency
- Ensuring implementation of NG-CDF funded projects are transparent and known to everybody within the community

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

**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.

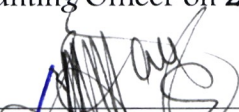
The Accounting Officer in charge of the NGCDF- Ndaragwa Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2021. 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- Ndaragwa 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- Ndaragwa 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 Ndaragwa 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- *Ndaragwa* Constituency financial statements were approved and signed by the Accounting Officer on **22/06 2022**

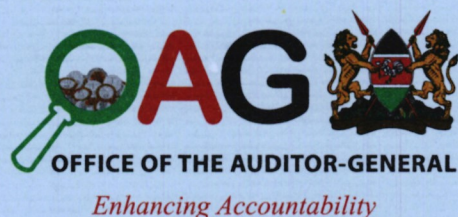
  
\_\_\_\_\_  
**Chairman NGCDF Committee**  
**Name: Joshua Magu Iregi**

  
\_\_\_\_\_  
**Fund Account Manager**  
**Name: A. KIRAGU MWANGI**

**FUND ACCOUNT MANAGER  
NDARAGWA NG - CDF  
P.O BOX 16-20306, NDARAGWA**

# REPUBLIC OF KENYA

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E-mail: info@oagkenya.go.ke  
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Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - NDARAGWA 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 - Ndaragwa Constituency set out on pages 16 to 46, which comprise the statement of assets and liabilities as at 30 June, 2021 and the

statement of receipts and payments, statement of cash flows and 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 - Ndaragwa 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. Unsupported Expenditure on Use of Goods and Services**

The statement of receipts and payments and Note 5 to the financial statements reflect use of goods and services balance of Kshs.8,563,660. Included in the balance is training expenditure of Kshs.1,085,000. However, training needs assessment report was not provided for audit. The criteria used to identify the needs and trainees could not be established.

The use of goods and services balance also includes hospitality, supplies and services expenditure of Kshs.128,460. The purchases were not supported by electronic tax register receipts (ETRs). The expenditure was incurred through cash purchases method contrary to Section 107 of the Public Procurement and Asset Disposal Act, 2015 which requires low value items to be for purchases not in the framework contracting and of the value prescribed in the third schedule on threshold.

Further, use of goods and services balance includes fuel, oil and lubricants expenditure of Kshs.995,000. Out of the amount, expenditure totalling to Kshs.612,396, incurred on fuel was not supported by work tickets to show the nature of the journey undertaken. The logbooks were also not provided to confirm the motor vehicles fueled were for services to the Fund.

In addition, use of goods and services balance includes an amount of Kshs.468,040 for routine maintenance of assets. However, pre-inspection and post-inspection reports for the repairs were not provided for audit.

In the circumstances, the accuracy and completeness of the use of goods and services balance of Kshs.8,563,660 could not be confirmed.

#### **2. Unsupported Other Grants and Transfers**

The statement of receipts and payments and Note 7 to the financial statements reflects other grants and transfers of Kshs.19,436,361. Included in the amount are bursaries to secondary schools, tertiaries and special schools of Kshs.2,783,654, Kshs.4,912,000 and

Kshs.910,000 respectively. However, bursaries totalling to Kshs.7,616,654 were not acknowledged by the recipient schools through acknowledgement letters. Thus, confirmation of receipts of the funds by the Institutions was not possible.

Further, other grants and transfers includes emergency transfers of Kshs.6,394,500. Out of the amount, transfers to four (4) institutions, totalling to Kshs.4,970,000 were not supported with funding requests, proposals, nature of emergency and Committee minutes recommending payments from the constituency emergency reserve.

In the circumstance, the accuracy and completeness of other grants and transfers of Kshs.19,436,361 could not be confirmed.

### **3. Inaccuracies in the Summary Statement of Appropriation**

The summary statement of appropriation reflects actual on comparable basis total receipts of Kshs.161,412,042 while the statement of receipts and payments reflects total receipts of Kshs.156,306,517, resulting to a difference of Kshs.5,105,525. Further, the summary statement of appropriation reflects budget utilization differences totalling Kshs.116,651,441. However, budget execution by sectors and project reflects differences totalling to Kshs.148,751,641, resulting to a variance of Kshs.32,100,200 which has not been explained or reconciled.

In the circumstances, the accuracy and completeness of the summary statement of appropriation could not be confirmed.

### **4. Understated Cash and Cash Equivalents Balance**

The statement of assets and liabilities and Note 10A to the financial statements reflects cash and cash equivalents balance of Kshs.56,562,590. Review of the bank reconciliation statements for the month of June revealed unrepresented cheques totalling Kshs.1,583,744. The unrepresented cheques include stale cheques totalling to Kshs.64,320 which have not been reversed in the cashbook.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.56,562,562 could not be confirmed

### **5. Unsupported Project Management Committee (PMC) Account Balances**

Note 17.4 to the financial statements reflects Project Management Committee account balances totalling Kshs.14,565,516. However, cash books, bank statements, certificate of bank balance and expenditure returns for the accounts were not provided for audit review.

In the circumstances, the accuracy and completeness of Project Management Committee account balances totalling Kshs.14,565,516 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 - Ndaragwa Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the

ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Key Audit Matters**

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

### **Other Matter**

#### **1. Budgetary Control and Performance**

The summary statement of appropriation reflects final receipts budget and actual on comparable basis of Kshs.221,501,121 and Kshs.161,412,042 respectively, resulting to an underfunding of Kshs.60,089,079 or 27% of the budget. Similarly, the Fund expended Kshs.104,489,480 against the budgeted expenditure of Kshs.221,500,921 resulting to an under-expenditure of Kshs.116,651,441 or 53% of the budget.

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

#### **2. Prior Year Matters**

In the audit report of the previous year, several paragraphs were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. Although the Management has indicated that the issues have been responded to, the matters have remained unresolved as the Senate has not met to deliberate on the same.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Award of Bursaries**

The statement of receipts and payments and Note 7 to the financial statements reflects other grants and transfers of Kshs.19,463,361. Included in the amount are bursaries to secondary, tertiaries and special schools of Kshs.2,783,654, Kshs.4,912,000 and Kshs.910,000 respectively, all totalling to Kshs.8,605,654. However, the bursary transfers were not supported with list of beneficiaries indicating the student's name, admission numbers, school, and amounts disbursed. Further, there was no evidence that bursary application were received and subjected to vetting process as required by Regulation (21)

(3) of the National Government Constituencies Development Fund Regulations, 2016. The criteria for identification and determination of amount to be awarded were unclear.

In addition, there was no evidence of public advertisement or notices inviting the students to apply for bursary.

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

## **2. Failure to Appoint Project Implementation Team**

The statement of receipts and payments and Note 9 to the financial statements reflects other payments totalling to Kshs.1,998,240 incurred on gravelling of access road from the tarmac road to Ndaragwa NGCDF offices. The project was implemented without appointing project implementation team, contrary to Section 151 (1) of the Public Procurement and Asset Disposal Act, 2015 which requires that for every contract, the accounting officer shall appoint a project implementation team which shall include members from the procurement function, client, relevant technical department and a consultant where applicable.

## **3. Transfer to Secondary Schools**

The statement of receipts and payments and Note 6 to the financial statements reflects transfer to other Government entities balance of Kshs.72,490,000. Included in the amount are transfers to secondary schools amounting to Kshs.28,950,000. However, review of the supporting schedules and bank statements revealed that cheques totalling to Kshs.13,650,000 were not remitted to the bank for the project implementation.

In the circumstances, the expenditure of Kshs.28,950,000 could not be confirmed.

## **4. Compensation of Employees**

The statement of receipts and payments and Note 4 to the financial statements reflects compensation of employees balance of Kshs.2,361,039. The expenditure include gratuity paid to contractual employees and the employer contributions towards the National Social Security Scheme of Kshs.518,490 and Kshs.71,172 respectively. The balances were not disclosed separately as per the reporting template. Further, the schedule for the gratuity and the names of the beneficiaries were not provided for audit. In addition, five (5) employees were recruited during the period under review. However, job advertisements, shortlisting panel's report, interviewing panel's report, scoring sheets, appointment letters and contract agreements were not provided for audit.

In the circumstances, the validity of the compensation of employees expenditure of Kshs.2,361,039 could not be confirmed.

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

# REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

## **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

## **Basis for Conclusion**

### **1. Lack of Approved Information Technology Security Policy**

Review of the Fund's Information Technology systems revealed that it did not have an approved IT Policy for governance and management of its ICT resources. In addition, there is no ICT Steering Committee in place to assist in the development of ICT Policy framework to enable the Fund to realize long-term ICT strategic goals. Lack of an approved IT Policy may result in an unclear direction regarding maintenance of information security across the organization and safeguarding the Fund's ICT assets. Further, without a sound and approved framework, users do not have any rules and procedures to follow in order to minimize risk of errors, fraud and the loss of data confidentiality.

### **2. Lack of Risk Management Policy and Strategy**

The Fund Management had not put in place Risk Management Policy, strategies, and risk register to mitigate against risk. It was, therefore, not clear how the Management manages risk exposures. This is in contravention of Regulation 158 (1)(a) and (b) of the Public Finance Management (County Governments) Regulations, 2015 which requires the Accounting Officer to ensure that the county government entity develops risk management strategies, which include fraud prevention mechanism; and the county government entity develops a system of risk management and internal control that builds robust business operations.

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

## **Responsibilities of Management and those Charged with Governance**

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

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how 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 control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in

which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

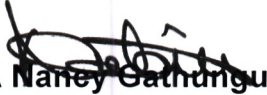
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the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

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

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

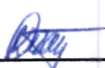
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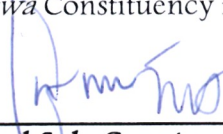
*Ndaragwa Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*


**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from NGCDF Board	1	156,306,517	115,540,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
<b>TOTAL RECEIPTS</b>		<b>156,306,517</b>	<b>115,540,876</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,361,039	2,143,787
Use of goods and services	5	8,563,660	8,673,747
Transfers to Other Government Units	6	72,490,000	78,066,000
Other grants and transfers	7	19,436,361	33,209,403
Acquisition of Assets	8	-	300,000
Other Payments	9	1,998,420	3,357,884
<b>TOTAL PAYMENTS</b>		<b>104,849,480</b>	<b>125,750,821</b>
<b>SURPLUS/DEFICIT</b>		<b>51,457,037</b>	<b>(10,209,945)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- *Ndaragwa* Constituency financial statements were approved on **22/06 2022** and signed by:

  
\_\_\_\_\_  
**Fund Account Manager  
A.KIRAGU MWANGI**

  
\_\_\_\_\_  
**National Sub-County  
Accountant  
ANTONY NGUNJIRI :  
ICPAK M/No: 15171**

  
\_\_\_\_\_  
**Chairman NG-CDF Committee  
JOSHUA MAGU IREGI :**


**FUND ACCOUNT MANAGER  
NDARAGWA NG - CDF  
P.O BOX 16-20306, NDARAGWA**

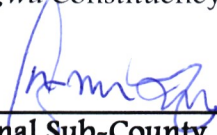
**NATIONAL SUB-COUNTY ACCOUNTANT  
NYANDARUA NORTH  
22 JUN 2022  
P. O. Box 221-20200, NYAHURURU**


**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019-2020	2018-2019
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	56,562,590	5,105,725
Cash Balances (cash at hand)	10B	-	-
<b>Total Cash and Cash Equivalents</b>		<b>56,562,590</b>	<b>5,105,725</b>
<b>Accounts Receivable</b>			
Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>56,562,590</b>	<b>5,105,725</b>
<b>FINANCIAL LIABILITIES</b>			
<b>Accounts Payable (Deposits)</b>			
Retention	12A	-	-
Gratuity	12B	-	-
<b>NET FINANCIAL SSETS</b>		<b>56,562,590</b>	<b>5,105,725</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...		5,105,725	15,315,670
Prior year adjustments	14	(172)	
Surplus/Defict for the year		51,457,037	(10,209,945)
<b>NET FINANCIAL POSITION</b>		<b>56,562,590</b>	<b>5,105,725</b>

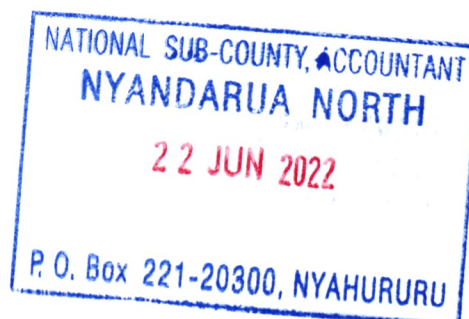
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- *Ndaragwa* Constituency financial statements were approved on **22/06 2022** and signed by:

  
Fund Account Manager  
A.KIRAGU MWANGI

  
National Sub-County  
Accountant  
ANTONY NGUNJIRI :  
ICPAK M/No: 15171

  
Chairman NG-CDF Committee  
JOSHUA MAGU IREGI :

**FUND ACCOUNT MANAGER  
NDARAGWA NG - CDF  
P.O BOX 16-20306, NDARAGWA**



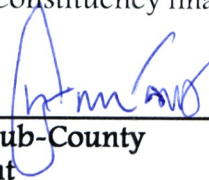
*Ndaragwa Constituency  
National Government Constituencies Development Fund (NGCDF)  
Reports and Financial Statements for The Year Ended June 30, 2021*

**IX. STATEMENT OF CASHFLOW**

		2020 - 2021	2019 - 2020
		Kshs	Kshs
<b>Receipts from operating activities</b>			
<b>Receipts from operating activities</b>			
Transfers from NGCDF Board	1	156,306,517	115,540,876
Other Receipts	3		-
		<b>156,306,517</b>	<b>115,540,876</b>
<b>Payments for operating activities</b>			
Compensation of Employees	4	2,361,039	2,143,787
Use of goods and services	5	8,563,660	8,673,747
Transfers to Other Government Units	6	72,490,000	78,066,000
Other grants and transfers	7	19,436,361	33,209,403
Other Payments	9	1,998,420	3,357,884
		<b>104,849,480</b>	<b>125,450,821</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	(172)	-
<b>Net Adjustments</b>		-	-
<b>Net cash flow from operating activities</b>		<b>51,456,865</b>	<b>(9,909,945)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	(300,000)
<b>Net cash flows from Investing Activities</b>		-	<b>(300,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>51,456,865</b>	<b>(10,209,945)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>10</b>	<b>5,105,725</b>	<b>15,315,670</b>
<b>Cash and cash equivalent at END of the year</b>		<b>56,562,590</b>	<b>5,105,725</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF- *Ndaragwa* Constituency financial statements were approved on **22/06 2022** and signed by:

  
Fund Account Manager  
A.KIRAGU MWANGI  
N.D.A.R.A.G.W.A. N.G.-C.D.F.  
P.O BOX 16-20306, NDARAGWA

  
National Sub-County  
Accountant  
ANTONY NGUNJIRI :  
ICPAK M/No: 15171

  
Chairman NG-CDF Committee

JOSHUA MAGU IREGI :

NATIONAL SUB-COUNTY, COUNTY  
NYANDARUA NORTH

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

**X. SUMMARY STATEMENT OF APPROPRIATION**

Receipts/Payments	Original Budget		Adjustments		Final Budget c=a+b	Actual on comparable basis d	Budget utilization difference e=c-d	% of Utilization f=d/c %
	a	Kshs	b	Kshs				
<b>RECEIPTS</b>	2020/2021		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021		
Transfers from NG-CDF Board	137,088,879		5,105,725	79,306,517	221,501,121	161,412,042	60,089,079	72.9%
Proceeds from Sale of Assets					0	-	-	0.0%
Other Receipts					0	-	-	
<b>TOTAL RECEIPTS</b>	<b>137,088,879</b>		<b>5,105,725</b>	<b>79,306,517</b>	<b>221,501,121</b>	<b>161,412,042</b>	<b>60,089,079</b>	<b>72.9%</b>
<b>PAYMENTS</b>								
Compensation of Employees	3,439,968		738,588	1,000,000	5,178,556	2,361,039	2,817,517	45.6%
Use of goods and services	8,885,365		1,657,385	3,926,080	14,468,830	8,563,660	5,905,170	59.2%
Transfers to Other Government Units	64,200,000		0	17,150,000	81,350,000	72,490,000	8,860,000	89.1%
Other grants and transfers	55,563,547		2,567,436	55,230,437	113,361,420	19,436,361	93,925,059	17.1%
Acquisition of Assets			0	0	0	-	-	
Other Payments	5,000,000		142,116.00	2,000,000	7,142,116	1,998,420	5,143,696	28.0%
<b>TOTAL</b>	<b>137,088,879</b>		<b>5,105,525</b>	<b>79,306,517</b>	<b>221,500,921</b>	<b>104,849,480</b>	<b>116,651,441</b>	<b>47.3%</b>

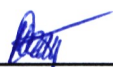
**Ndaragwa Constituency**  
**National Government Constituencies Development Fund (NGCDF)**  
**Reports and Financial Statements for The Year Ended June 30, 2021**

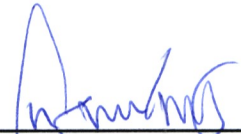
- The budget utilization for compensation of employees was 45.6%, apparently caused by late disbursement of funds from the board
- Use of goods and services 59.2%, also brought about by late disbursement of funds hence low rate of absorption
- Transfers to other government units 82.0%, similarly brought about by late disbursement of funds from the board Other grants and transfers 17.1%, which was due to late disbursement of funds from the board specifically bursaries due to covid issues
- All sectors are below 90%, and this is mainly because of late disbursements from the board thereby affecting budget absorption.

<b>Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities</b>	
<b>Description</b>	<b>Amount</b>
Budget utilization difference totals	116,651,441
Less undisbursed funds receivable from the Board as at 30th June 2021	60,088,879
	56,562,362
Add Accounts payable	0
Less Accounts Receivable	0
Add/Less Prior Year Adjustments	-172
Cash and Cash Equivalents at the end of the FY 2020/21	56,562,390

Reconciliation of Statement of Budget Appropriation to Statement of Assets and Liabilities introduced

The NGCDF- *Ndaragwa* Constituency financial statements were approved on **22/06 2022** and signed by:

  
 \_\_\_\_\_  
**Fund Account Manager**  
**A.KIRAGU MWANGI**

  
 \_\_\_\_\_  
**National Sub-County Accountant**  
**ANTONY NGUNJIRI :**  
**ICPAK M/No: 15171**

  
 \_\_\_\_\_  
**Chairman NG-CDF Committee**  
**JOSHUA MAGU IREGI :**

**FUND ACCOUNT MANAGER**  
**NDARAGWA NG - CDF**  
**P.O BOX 16-20306, NDARAGWA**

**NATIONAL SUB-COUNTY ACCOUNTANT**  
**NYANDARUA NORTH**  
**22 JUN 2022**  
**P. O. Box 221-20300, NYAHURURU**

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

X. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget		Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
	2020/2021	Kshs	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
		Kshs		Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent							
1.1 Compensation of employees	3,439,968		738,588	1,000,000	5,178,556	2,361,039	2,817,517
1.2 Committee allowances	2,500,000		674,100	2,000,000	5,174,100	1,707,400	3,466,700
1.3 Use of goods and services	2,285,365		286,200	800,000	3,371,564	2,382,260	989,304
Total	8,225,333		1,698,888	3,800,000	13,724,221	6,450,699	7,273,522
2.0 Monitoring and evaluation							
2.1 Capacity building	1,200,000		263,976	200,000	1,663,976	1,085,000	578,976
2.2 Committee allowances	2,000,000		144,810	500,000	2,644,810	2,205,000	439,810
2.3 Use of goods and services	900,000		288,499	426,080	1,614,579	1,184,000	430,579
Total	4,100,000		697,285	1,126,080	5,923,365	4,474,000	1,449,365
3.0 Emergency							
3.1 Primary Schools							
3.2 Secondary schools							
3.3 Tertiary institutions							
3.4 Security projects							
3.5 Unutilized	7,192,207		167,436	900,000	8,259,643	6,394,500	1,865,143
Total	7,192,207		167,436	900,000	8,259,643	6,394,500	1,865,143
4.0 Bursary and Social Security							
4.1 Secondary Schools	20,000,000		1,400,000	17,607,636	39,007,636	2,783,654	36,223,982
4.2 Tertiary Institutions	13,071,340		1,000,000	13,883,594	27,954,934	4,912,000	23,042,934
4.3 Social Security				15,000,000	15,000,000		15,000,000
4.4 Special Needs	1,500,000			5,903,000	7,403,000	910,000	6,493,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Total	34,571,340	2,400,000	52,394,230	89,365,570	8,605,654	80,759,916
5.0 Sports						
5.1	2,700,000			2,700,000		2,700,000
Total	2,700,000	-	-	2,700,000	-	2,700,000
6.0 Environment						
6.1						
Baari Primary School			386,207	386,207	386,207	-
kagondo primary			350,000	350,000	350,000	-
baari secondary	300,000			300,000	300,000	-
githunguchu secondary school	300,000			300,000	300,000	-
kahuhu secondary	300,000			300,000	300,000	-
kangocho primary school	900,000			900,000		900,000
kiriogo secondary	300,000			300,000	300,000	-
murichu secondary	300,000			300,000	300,000	-
pondo secondary school	300,000			300,000	300,000	-
Karagoini Primary School			300,000	300,000	300,000	
Subuku Primary School			300,000	300,000	300,000	
Olborosat Primary School			300,000	300,000	300,000	
Kirera Secondary School			300,000	300,000	300,000	
Total	2,700,000	-	1,936,207	4,636,207	3,736,207	900,000
7.0 Primary Schools Projects						
Aberdare School For The Deaf	2,600,000			2,600,000		2,600,000
Baari Primary School	2,500,000			2,500,000		2,500,000
Iriaini Primary School	2,600,000			2,600,000	2,600,000	-

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Kahindu Primary School	2,000,000			2,000,000		2,000,000
Kametha Primary School	3,500,000			3,500,000		3,500,000
Kangawa Primary School	2,600,000			2,600,000	2,600,000	-
Kiandege Primary School	400,000			400,000		400,000
Kihuha Primary School	2,000,000			2,000,000		2,000,000
Kimaru primary school	500,000			500,000	500,000	-
Kirioyo Primary School	400,000			400,000		400,000
Mahianyu Primary School	400,000			400,000		400,000
Michinda Primary School	250,000			250,000		250,000
Mwihangia Primary School	2,500,000			2,500,000	2,500,000	-
Ndaya Primary School	2,600,000			2,600,000	2,600,000	-
Ndivai Primary School	2,000,000			2,000,000	2,000,000	-
Ngari Primary School	2,000,000			2,000,000	2,000,000	-
Nyonjoro Primary School	800,000			800,000	800,000	-
Olobosat Primary School	2,500,000			2,500,000		2,500,000
Pondo Primary School	2,500,000			2,500,000		2,500,000
Pesi Primary school	250,000			250,000	250,000	-
Ndaragwa Primary school	250,000			250,000	250,000	-
Ndururi Primary school	250,000			250,000	240,000	10,000
Kirioyo Primary school	250,000			250,000	200,000	50,000
Kiharo Primary school	250,000			250,000		250,000
Kahutha Primary school	250,000			250,000		250,000
Gakoe Primary school	250,000			250,000		250,000
Mukambura Primary school	250,000			250,000		250,000
Warukira Primary school	250,000			250,000		250,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and ALA	Previous Years' Outstanding Disbursements			
Kihuha Primary school	250,000			250,000		250,000
Raichiri Primary school	250,000			250,000		250,000
Ndivai Primary school	250,000			250,000		250,000
Muruai Primary school	250,000			250,000		250,000
Ngawa Primary school	250,000			250,000		250,000
Wangu Primary school	250,000			250,000		250,000
Ritaya Primary School	2,600,000			2,600,000		2,600,000
Simbara primary school	900,000			900,000		900,000
Suguroi Primary School	2,600,000			2,600,000		2,600,000
Ndaragwa primary school			3,500,000	3,500,000	3,500,000	-
Kimaru Primary School					2,500,000	
Kahoho Primary School					1,800,000	
Ihigaini Primary School					3,500,000	
Mwai Kibaki Pyy School					1,700,000	
Kihara Primary School					2,000,000	
Thuita Primary School					2,000,000	
Kanyagia Primny School					2,000,000	
Iria - Ini Primary School					2,000,000	
Muruai Primary School					2,000,000	
Ndogino Primary School					2,000,000	
Mung'Etho Primary School					2,000,000	
Total	44,500,000		3,500,000	48,000,000	43,540,000	27,960,000
8.0 Secondary Schools Projects					-	
Subuku Secondary School	800,000			800,000	800,000	-
Kambara technical boys sec school	2,000,000			2,000,000		2,000,000

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

Programme/Sub-programme	Original Budget 2020/2021	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Aberdare Girls Secondary School	3,500,000			3,500,000		3,500,000
Muthiga secondary school	2,600,000			2,600,000	2,600,000	-
Mwai Kibaki Secondary School	2,600,000			2,600,000	2,600,000	-
Mwihangia Secondary School	700,000			700,000	700,000	-
Ndaragwa Boys Secondary School	3,500,000			3,500,000		3,500,000
Ndivai Secondary School	3,000,000			3,000,000		3,000,000
Baari secondary school	1,000,000			1,000,000		1,000,000
Subuku Secondary School			1,550,000	1,550,000	1,550,000	-
Kihuha Secondary School			3,600,000	3,600,000	3,600,000	-
Kimaru Secondary School			3,600,000	3,600,000	3,600,000	-
Kahutha Secondary School			1,300,000	1,300,000	1,300,000	-
Aberdare mixed Secondary School			3,600,000	3,600,000	3,600,000	-
Kimaru Secondary School				1,600,000	1,600,000	-
Kihuha Secodanry School				1,600,000	1,600,000	-
Kahutha Secondary School				1,300,000	1,300,000	-
Ngaindeithia Sec School				2,400,000	2,400,000	-
Aberdare Mixed Sec School				1,700,000	1,700,000	-
Total	19,700,000		13,650,000	33,350,000	28,950,000	13,000,000
9.0 Tertiary institutions Projects				-	-	-
Total	-		-	-	-	-
10.0 Security Projects						
Kahembe Assistant Chiefs Office	2,500,000			2,500,000		2,500,000
Kariki Assistant Chiefs Office	2,000,000			2,000,000		2,000,000
Kirima Assistant Chief	700,000			700,000		700,000

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

Programme/Sub-programme	Original Budget	Adjustments		Final Budget 2020/2021	Actual on comparable basis 30/06/2021	Budget utilization difference
		Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements			
Mbuyu Assistant Chiefs Office	2,500,000			2,500,000		2,500,000
Ndivai Chiefs Office	700,000			700,000	700,000	-
Total	8,400,000	-	-	8,400,000	700,000	7,700,000
11.0 Acquisition of assets				-		
11.1 Motor Vehicles	-			-		
11.2 Construction of CDF office	-			-		
11.3 Purchase of furniture and equipment	-			-		
11.4 Purchase of computers	-			-		
Total	-	-	-	-	-	-
12.0 Other payments				-		
NG-CDFC- Office hall	5,000,000			5,000,000	-	5,000,000
grading of the office access road		142,116	2,000,000	2,000,000	1,998,420	1,580
strategic plan		142,116		142,116	-	142,116
Total	5,000,000	142,116	2,000,000	7,142,116	1,998,420	5,143,696
13.0 unallocated fund						
Unapproved projects						
AIA	-			-		
PMC savings						
Total	137,088,879	5,105,725	79,306,517	221,501,121	104,849,480	148,751,641

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

## **XI. SIGNIFICANT ACCOUNTING POLICIES**

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

### **1. Statement of Compliance and Basis of Preparation**

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

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

### **2. Reporting Entity**

The financial statements are for the NGCDF- *Ndaragwa* 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 Equivalent**

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

**7. Accounts Receivable**

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

**8. Accounts Payable**

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

#### **9. Pending Bills**

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

#### **10. Unutilized Fund**

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

#### **11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest which is accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on 30th June 2020 for the period 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.

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

**XII. 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>
			47,540,876
Normal Allocation			4,000,000
			18,000,000
			5,000,000
			15,000,000
			15,000,000
			11,000,000
		15,000,000.00	
		20,000,000.00	
		2,438,793.15	
		26,867,724.10	
		9,000,000.00	
		8,500,000.00	
		6,900,000.00	
		13,000,000.00	
		6,000,000.00	
		6,000,000.00	
		12,000,000.00	
		7,000,000.00	
		11,600,000.00	
		12,000,000.00	
Conditional Grants	AIE NO...		
Receipt from other Constituency			
<b>TOTAL</b>		<b>156,306,517</b>	<b>115,540,876</b>
<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		-	-

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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			-
Receipts Sale of Tender Documents		-	-
Hire of plant/equipment/facilities		-	-
Unutilized funds from PMCs			-
Other Receipts Not Classified Elsewhere (specify)		-	-
<b>TOTAL</b>		-	-
<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		1,771,377	2,143,787
<b>Personal allowances paid as part of salary</b>			
House allowance		-	-
Transport allowance		-	-
Leave allowance		-	-
Gratuity-contractual employees		518,490.-	-
Employer Contributions Compulsory national social security schemes		71,172	-
<b>TOTAL</b>		<b>2,361,039</b>	<b>2,143,787</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		354,100	568,341
Electricity			0
Water & sewerage charges		-	-
Office rent			-
Communication, supplies and services		157,500	90,000
Domestic travel and subsistence		162,200	83,900
Printing, advertising and information supplies & services		0	109,156

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Rentals of produced assets			
Training expenses		1,085,000	1,780,000
Hospitality supplies and services		128,460	160,700
Other committee expenses		905,400	582,500
Committee allowance		3,025,000	2,881,000
Insurance costs			
Specialized materials and services			
Office and general supplies and services		700,940	515,680
Fuel , oil & lubricants		995,000	970,000
Other operating expenses		88,700	77,420
Bank service commission and charges		24,820	36,980
Other Operating Expenses		-	
Security operations		302,000	
Routine maintenance - vehicles and other transport equipment		468,040	712,470
Routine maintenance- other assets		166,500	105,600
<b>TOTAL</b>		<b>8,563,660</b>	<b>8,673,747</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		43,540,000	37,000,000
Transfers to Secondary Schools		28,950,000	41,066,000
Transfers to Tertiary Institutions			
<b>TOTAL</b>		<b>72,490,000</b>	<b>78,066,000</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 ( see attached list)		2,783,654	3,061,500
Bursary -Tertiary ( see attached list)		4,912,000	2,228,000
Bursary- Special Schools		910,000	-
Mocks & CAT ( see attached list)		-	-
Social Security programmes (NHIF)			
Security Projects ( see attached list)		700,000	9,200,000
Sports Projects ( see attached list)		-	4,627,586
Environment Projects ( see attached list)		3,736,207	1,727,586
Emergency Projects ( see attached list)		6,394,500	12,364,730

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

<b>TOTAL</b>		<b>19,436,361</b>	<b>33,209,403</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		-	-
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 General Equipment		0	-
Purchase of computers ,printers and other IT equipments		-	300,000
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>0</b>	<b>300,000</b>
<b>9 Other Payments</b>			
Strategic Plan		-	3,357,884
ICT Hubs		-	-
Grading of the Office Access Road		1,998,420	-
<b>TOTAL</b>		<b>1,998,420</b>	<b>3,357,884</b>

<b>10A: Bank Balances (cash book bank balance)</b>			

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Name of Bank, Account No. & currency	Account Number	2020 - 2021	2019 - 2020
Closing cash book bank balance		<b>Kshs (30/6/2021)</b>	<b>Kshs (30/6/2020)</b>
<i>cooperative bank , Nyahururu ndaragwa ngcdf</i>	<i>A/C no.01120037972400</i>	<b>56,562,590</b>	<b>5,105,725</b>
Equity Bank		-	-
		-	-
<b>TOTAL</b>		<b>56,562, 590</b>	<b>5,105,725</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>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>	

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		<b>KShs</b>	<b>KShs</b>	
Gratuity as at 1 <sup>st</sup> July (A)		-	-	
Gratuity earned during the year (B)		-	-	
Gratuity paid during the Year (C)		-	-	
Closing Gratuity as at 30 <sup>th</sup> June D= A+B-C		-	-	
<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				
Bank accounts		5,105,725	15,315,670	
Cash in hand				
Imprest				
<b>TOTAL</b>		<b>5,105,725</b>	<b>15,315,670</b>	
<b>14. PRIOR YEAR ADJUSTMENTS</b>				
		<b>Balance b/f FY 2019/2020 as per Audited Financial statements</b>	<b>Adjustments</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		-	(172)	(172)
Cash in hand		-	-	
Accounts Payable		-	-	
Receivables		-	-	
Others (specify)		-	-	
<b>Total</b>		<b>-</b>	<b>(172)</b>	<b>(172)</b>



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<b>17.3: UNUTILISED FUNDS (See Annex 3)</b>		
	<b>2020- 2021</b>	<b>2019- 2020</b>
	<b>Kshs</b>	<b>Kshs</b>
Compensation of employees	2,817,517	1,738,588
Use of goods and services	5,905,370	5,583,665
Amounts due to other Government entities (see attached list)	8,860,000	17,150,000
Amounts due to other grants and other transfers (see attached list)	93,925,059	47,859,281
Acquisition of assets	-	-
Others ( <i>specify</i> )	5,143,696	2,142,116
Funds pending approval		0
<b>Totals</b>	<b>116,651,641</b>	<b>74,473,450</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)	14,565,516.24	23,900,952

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount a	Date Contracted b	Amount Paid To-Date c	Outstanding Balance 2020 d=a-c	Comments
<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**

Name of Staff	Designation	Date employed	Outstanding Balance 30 <sup>th</sup> June 2021	Comments
<b>NG-CDFC Staff</b>				
1.				
2.				
3.				

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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance
		2020/21	2019/20
		2020- 2021	2019- 2020
		Kshs	Kshs
<b>1.0 Administration and Recurrent</b>			
1.1	Compensation of employees	2,817,517.21	1,738,588.21
1.2	Committee allowances	3,466,700.00	2,674,100.00
1.3	Use of goods and services	989,304.31	1,086,199.72
<b>Total</b>		7,273,521.52	5,498,887.93
<b>2.0 Monitoring and evaluation</b>			
2.1	Capacity building	578,976.26	463,976.26
2.2	Committee allowances	439,810.00	844,810.00
2.3	Use of goods and services	430,579.00	514,379.00
<b>Total</b>		1,449,365.26	1,823,165.26
<b>3.0 Emergency</b>			
3.5	Unutilized	1,865,143	1,067,435.86
<b>Total</b>		1,865,143	1,067,435.86
<b>4.0 Bursary and Social Security</b>			
4.1	Secondary Schools	36,223,982.05	18,549,844.00
4.2	Tertiary Institutions	23,042,933.83	14,239,000.00
4.3	Social Security (pending approval)	15,000,000.00	7,500,000.00
4.4	Special Needs	6,493,000.00	5,303,000.00
<b>Total</b>		80,759,915.88	45,591,844.00
<b>5.0 Sports</b>			
5.1		2,700,000.00	-
<b>Total</b>		2,700,000.00	-
<b>6.0 Environment</b>			
6.1		-	-
	kangocho primary school	900,000.00	-
	Karagoini Primary School	-	300,000.00
	Subuku Primary School	-	300,000.00
	Olborosat Primary School	-	300,000.00
	Kirera Secondary School	-	300,000.00
<b>Total</b>		900,000.00	1200,000.00

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<b>7.0 Primary Schools Projects</b>			-
Aberdare School For The Deaf		2,600,000.00	-
Baari Primary School		2,500,000.00	-
Kahindu Primary School		2,000,000.00	-
Kametha Primary School		3,500,000.00	-
Kiandege Primary School		400,000.00	-
Kihuha Primary School		2,000,000.00	-
Kiriogo Primary School		400,000.00	-
Mahianyu Primary School		400,000.00	-
Michinda Primary School		250,000.00	-
Olobolosat Primary School		2,500,000.00	-
Pondo Primary School		2,500,000.00	-
Ndururi Primary school		10,000.00	-
Kiriogo Primary school		50,000.00	-
Kiharo Primary school		250,000.00	-
Kahutha Primary school		250,000.00	-
Gakoe Primary school		250,000.00	-
Mukambura Primary school		250,000.00	-
Warukira Primary school		250,000.00	-
Kihuha Primary school		250,000.00	-
Raichiri Primary school		250,000.00	-
Ndivai Primary school		250,000.00	-
Muruai Primary school		250,000.00	-
Ngawa Primary school		250,000.00	-
Wangui Primary school		250,000.00	-
Ritaya Primary School		2,600,000.00	-
Simbara primary school		900,000.00	-
Suguroi Primary School		2,600,000.00	-
Ndaragwa primary school		-	3,500,000.00
<b>Total</b>		27,960,000.00	3,500,000.00
<b>8.0 Secondary Schools Projects</b>		-	-
Kambaa technical boys secondary school		2,000,000.00	-
Aberdare Girls Secondary School		3,500,000.00	-
Ndaragwa Boys Secondary School		3,500,000.00	-
Ndivai Secondary School		3,000,000.00	-
Baari secondary school		1,000,000.00	-
Subuku Secondary School		-	1,550,000.00

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Kihuha Secondary School		-	3,600,000.00
Kimaru Secondary School		-	3,600,000.00
Kahutha Secondary School		-	1,300,000.00
Aberdare mixed Secondary School		-	3,600,000.00
<b>Total</b>		13,000,000.00	13,650,000.00
<b>9.0 Tertiary institutions Projects</b>		-	-
<b>Total</b>		-	-
<b>10.0 Security Projects</b>			-
Kahembe Assistant Chiefs Office		2,500,000.00	-
Kariki Assistant Chiefs Office		2,000,000.00	-
Kirima Assistant Chief		700,000.00	-
Mbuyu Assistant Chiefs Office		2,500,000.00	-
<b>Total</b>		7,700,000.00	-
<b>11.0 Acquisition of assets</b>		-	-
11.1 Motor Vehicles		-	-
11.2 Construction of CDF office		-	-
11.3 Purchase of furniture and equipment		-	-
11.4 Purchase of computers		-	-
<b>Total</b>		-	-
<b>12.0 Other payments</b>		-	-
NG-CDFC- Office hall		5,000,000.00	-
grading of the office access road		1,580.00	2,000,000.00
strategic plan		142,116.00	142,116.00
<b>Total</b>		5,143,696.00	2,142,116.00
<b>13.0 unallocated fund</b>			-
Unapproved projects		-	-
AIA			-
<b>Total</b>		<b>148,751,641</b>	<b>84,412,242.05</b>

**Disclosure** during the financial year 2019/2020 there were some unapproved funds at the Board for the previous years that had not been disclosed i.e.  
Environment Kshs to 736,206.95, (2017/18)  
Social security 2018/20 Kshs 7,500,000(2018/19) and  
Bursaries Kshs 1,702,586.21 (2017/18)

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**ANNEX 4 – UNUTILIZED FUND**

<b>PMC</b>	<b>Bank</b>	<b>Account number</b>	<b>Bank Balance 2020/21</b>	<b>Bank Balance 2019/20</b>
KAGONDO PRIMARY	COOP	O1139501228600		126,801.25
KANYAGIA PRIMARY	COOP	o1139036112102	125,311.00	
MURUAI PRIMARY SCHOOL	COOP	O1141169476100	2,037.24	
MURUAI PRIMARY SCHOOL	COOP	O1141690476100		233,583.24
NGAI NDEITHIA SECONDARY	COOP	O1139038499104		192,722.00
NGURUMO PRIMARY SCHOOL	COOP	O1141689542100		1,964,182.75
SIMBARA PRIMARY SCHOOL	COOP	O1139689122900		1,592.50
NDARAGWA PRIMARY SCHOOL	EQUITY	O160278522419		1,476,963.00
IHIGAINI A PRIMARY SCHOOL	KCB	1272987345	419.00	188,165.00
IRIGITHATHI SECONDARY SCHOOL	KCB	1272130371		707,140.40
KAGONDO SECONDARY SCHOOL	KCB	1272128679		319,061.00
KAHUTHA PRIMARY SCHOOL	KCB	1268832626		236,652.00
KAMBAA SECONDARY SCHOOL	KCB	1269262130		249,805.00
KANGOCHO PRIMARY SCHOOL	KCB	1257741632		1,735.00
KARAGOINI	KCB	1273905628		398,727.00
MBUYU SECONDARY SCHOOL	KCB	1272672123		75,261.00
MICHINDA PRIMARY SCHOOL	KCB	1236721810		591,444.05
MUNGETHO SECONDARY SCHOOL	KCB	1263311059		234,659.00
MURICHU PRIMARY	KCB	1268847267		92,051.00
MUTIUMWE PRIMARY SCHOOL	KCB	1272885550		683,105.00
MWIHANGIA SECONDARY SCHOOL	KCB	1227101783	502,118.95	
NDARAGWA SPORTS ACCOUNT	KCB	1255023066		5,677,570.00
NDIVAI CHIEFS OFFICE	KCB	1272988872		220,298.00
NDIVAI CHIEFS OFFICE	kcb	1272988872	69,814.00	
NGARI PRIMARY SCHOOL	KCB	1229050744	717,813.05	75.00
NYONJORO PRIMARY SCHOOL	KCB	1263496482	64,778.00	880.00
RAICHIRI SECONDARY SCHOOL	KCB	1268813354		52,701.50
SHAMATA ACC OFFICE	KCB	1272601714		121,912.00
SUBUKU SECONDARY SCHOOL	KCB	1273279247	390,066.00	2,726,624.00
SUGUROI PRIMARY	KCB	1272989798		1,100,000.00
SUMBUKU AP POST	KCB	1234626152		47,040.95
THUITA PRIMARY SCHOOL	kcb	1281339121	172,086.00	
URUKU SECONDARY	KCB	1272598721		1,067,942.00
WANGUI PRIMARY SCHOOL	KCB	1269659782		223,005.00
WANGUI SECONDARY SCHOOL	KCB	1269010735		60,382.00
ABERDARE MIXED SEC SCHOOL	SIDIAN	A/C 01023030001264	514,156.00	

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IRIAINI PRIMARY SCHOOL	SIDIAN	A/C 01023030001314	1,537,701.00	
ITONYERO PRIMARY	SIDIAN	O1023030001164		81,386.00
KAHEHO PRIMARY	SIDIAN	O1023030001094		322,585.00
KAHEHO PRIMARY SCHOOL	SIDIAN	A/C 01023030001094	37,444.00	
KAHUTHA SECONDARY SCHOOL	SIDIAN	A/C 01023030001354	122,047.00	
KANGAWA PRIMARY SCHOOL	SIDIAN	A/C 01023030001454	2,599,125.00	
KIHARA PRIMARY SCHOOL	SIDIAN	A/C 01023030001324	144,988.00	
KIHUHA SECODANRY SCHOOL	SIDIAN	A/C 01023030001294	87,207.00	
KIMARU PRIMARY SCHOOL	SIDIAN	A/C 01023030001364	129,368.00	
KIMARU SECONDARY SCHOOL	SIDIAN	A/C 01023030001224	331,209.00	
KIRIMA ASSISTANT CHIEFS OFFICE	SIDIAN	O1023030001104		1,332,472.00
MAHIANYU PRIMARY	SIDIAN	O1023030001184		63,005.00
MAKEREKA PRIMARY	SIDIAN	O1023030001074		1,145,632.00
MBUYU PRIMARY	SIDIAN	O1023030001154		174,999.00
MUNG'ETHO PRIMARY SCHOOL	SIDIAN	A/C 01023030001334	47,409.00	
MUTANGA PRIMARY	SIDIAN	O1023030001144		203,150.00
MUTHIGA SECONDARY SCHOOL	SIDIAN	A/C 01023030001464	2,599,125.00	
MWAI KIBAKI PRIMARY SCHOOL	SIDIAN	O1023030001064		363,282.00
MWAI KIBAKI PRY SCHOOL	SIDIAN	A/C 01023030001064	95,230.00	
MWAI KIBAKI SECONDARY SCHOOL	SIDIAN	A/C 01023030001474	260,493.00	
MWIHANGIA PRIMARY SCHOOL	SIDIAN	A/C 01023030001484	2,499,125.00	
NDARAGWA TVET	SIDIAN	O1023030001204		1,100,000.00
NDAYA PRIMARY SCHOOL	SIDIAN	A/C 01023030001444	1,407,966.00	
NDIVAI PRIMARY SCHOOL	SIDIAN	A/C 01023030001424	769.00	
NDOGINO PRIMARY SCHOOL	SIDIAN	A/C 01023030001344	107,711.00	
NYAKINYUA PRIMARY SCHOOL	SIDIAN	O1023030001084		42,360.00
			<b>14,565,516.24</b>	<b>23,900,951.64</b>

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**ANNEX 5 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) 2019/20</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Historical Cost (Kshs) 2020/21</b>
Land	8,364,778.00	0	0	8,364,778.00
Buildings and structures	3,400,000.00	0	0	3,400,000.00
Transport equipment	2,495,880.00	0	0	2,495,880.00
Office equipment, furniture and fittings	0	0	0	0
ICT Equipment, Software and Other ICT Assets	0	0	0	0
Other Machinery and Equipment	0	0	0	0
Heritage and cultural assets	0	0	0	0
<b>Intangible assets</b>	<b>14,260,658.00</b>	<b>0</b>	<b>0</b>	<b>14,260,658.00</b>
<b>Total</b>				

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**PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
	<b>Emergency</b>	The toilets were very necessary at the moment since they had collapsed and also the removal of asbestos were in the dining hall was a very necessary since it was a health risk to the students and would have resulted to closure of the school	AWAITING SFAC AND HEARING APPEARANCE	
	<b>Incomplete projects</b>	These were the projects that had been given funds at the end of the financial year and they have since been completed and are in use Branding of projects : the process is progress	AWAITING SFAC AND HEARING APPEARANCE	
	<b>Kihara secondary school</b>	The works are now complete and the classes and laboratory is in use.	AWAITING SFAC AND HEARING APPEARANCE	