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REPORT

OF

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KINANGOP CONSTITUENCY

FOR THE YEAR ENDED 30 JUNE, 2020

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NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -KINANGOP CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2020

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

(b) Key Management

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

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

(c) Fiduciary Management

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

No	Designation	Name
1.	A.I.E holder	**Caroline Kariuki**
2.	Sub-County Accountant	**Amon Thananga**
3.	Chairman NGCDFC	**George Karanja**
4.	Member NGCDFC	**Martha Ngaruiya**

(d) Fiduciary Oversight Arrangements

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

(e) NGCDF KINANGOP Constituency Headquarters

P.O. Box 430-20318
North Kinangop
Nyandarua Sub-County
Engineer, Kenya

(f) NGCDF KINANGOP Constituency Contacts

Telephone: (254) 722532682
E-mail: kinangopcdf@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF KINANGOP Constituency Bankers

Equity Bank (Naivasha Branch)
A/C No 0200295239050

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

KINANGOP-NG-CDFC has ensured that most projects that were initiated this year have been completed or the intended phase is completed.

KEY ACHIEVEMENTS:

a) All projects have been carried out to standard with consultation with the relevant government ministries

b) Whereas Bursary applications are so many they ended up being over and above what we could afford, we have however carried out the process as objectively as possible and have been able to reach out to the deserving cases.

c) Various schools have benefited from Construction of new classrooms. Tulaga has 4 new classrooms helping in decongestion especially during this time of Covid 19 pandemic.

d) Heni Secondary school benefited with a school bus motivating the students to work hard in their studies.

e) Besides the regular Bursaries, we have been able to support 200 students with full scholarship an initiative that has seen bright and destitute students continue with their education uninterrupted.

f) We have supplied 17 schools located in areas without tap water with 10,000 litres water tanks to facilitate water harvesting which will go a long way in fighting Covid 19.

Sign

CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

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

a) Improved Education standards.
b) Enhanced security and safety within the Constituency.
c) Improve and sustain safe and clean environment.
d) Enhanced development of sporting activities within the constituency.
e) Enhance Youth socio- Economic Development.

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improved Education standards.	Improved retention of learners in primary schools and improved transition to secondary schools as well as enhance a conducive learning environment for learners and teachers.	Number of usable physical infrastructure renovated and/or built in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	The projects on education Funded in Financial year 2019/2020 are at implementation stage.
Security	Enhanced security and safety within the Constituency.	Improved service delivery, Enhanced security infrastructure and improved working environment for the security and administrative personnel.	Number of usable security sector physical infrastructure renovated and/ or built and equipped in the constituency.	The projects on education Funded in Financial year 2019/2020 are at implementation stage.

Environment	Improve and sustain safe and clean environment.	Improved and sustained environmental conservation.	Number of tree seedlings planted and water tanks delivered to schools.	Number of trees planted increased by 10,000 and more than 17 tanks delivered.
Sports	Enhanced development of sporting activities within the constituency.	Engagement of the constituents in sporting activities, enhanced social cohesion, talent identification and nurturing.	Kinangop Soccer tournament.	Tournament undertaken.

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – KINANGOP 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 –

In order to realize the aspirations of the constituents, KINANGOP NG-CDF has identified the shared development agenda. Strategies and mechanisms to propel the constituency has been put in place and are geared towards attaining its development goals.

Vision Statement

To become united and economically progressive community empowering the constituents, improving quality of life where all resources and opportunities are well utilized.

Mission Statement

To create and improve institutions and structures to achieve the shared objectives by incorporating all stakeholders towards a common goal

Core values

Our core values are; integrity, professionalism, teamwork, accountability, transparency, diligence, Commitment and hard work.

NG-CDF KINANGOP constituency has been able to do a thorough assessment of the operating macro-economic environment before putting in place mechanisms to respond to the challenges.
Political regimes play an important role in providing an enabling political environment for equitable sharing of resources. Political tolerance and goodwill between constituencies, counties and countries encourage cross border trade and cooperation creating a perfect environment for both distribution of produce and sharing of development information.

2. Environmental performance

KINANGOP NG-CDF has put measures regarding the effects of human activities on the environment, particularly those measures that are designed to prevent or reduce effects of human activities on ecosystem.

Our Environment Policy

We are committed to;

- Comply with all environmental regulations.
- Prevent pollution whenever possible.
- Train our staff on our environmental program and empower them to contribute and participate.
- Communicate environmental aims and objectives to employees and external stakeholders
- Recycle, re-use and reduce.
- Conserve energy, water and natural resources.
- To monitor and record our environmental impact on a regular basis and compare our performance with our policies, objectives and targets.

- Liaise with the local community in environmental activities
- Participate in discussions about environmental issues
- Agree to commit to environmental principles and continual improvement at the highest level

KINANGOP NG-CDF has been in the forefront to conserve the environment. Environmental conservation aims at promoting sustainable and equitable resource exploitation and utilization for posterity and prosperity. There is high correlation between poverty and environment degradation. Through poverty eradication programs we have been able to educate the constituents utilise the available natural resources.

3. Employee welfare

All employees in KINANGOP NG-CDF are hired in accordance to Employment Act, 2007 and all laws governing labour.

Recruitment

We ensure that recruitment of staff is competitive giving all candidates an equal opportunity and ensure that the most qualified persons are hired. We ensure openness and opportunity for all eligible applicants by advertising for posts in social media, posts in public offices and announcements to public forums.

Terms of service

Staffs are employed on contract terms, which is renewed subject to performance.

Remuneration

Remuneration of staff is benchmarked to prevailing Civil Service salary scale. The pay package is subject to statutory deductions in accordance to legislation. They are entitled to 21 days 'annual leave. They are also eligible for a service gratuity tabulated at 31% of annual basic pay for all the years worked.

Termination of employment

The contract may be terminated by either party with one-month notice.

In addition to the above, KINANGOP NG-CDF has the following responsibilities;

- Provide a workplace free from serious recognized hazards and comply with standards, rules and regulations issued under the OSH Act.
- Examine workplace conditions to make sure they conform to applicable OSHA standards.
- Make sure employees have and use safe tools and equipment and properly maintain this equipment.
- Use color codes, posters, labels or signs to warn employees of potential hazards.
- Establish or update operating procedures and communicate them so that employees follow safety and health requirements.
- Must provide safety training in a language and vocabulary workers can understand.
- Provide medical examinations and training.
- Report all work-related fatalities within 8 hours, and all work-related inpatient hospitalizations, all amputations and all losses of an eye within 24 hours.
- Provide access to employee medical records and exposure records to employees or their authorized representatives.
- Not discriminate against employees who exercise their rights under the Act.

4. Market place practices-

Economic factors such as inflation, tax policies, subsidies, trade barriers, and trade policies all have a direct bearing on the cost of living and performance of interventions by NG-CDF. These factors have a direct bearing on the growth and development of the constituency. There is therefore, need for development friendly economic policies to check on the costs of farm inputs and other capital goods.

a) Responsible competition practice.
   Agriculture is the mainstay of the economy of the constituency. Poor market systems, scanty market information and existence of middle men who exploit farmers, make the whole venture unattractive particularly to the youth. We have been able to spur growth and development through robust infrastructure base, which will enhance information sharing, security and movement of goods and people.
b) Responsible Supply chain and supplier relations
   Payments to suppliers are done promptly upon presentation of requisite supporting documents and satisfactory delivery of service or product as per the agreement.
c) Responsible marketing and advertisement
   Advertising of 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, KINANGOP NG-CDF has come up with a service charter and a complaints register. The service charter points out the commitment towards giving quality services to all constituents and stakeholders.
   Complaints handling policy ensures consistent, fair and confidential complaints handling and to resolve complaints as quickly as possible.

5. Community Engagements

Public participation is the process that directly engages the concerned stakeholders in decision making and gives full consideration tom public input in making that decision.
The benefits of public participation are as follows;

- Sustainable Development
  Sustainable development can be achieved only through the involvement of all stakeholders
- Environmental Protection
  Environmental issues can be addressed when valued by the public. It is important that a party represents the interest of the environment in the public debate. Without such a party, the environment will not be put on the agenda
- Conflict Management
  Although conflicts cannot be avoided, they are made explicit in the public participation debate. This makes conflict handling more efficient.
- Project Understanding and Reduction of Public Opposition
  The public, being the user of a system, is the only party that can assess and evaluate the impacts of (possible) measures on the functions of a coastal environment.
- Economic Benefits
  If the public is involved in the full decision making process, their concerns may be met early on in the planning process when changes may be easier to make, rather than late in the process when even small changes may cost both time and money.

We have also been able to engage in Corporate Social Responsibilities (CSR) through engaging the community in mitigation of Covid-19. We have been able to procure locally manufactured masks and having the same distributed across the constituency.

V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

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

The Accounting Officer in charge of the NGCDF-KINANGOP 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 NGCDF-KINANGOP Constituency financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the NGCDF-KINANGOP Constituency financial position as at that date. The Accounting Officer charge of the NGCDF-KINANGOP Constituency further confirms the completeness of the accounting records maintained for the NGCDF-KINANGOP 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-KINANGOP Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the NGCDF-KINANGOP Constituency 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-KINANGOP Constituency financial statements were approved and signed by the Accounting Officer on 12/4/2021.

Fund Account Manager
Name: Caroline Kariuki

Sub-County Accountant
Name: Amon Thananga
ICPAK Member Number: 12499

REPUBLIC OF KENYA

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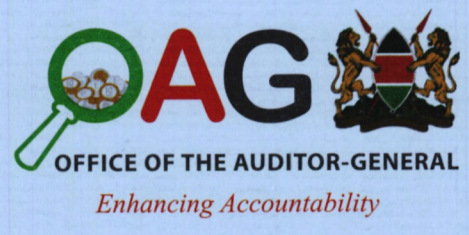

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REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - KINANGOP CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Kinangop Constituency set out on pages 14 to 40, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation - recurrent and development combined 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 the National Government Constituencies Development Fund - Kinangop Constituency as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Irregular Committee Allowance

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.9,023,891 as disclosed in Note 5 to the financial statements which includes committee allowance amounting to Kshs.1,268,000. However, the committee held thirty-one (31) meetings contrary to National Government Constituencies Development Act, 2015 Section 43(11) which states that Constituency Committee shall meet at least six times in a year but the committee shall not hold more than twenty-four (24) meetings. In addition, a payment of Kshs.135,000 was made to a non-committee member.

Consequently, the regularity of committee allowance amounting to Kshs.1,268,000 could not be confirmed.

2. Anomalies in Bursary Disbursements to Secondary Schools

The statement of receipts and payments reflects other grants and transfers amounting to Kshs.49,609,172 as disclosed in Note 7 to the financial statements which includes bursary to secondary schools totaling Kshs.23,145,907. However, analysis of the bursary transferred to secondary schools showed double payments totaling to Kshs.259,200 to 30 students in the same institutions bearing the same registration numbers but different names. In addition, there were payments made to 6 students totaling to Kshs.34,000 whose admission numbers were missing.

Consequently, the accuracy and completeness of the bursary disbursements to secondary schools amounting to Kshs.23,145,907 could not be confirmed.

3. Stale Cheques

The statement of assets and liabilities reflects bank balances of Kshs.1,909,103 as disclosed in Note 10A to the financial statements. However, the bank reconciliation statement as at that date reflects payments in the cashbook not in bank statements of Kshs.6,187,918 which include stale cheques amounting to Kshs.92,626. No reason has been given for failure to reverse the cheques in the cashbook.

Consequently, the accuracy and completeness of the bank balances of Kshs.1,909,103 as at 30 June, 2020 could not be confirmed.

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

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects final receipts budget and actual on comparable basis totalling to Kshs.190,486,202 and Kshs.121,118,478 respectively, resulting to an underfunding amounting to

Kshs.69,367,724 or 36% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis totalling to Kshs.190,486,202 and Kshs.119,209,375 respectively, resulting to an underperformance amounting to Kshs.71,276,827 or 37% of the budget.

The underfunding and under expenditure affected the planned activities and may have impacted negatively on the delivery of services to the residents of Kinangop Constituency.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Irregular Purchase of a School Bus

The statement of receipts and payments reflects transfer to other government units amounting to Kshs.57,210,654 as disclosed in Note 6 to the financial statements which includes an amount of Kshs.16,460,000 for transfers to secondary Schools out of which an amount of Kshs.7,200,000 was remitted to Heni Secondary School for the purchase of a 52 - seater school bus. However, physical verification carried out in the month of March, 2021 showed that the bus that was purchased was a 46-seater. Further, it was observed that despite the bus having a lower sitting capacity, the purchase price did not reduce.

Consequently, the residents of Kinangop constituency may not have received value for the money spent on the purchase of the school bus.

2. Project Implemented without Board Approval

The statement of receipts and payments reflects transfer to other government units of Kshs.57,210,654 as disclosed in Note 6 to the financial statements which includes an amount of Kshs.16,460,000 for transfers to Secondary Schools out of which Kshs.1,000,000 was remitted to Kageraini Secondary School for the construction of an administration block. However, physical verification carried out in March, 2021 showed that the activity was changed to construction of a laboratory. No evidence has been provided to show whether the approval for the change was sought and obtained from the Board in accordance with Section 6(2) of the NG-CDF Act, 2015 which states that once funds are allocated for a particular project, they shall remain allocated for that project and may only be re-allocated for any other purpose during the financial year with the approval

of the Board. Consequently, the Project Management Committee acted in breach of the law.

3. Unapproved Hospitality Supplies and Services Expenditure

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.9,023,891 as disclosed in Note 5 to the financial statements which includes hospitality supplies and services amounting to Kshs.535,592. The amount was spent on purchasing lunch for office staff while at work. However, the relevant authority from the Board, giving approval to provide lunch for staff during normal office hours was not provided for audit.

Consequently, the regularity of hospitality supplies and services amounting to Kshs.535,592 could not be confirmed.

4. Error on the Annual Report and Financial Statements

Note 17.3 to the financial statements in other important disclosures reflects comparative unutilized funds amounting to Kshs.45,404,201 which differs with the corresponding unutilized funds balance of Kshs.42,404,201 shown under Annex 3 to the financial statements. The variance of Kshs.3,000,000 has not been explained.

Consequently, the accuracy and completeness of the comparative unutilized funds balance of Kshs.45,404,201 could not be confirmed.

5. Projects

5.1 Unimplemented Projects

The project status report indicated that a total of Kshs.125,004,629 was allocated for 87 projects during the financial year ended 30 June, 2020. Review of the project implementation status report showed that 58 projects with an allocation of Kshs.58,720,654 were completed, 12 projects with an allocation of Kshs.48,183,975 were ongoing and 17 projects which had been allocated an amount of Kshs.18,100,000 had not started.

The 17 projects which had not started were awaiting funds from the National Government Constituency Development Fund Board.

Consequently, the delay in implementation of projects may impact negatively on delivery services to the residents of Kinangop Constituency.

5.2 Irregularities on Verified Projects

During the year under review, four (4) projects with a total allocation of Kshs.2,000,000 were visited for verification in the month of February, 2021. Physical verification showed that although the projects were complete, one project was not in use, two of the verified

projects were not labelled and there was an element of poor workmanship in one of the projects.

Consequently, value for money may not have been realized from the complete and not in use and poorly done projects.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 procedures performed, except for the matter 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 governance were not effective.

Basis for Conclusion

Lack of Risk Management Policy

The Fund does not have a risk management policy that guides on assessment and evaluation of risk and to develop the strategies to mitigate them. This is contrary to clause Regulation 165(1) of the Public Finance Management Act (National Government) Regulations, 2015 which require the Accounting Officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations. Consequently, the service delivery may be adversely affected by avoidable risks.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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.

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

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Fund 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 review is planned and performed to express a conclusion with limited assurance as to 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 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. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review 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 policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.

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

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

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

CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 February, 2022

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	78,714,277	114,324,496
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	165,000
TOTAL RECEIPTS		**78,714,277**	**114,489,496**
PAYMENTS			
Compensation of employees	4	3,365,658	3,163,976
Use of goods and services	5	9,023,891	9,147,536
Transfers to Other Government Units	6	57,210,654	36,827,027
Other grants and transfers	7	49,609,172	25,428,090
Acquisition of Assets	8	-	1,560,000
Other Payments	9	-	-
TOTAL PAYMENTS		**119,209,375**	**76,126,629**
SURPLUS/(DEFICIT)		**(40,495,098)**	**38,362,867**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KINANGOP Constituency financial statements were approved on 12/4/2021 and signed by:

Fund Account Manager
Name: Caroline Kariuki

National Sub-County Accountant
Name: Amon Thananga
ICPAK Member Number: 12499

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	1,909,103	42,404,201
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		**1,909,103**	**42,404,201**
Accounts Receivable		-	
Outstanding Imprests	11		-
TOTAL FINANCIAL ASSETS		**1,909,103**	42,404,201
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A	-	-
Deposits (Gratuity)	12B		-
TOTAL FINANCIAL LIABILITES			-
NET FINANCIAL ASSETS		**1,909,103**	**42,404,201**
REPRESENTED BY			
Fund balance b/fwd	**13**	42,404,201	4,041,335
Prior year adjustments	14		
Surplus/Defict for the year		(40,495,098)	38,362,867
			-
NET FINANCIAL POSITION		**1,909,103**	42,404,201

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KINANGOP Constituency financial statements were approved on 12/4/2021 and signed by:

Fund Account Manager
Name: Caroline Kariuki

National Sub-County Accountant
Name: Amon Thananga
ICPAK Member Number: 12499

IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	78,714,277	114,324,496
Other Receipts	3	-	165,000
Total receipts		**78,714,277**	**114,489,496**
Payments for operating expenses			
Compensation of Employees	4	3,365,658	3,163,976
Use of goods and services	5	9,023,891	9,147,536
Transfers to Other Government Units	6	57,210,654	36,827,027
Other grants and transfers	7	49,609,172	25,428,090
Other Payments	9	-	-
Total payments		**119,209,375**	**74,566,629**
Total Receipts Less Total Payments			**39,922,867**
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
			-
Net cash flow from operating activities		**(40,495,098)**	
CASHFLOW FROM INVESTING ACTIVITIES			**39,922,867**
Proceeds from Sale of Assets	2		
Acquisition of Assets	9	-	(1,560,000)
Net cash flows from Investing Activities		**-**	**(1,560,000)**
NET INCREASE IN CASH AND CASH EQUIVALENT		**(40,495,098)**	**38,362,867**
Cash and cash equivalent at BEGINNING of the year	**13**	**42,404,201**	**4,041,335**
Cash and cash equivalent at END of the year		**1,909,103**	**42,404,202**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KINANGOP Constituency financial statements were approved on 12/4/2021 and signed by:

Fund Account Manager
Name: Caroline Kariuki

National Sub-County Accountant
Name: Amon Thananga
ICPAK Member Number: 12499

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,724	53,118,478	190,486,202	121,118,478	69,367,724	63.6%
Proceeds from Sale of Assets	-	-	-	-	-	0.0%
Other Receipts	-	-	-	-	-	0.0%
	137,367,724	**53,118,478**	**190,486,202**	**121,118,478**	**69,367,724**	**63.6%**
PAYMENTS						
Compensation of Employees	3,330,000	45,324	3,375,324	3,365,658	9,666	99.7%
Use of goods and services	9,033,095	0	9,033,095	9,023,891	9,204	99.9%
Transfers to Other Government Units	81,820,654	29,200,000	111,020,654	57,210,654	53,810,000	51.5%
Other grants and transfers	43,183,975	23,873,154.00	67,057,129	49,609,172	17,447,957	74.0%
Acquisition of Assets	0	0	0	-	-	0.0%
Other Payments	0	0	0	-	-	0.0%
TOTALS	**137,367,724**	**53,118,478**	**190,486,202**	**119,209,375**	**71,276,827**	**62.6%**

a) The sectors with under absorption was as a result of funds that had not been released by the Board.

   i. –Transfer to other government units had a utilization of 51.5% and this was attributed to delay in disbursement of funds by the Board.
   ii. – Other grants and transfers had a utilization of 74% and this was attributed to delay in disbursement of funds by the Board.

b) Change in budget between Original and Final was due to release of funds for previous financial Years.

The NGCDF-KINANGOP Constituency financial statements were approved on 12/4/2021 and signed by:

Fund Account Manager
Name: Caroline Kariuki

Sub-County Accountant
Name: Amon Thananga
ICPAK Member Number: 12499

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,330,000.00	45,324.00	3,375,324.00	3,365,658.00	9,666.00
1.2 Committee allowances	3,000,000.00	-	3,000,000.00	3,000,000.00	-
1.3 Use of goods and services	1,912,063.45	-	1,912,063.45	1,912,063.45	-
2.0 Monitoring and evaluation					
2.1 Capacity building	500,000.00	-	500,000.00	500,000.00	-
2.2 Committee allowances	621,031.72	-	621,031.72	611,827.72	9,204.00
2.3 Use of goods and services	3,000,000.00	-	3,000,000.00	3,000,000.00	-
3.0 Emergency					
3.1 Primary Schools	7,198,241.38	735,247.45	7,933,488.83	3,020,000.00	4,913,488.83
4.0 Bursary and Social Security					
4.1 Primary Schools	-	-	-	-	-
4.2 Secondary Schools	22,238,379.11	4,811,836.07	27,050,215.18	23,145,907.00	3,904,308.18
4.3 Tertiary Institutions	6,000,000.00	2,750,160.00	8,750,160.00	7,183,200.00	1,566,960.00
4.4 Special Schools	1,000,000.00	2,000,000.00	3,000,000.00	736,800.00	2,263,200.00
5.0 Sports					
5.1	2,747,354.48	2,180,817.00	4,928,171.48	4,628,171.48	300,000.00
6.0 Environment					
6.1		3,395,094.00	3,395,094.00	3,395,094.00	-
7.0 Primary Schools Projects (List all the Projects)					
Rwanyambo Primary School	0	800,000.00	800,000.00	800,000.00	-
Njabini Primary School	0	700,000.00	700,000.00	700,000.00	-

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
Kioneki Primary School	0	800,000.00	800,000.00	800,000.00	-
Chania Primary School	0	1,300,000.00	1,300,000.00	1,300,000.00	-
Mwiruti Primary School	0	800,000.00	800,000.00	800,000.00	-
Aberdare Primary School	0	800,000.00	800,000.00	800,000.00	-
Kiandege Primary School	0	800,000.00	800,000.00	800,000.00	-
Muhuti Primary School	0	300,000.00	300,000.00	300,000.00	-
Mbirithi Primary School	0	1,500,000.00	1,500,000.00	1,500,000.00	-
Mwihoko Primary School	0	800,000.00	800,000.00	800,000.00	-
Raitha Primary School	0	800,000.00	800,000.00	800,000.00	-
Muhuti Primary School	0	500,000.00	500,000.00	500,000.00	-
St Christopher Pri School	0	700,000.00	700,000.00	700,000.00	-
Gacharage Primary School	0	1,500,000.00	1,500,000.00	1,500,000.00	-
Kimuri Primary School	0	1,500,000.00	1,500,000.00	1,500,000.00	-
Githinji Primary School	0	600,000.00	600,000.00	600,000.00	-
St Marys Primary School	0	700,000.00	700,000.00	700,000.00	-
Kenyatta Road Primary School	0	200,000.00	200,000.00	200,000.00	-
Kihunguru Primary School	0	800,000.00	800,000.00	800,000.00	-
Ragia Primary School	0	800,000.00	800,000.00	800,000.00	-
Mbogani Primary School	0	3,800,000.00	3,800,000.00	3,800,000.00	-
Kangutu Primary School		3,700,000.00	3,700,000.00	3,700,000.00	-
Baraka Primary School	2,000,000.00		2,000,000.00	2,000,000.00	-
Grace Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Mutonyora Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Kiriko Primary	900,000.00		900,000.00	900,000.00	-
Mucorui Primary School	400,000.00		400,000.00		400,000.00
Mukiri Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Bara Inya Primary School	2,000,000.00		2,000,000.00		2,000,000.00

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
Njoguini Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Cheese Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Njabini Primary School	300,000.00		300,000.00		300,000.00
Kenyatta road Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Mucibau Primary School	1,300,000.00		1,300,000.00		1,300,000.00
Gacharage Primary School	1,100,000.00		1,100,000.00		1,100,000.00
Kirarwa Primary School	1,500,000.00		1,500,000.00	1,500,000.00	-
Mkungi Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Kahuria Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Mekaro Primary School	200,000.00		200,000.00		200,000.00
Ndaracaini Primary School	600,000.00		600,000.00		600,000.00
Aberdare Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Kitogo Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Ndunyu Njeru Primary School	700,000.00		700,000.00	700,000.00	-
Kawamaitha Primary School	200,000.00		200,000.00	200,000.00	-
Kitiri Primary School	600,000.00		600,000.00		600,000.00
Kinja Primary School	600,000.00		600,000.00		600,000.00
Karoroha Primary School	560,000.00		560,000.00		560,000.00
Rugongo Primary School	900,000.00		900,000.00		900,000.00
Kanyugi Primary School	600,000.00		600,000.00		600,000.00
Kangutu Primary School	300,000.00		300,000.00	300,000.00	-
Kiyo Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Kahuho Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Nyakio Primary School	700,000.00		700,000.00		700,000.00
Karate Primary School	1,000,000.00		1,000,000.00		1,000,000.00
Kangutu Primary School	2,200,000.00		2,200,000.00		2,200,000.00
Mbogani Primary School	2,200,000.00		2,200,000.00		2,200,000.00

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
Tulaga Primary School	1,200,000.00		1,200,000.00	1,200,000.00	-
Gacharage Primary School	300,000.00		300,000.00	300,000.00	-
Kamirangi Primary School	300,000.00		300,000.00	300,000.00	-
Njoguini Primary School	150,000.00		150,000.00		150,000.00
Mugumoini Primary School	400,000.00		400,000.00	400,000.00	-
Primary school revision books	3,000,000.00		3,000,000.00		3,000,000.00
Baraka primary school	850,654.00		850,654.00	850,654.00	-
Mkungi Primary school	500,000.00		500,000.00		500,000.00
Murungaru primary school	300,000.00		300,000.00		300,000.00
Koinange primary school	500,000.00		500,000.00		500,000.00
Centre Primary school	300,000.00		300,000.00		300,000.00
Rugongo primary school	300,000.00		300,000.00		300,000.00
Ragia primary school	400,000.00		400,000.00	400,000.00	-
8.0 Secondary Schools Projects (List all the Projects)					
Nandarasi Secondary School		1,000,000.00	1,000,000.00	1,000,000.00	
Gathara Secondary School		1,000,000.00	1,000,000.00	1,000,000.00	
Kageraini Secondary School		1,000,000.00	1,000,000.00	1,000,000.00	
Kambata secondary school		1,000,000.00	1,000,000.00	1,000,000.00	
Kenton Secondary School		1,000,000.00	1,000,000.00	1,000,000.00	
Murungaru Secondary School	2,000,000.00		2,000,000.00		2,000,000.00
Kambata secondary school	1,000,000.00		1,000,000.00		1,000,000.00
Mt Kinangop girls secondary school	1,000,000.00		1,000,000.00		1,000,000.00
Kenton secondary school	1,000,000.00		1,000,000.00	1,000,000.00	-
Kamunyaka secondary school	1,500,000.00		1,500,000.00		1,500,000.00
Rugongo Secondary School	2,000,000.00		2,000,000.00		2,000,000.00
Nandarasi Secondary School	1,000,000.00		1,000,000.00		1,000,000.00

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
Gathara Secondary School	1,000,000.00		1,000,000.00		1,000,000.00
Karate Secondary School	1,000,000.00		1,000,000.00	1,000,000.00	-
Ndunyu njeru Secondary School	700,000.00		700,000.00		700,000.00
Muthomi Secondary School	160,000.00		160,000.00	160,000.00	-
Nyakio Secondary School	100,000.00		100,000.00	100,000.00	-
Thindi high star Secondary School	1,000,000.00		1,000,000.00		1,000,000.00
St Michaels Faru Secondary School	1,000,000.00		1,000,000.00		1,000,000.00
St Michaels Faru Secondary School	500,000.00		500,000.00		500,000.00
Mwenda Andu Secondary School	1,000,000.00		1,000,000.00		1,000,000.00
Sasumwa Secondary School	1,000,000.00		1,000,000.00		1,000,000.00
Heni Secondary School	7,200,000.00		7,200,000.00	7,200,000.00	-
Rwanyambo Secondary School	1,000,000.00		1,000,000.00		1,000,000.00
Kariahu Secondary School	2,000,000.00		2,000,000.00	2,000,000.00	-
Raitha Secondary School	300,000.00		300,000.00		300,000.00
Mucibau Secondary School	1,000,000.00		1,000,000.00		1,000,000.00
Secondary schools revision books	2,000,000.00		2,000,000.00		2,000,000.00
9.0 Tertiary institutions Projects (List all the Projects)					
Kenya Medical Training College-Kinangop campus	4,000,000.00		4,000,000.00	4,000,000.00	-
Kenya Medical Training College-Kinangop campus	2,000,000.00		2,000,000.00	2,000,000.00	-
Kenya Medical Training College-Kinangop campus	1,500,000.00		1,500,000.00	1,500,000.00	-
Kenya Medical Training College-Kinangop campus	2,500,000.00		2,500,000.00	-	2,500,000.00
10.0 Security Projects					
Olmagogogo Ass Chief Off		500,000.00	500,000.00	500,000.00	

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
Kinamba Ass Chiefs Off		500,000.00	500,000.00	500,000.00	
Engineer Chiefs Office		500,000.00	500,000.00	500,000.00	
Nyako Ap Post		500,000.00	500,000.00	500,000.00	
Murungaru Acc Office		500,000.00	500,000.00	500,000.00	
Magumu police post.	1,000,000.00		1,000,000.00		1,000,000.00
Matura Assistant chief's office.	600,000.00		600,000.00		600,000.00
Heni sublocation assistant chiefs office	400,000.00		400,000.00		400,000.00
Mutamaiyu assistant chiefs office	600,000.00		600,000.00		600,000.00
Cheese Assistant chief's office.	600,000.00		600,000.00		600,000.00
Matundura police post.	500,000.00		500,000.00		500,000.00
Kinja AP post.	200,000.00		200,000.00		200,000.00
Heni AP post.	100,000.00		100,000.00		100,000.00
ROADS			-		-
Kahuroko Aberdare road		2,500,000.00	2,500,000.00	2,500,000.00	-
Aberdare Tulaga road		2,500,000.00	2,500,000.00	2,500,000.00	-
Audit FY 2015/16		500,000.00	500,000.00	-	500,000.00
TOTALS	**137,367,724.14**	**53,118,478.52**	**190,486,202.66**	**119,209,375.65**	**71,276,827.01**

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

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits 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-KINANGOP Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

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

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

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

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts
These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments
The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

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

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

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

6. Cash and Cash Equivalents

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

7. Accounts Receivable

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

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

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

10. Unutilized Fund

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

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2020.

14. Errors

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

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

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO. B005049	1		11,379,310
AIE NO. B005377	2		2,904,310
AIE NO. B030075	3		10,000,000
AIE NO. B030447	4		12,000,000
AIE NO. B006392	5		8,000,000
AIE NO. B042772	6		13,000,000
AIE NO. A699134	7		11,000,000
AIE NO. B047558	8		46,040,876
AIE NO. B047118	1	1,714,277.00	
AIE NO. B047231	2	5,000,000.00	
AIE NO. B047325	3	3,700,000.00	
AIE NO. B047473	4	4,000,000.00	
AIE NO. B041480	5	20,000,000.00	
AIE NO. B047929	6	6,000,000.00	
AIE NO. B049319	7	15,000,000.00	
AIE NO. B104344	8	15,000,000.00	
AIE NO. B096589	9	8,000,000.00	
AIE NO. B096782	10	300,000.00	
TOTAL		**78,714,277**	**114,324,496**

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

3. OTHER RECEPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	165,000
Other Receipts Not Classified Elsewhere	-	-
Total	**-**	**165,000**

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,102,000	2,645,085
Personal allowances paid as part of salary	266,010	475,291
Pension and other social security contributions (Gratuity)	974,848	
Employer Contributions Compulsory national social security schemes	22,800	43,600
Total	**3,365,658**	**3,163,976**

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	432,200	1,374,675.00
Utilities, supplies and services	-	60,000.00
Communication, supplies and services	200,000	672,233.00
Domestic travel and subsistence	89,400	273,800.00
Printing, advertising and information supplies & services	180,000	171,580.00
Rentals of produced assets	-	-
Training expenses	3,000,000	2,000,000.00
Hospitality supplies and services	535,592	300,050.00
Insurance costs	79,496	-
Specialized materials and services	-	131,500.00
Office and general supplies and services	1,587,405	700,365.00
Other operating expenses		892,780.00
Fuel ,oil & lubricants	1,000,000	500,000.00
Committee allowance	1,268,000	1,764,000.00
Bank service commission and charges	153,122	
Routine maintenance – vehicles and other transport equipment	257,200	125,000.00
Routine maintenance – other assets	120,460	128,740.00
Electricity	103,016	47,813.00
Water & sewerage charges	18,000	5,000.00
Total	**9,023,891.00**	**9,147,536.00**

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	33,250,654	23,100,000
Transfers to secondary schools (see attached list)	16,460,000	12,227,027
Transfers to tertiary institutions (see attached list)	7,500,000	1,500,000
Transfers to health institutions (see attached list)		
TOTAL	**57,210,654**	**36,827,027**

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	23,145,907	12,454,734
Bursary – tertiary institutions (see attached list)	7,183,200	5,249,840
Bursary – special schools (see attached list)	736,800	-
Mock & CAT (see attached list)	-	-
Security projects (see attached list)	2,500,000	1,731,034
Roads (see attached list)	5,000,000	
Sports projects (see attached list)	4,628,171	227,586
Environment projects (see attached list)	3,395,094	227,586
Emergency projects (see attached list)	3,020,000	5,537,310
		-
Total	**49,609,172**	**25,428,090**

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	700,000
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	860,000
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialised Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	**-**	**1,560,000**

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
Equity bank, Naivasha Branch A/C no.0200295239050	1,909,103.35	42,404,201.00
Total	**1,909,103.35**	**42,404,201.00**
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (*specify*)	-	-
Total	-	-
[Provide cash count certificates for each]		

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	***Date Imprest Taken***	***Amount Taken***	***Amount Surrendered***	***Balance***
		Kshs	***Kshs***	***Kshs***
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Name of Officer or Institution	dd/mm/yy	-	-	-
Total				-

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

12A. RETENTION

	2019 - 2020	**2018-2019**
	Kshs	**Kshs**
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

[Provide short appropriate explanations as necessary

12B. GRATUITY DEPOSITS

	2019 - 2020	**2018-2019**
	Kshs	**Kshs**
Name 1	-	-
Name 2	-	-
Name 3	-	-
Add as appropriate		
Total	-	-

[Provide short appropriate explanations as necessary

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	42,404,201	4,041,335
Cash in hand	-	-
Imprest	-	-
Total	**42,404,201**	**4,041,335**

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (*specify*)	-	-	-
	-	-	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST`

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	-	-
Others (*specify*)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	9,666.00	45,324.00
Use of goods and services	9,204.00	-
Amounts due to other Government entities (see attached list)	53,810,000.00	25,500,000.00
Amounts due to other grants and other transfers (see attached list)	17,447,957.00	16,858,877.00
Acquisition of assets	-	-
Others (*specify*)	-	-
TOTAL	**71,276,827.00**	**45,404,201.00**

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	30,762,046.15	15,239,906.00
TOTAL	**30,762,046.15**	**15,239,906.00**

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
Senior Management						
1.						
2.						
3.						
Sub-Total						
Middle Management						
4.						
5.						
6.						
Sub-Total						
Unionisable Employees						
7.						
8.						
9.						
Sub-Total						
Others (*specify*)						
10.						
11.						
12.						
Sub-Total						
Grand Total						

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees	Payment of staff salaries and gratuity	9,666.00	45,324.00	Funds have not been disbursed
Use of goods & services	Purchase of fuel, repairs	9,204.00		Funds have not been utilized
Amounts due to other Government entities				
PRIMARY SCHOOLS				
Grace Primary School	Construction of one Classroom to completion.	1,000,000.00		Funds have not been released to PMC
Mutonyora Primary School	Construction of one Classroom to completion.	1,000,000.00		Funds have not been disbursed
Mucorui Primary School	Renovation of staffroom (flooring and plastering) to completion.	400,000.00		Funds have not been disbursed
Mukiri Primary School	Construction of one classroom to completion.	1,000,000.00		Funds have not been disbursed
Bara Inya Primary School	Construction of two Classrooms to completion.	2,000,000.00		Funds have not been disbursed
Njoguini Primary School	Construction of one Classroom to completion.	1,000,000.00		Funds have not been disbursed
Cheese Primary School	Construction of one Classroom to completion.	1,000,000.00		Funds have not been disbursed
Njabini Primary school	Construction of 4 door staff toilet to completion.	300,000.00		Funds have not been disbursed
Kenyatta road Primary School	Construction of one classroom to completion.	1,000,000.00		Funds have not been disbursed
Mucibau Primary School	Purchase of 1 acre piece of	1,300,000.00		Funds have not been

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
	land to expand the school.			disbursed
Gacharage Primary School	Construction of one classroom to completion.	1,100,000.00		Funds have not been disbursed
Mkungi Primary School	Construction of one classroom to completion.	1,000,000.00		Funds have not been disbursed
Kahuria Primary School	Construction of one classroom to completion.	1,000,000.00		Funds have not been disbursed
Mekaro Primary School	Electrical Wiring of 14 classrooms to completion.	200,000.00		Funds have not been disbursed
Ndaracaini Primary School	Renovation of 3 classrooms (flooring where soil has to be scopped and backfilling done and plastering) to completion.	600,000.00		Funds have not been released to PMC
Aberdare Primary School	Construction of one classroom to completion.	1,000,000.00		Funds have not been disbursed
Kitogo Primary School	Construction of one classroom to completion.	1,000,000.00		Funds have not been disbursed
Kitiri Primary School	Renovation of 5 classrooms (flooring and plastering) to completion.	600,000.00		Funds have not been disbursed
Kinja Primary School	Renovation of 5 classrooms (flooring and plastering) to completion.	600,000.00		Funds have not been disbursed
Karoroha Primary School	Construction of concrete pathways	560,000.00		Funds have not been disbursed
Rugongo Primary School	Renovation of 8 classrooms (flooring and plastering) to completion.	900,000.00		Funds have not been disbursed

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Kanyugi Primary School	Renovations of 2 classrooms (flooring where soil has to be scopped and backfilling done and plastering which involves stone dressing) to completion.	600,000.00		Funds have not been disbursed
Kiyo Primary School	Renovation of 8 classrooms (flooring where 4 classes will have soil scopped and backfilling and plastering) to completion.	1,000,000.00		Funds have not been disbursed
Kahuho Primary School	Construction of one Classroom to completion.	1,000,000.00		Funds have not been disbursed
Nyakio Primary School	Renovations of 6 classrooms (plastering and flooring) to completion.	700,000.00		Funds have not been disbursed
Karate Primary School	Construction of one Classroom	1,000,000.00		Funds have not been disbursed
Kangutu Primary School	Installation of 60 solar panels for borehole	2,200,000.00		Funds have not been disbursed
Mbogani Primary School	Installation of 60 solar panels for borehole	2,200,000.00		Funds have not been disbursed
Njoguini Primary School	Purchase of water tank (10,000 litres) and construction of base	150,000.00		Funds have not been disbursed
Primary school revision books	Purchase of revision books for primary schools in the constituency	3,000,000.00		Funds have not been disbursed
Mkungi Primary school	Field levelling of 2.5 acres	500,000.00		Funds have not been

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
	to completion.			disbursed
Murungaru primary school	Field levelling of 1.5 acres to completion.	300,000.00		Funds have not been disbursed
Koinange primary school	Field levelling of 2 acres to completion.	500,000.00		Funds have not been disbursed
Centre Primary school	Field levelling 1.5 acres to completion.	300,000.00		Funds have not been disbursed
Rugongo primary school	Field levelling 1.8 acres to completion.	300,000.00		Funds have not been disbursed
Githinji Primary School	Renovation of 5 classrooms (flooring and plastering)		600,000.00	Funds have not been disbursed
St Marys Primary School	Renovation of 7 classes (plastering and flooring)		700,000.00	Funds have not been disbursed
St Christopher Primary School	Renovation of 7 classes (plastering and flooring)		700,000.00	Funds have not been disbursed
Kenyatta road Primary School.	Purchase of two 10,000 ltrs water tanks.		200,000.00	Funds have not been disbursed
Kihunguru Primary School	Construction of one Classroom.		800,000.00	Funds have not been disbursed
Ragia Primary School	Renovation of 7 classrooms (plastering, and flooring).		800,000.00	Funds have not been disbursed
Njabini Primary School	Renovation of 12 classes (door and roof painting)		800,000.00	Funds have not been disbursed
Kioneki Primary School	Construction of one Classroom.		800,000.00	Funds have not been disbursed
Chania Primary School	Renovation of 8 classes (Plastering and flooring) roof painting for 21 classes		1,300,000.00	Funds have not been disbursed
Gacharage Primary School	Construction of two			Funds have not been

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
	classrooms.		1,500,000.00	disbursed
Kimuri Primary School	Construction of two classrooms.		1,500,000.00	Funds have not been disbursed
Mwiruti Primary School	Construction of one classroom.		800,000.00	Funds have not been disbursed
Aberdare Primary School	Construction of one classroom.		800,000.00	Funds have not been disbursed
Kiandege Primary School	Construction of one classroom		800,000.00	Funds have not been disbursed
Muhuti Primary School	Roof repair and painting for 12 classes.		300,000.00	Funds have not been disbursed
Mbirithi Primary School	Construction of two classrooms.		1,500,000.00	Funds have not been disbursed
Mwihoko Primary School	Construction of one classroom.		800,000.00	Funds have not been disbursed
Raitha Primary School	Renovation of 8 classes (flooring and plastering)		800,000.00	Funds have not been disbursed
Muhuti Primary School	Roof replacement for 6 classes		500,000.00	Funds have not been disbursed
SECONDARY SCHOOLS				
Murungaru Secondary School	Completion of dining hall 500 capacity (roofing, doors and windows and plastering)	2,000,000.00		Funds have not been disbursed
Kambata secondary school	Completion of dining hall 500 capacity (flooring, plastering, doors and windows)	1,000,000.00		Funds have not been disbursed
Mt Kinangop girls secondary school	Completion of single laboratory 45 capacity	1,000,000.00		Funds have not been disbursed

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
	(flooring, plastering and plumbing).			
Kamunyaka secondary school	Completion of single laboratory 45 capacity (plastering,doors and windows and flooring)	1,500,000.00		Funds have not been disbursed
Rugongo Secondary School	Completion of single laboratory 45 capacity (roofing,doors and windows plastering and flooring)	2,000,000.00		Funds have not been disbursed
Nandarasi Secondary School	Completion of single Laboratory 45 capacity (plumbing, gas chamber and bench setting)	1,000,000.00		Funds have not been disbursed
Gathara Secondary School	Completion of single laboratory 45 capacity (plumbing, gas chamber and bench setting)	1,000,000.00		Funds have not been disbursed
Ndunyu njeru Secondary School	Completion of 2 classrooms (flooring, plastering, doors and windows)	700,000.00		Funds have not been disbursed
Thindi high star Secondary School	Construction of one Classroom to completion.	1,000,000.00		Funds have not been disbursed
St Michaels Faru Secondary School	Construction of one Classroom to completion.	1,000,000.00		Funds have not been disbursed
St Michaels Faru Secondary School	Purchase of 100 Lockers	500,000.00		Funds have not been disbursed
Mwenda Andu Secondary School	Construction of a single 45 capacity Laboratory	1,000,000.00		Funds have not been disbursed

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
	(Foundation).Kinangop NG CDF and parents will co fund where Kinangop CDF will give Ksh 2,000,000 in 2 FY.Ksh 1,000,000 will be used for construction of Foundation.			
Sasumwa Secondary School	Extension of dining hall to 600 capacity.Kinangop NG CDF and parents will co fund where Kinangop CDF will give Ksh 2,000,000 in 2 FY.Ksh 1,000,000 will be used for Construction of Foundation.(The balance to be factored in FY 20/21 to completion).	1,000,000.00		Funds have not been disbursed
Rwanyambo Secondary School	Construction of dining hall (600 capacity) Kinangop NG CDF and parents will co fund where Kinangop CDF will give Ksh 2,000,000 in 2 FY.Ksh 1,000,000 will be used for Construction of Foundation.(The balance to be factored in FY 20/21 to completion.	1,000,000.00		Funds have not been disbursed
Raitha Secondary School	Field levelling (1.5 acres) to completion.	300,000.00		Funds have not been disbursed

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Mucibau Secondary School	Construction of one classroom to completion.	1,000,000.00		Funds have not been disbursed
Secondary schools revision books	Purchase of revision books for secondary schools in the constituency	2,000,000.00		Funds have not been disbursed
Gathara Secondary School	Purchase of 1 acre piece of Land		1,000,000.00	
Kenton Secondary School	Completion of admin block (Roofing)		1,000,000.00	
Kambata Secondary School	Completion of dining hall (roofing)		1,000,000.00	
Nandarasi Secondary School	Completion of Laboratory (Roofing, windows and doors)		1,000,000.00	
Kageraini Secondary School	Completion of Admin block (plastering, painting, plumbing and wiring)		1,000,000.00	
Tertiary				
Kenya Medical Training College- Kinangop campus	Gate and fencing the front face with chain link (450m) with concrete poles.	2,500,000.00		Funds have not been disbursed
Kinangop technical and Vocational college	Purchase of 25 sewing machines for tailoring.		3,800,000.00	
Sub-Total		**53,810,000.00**		
Amounts due to other grants and other transfers				
Security				

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Magumu police post.	Completion of police post 8 rooms (flooring, painting and external finishes)	1,000,000.00		Funds have not been disbursed
Matura Assistant chief's office.	Construction of 3 roomed chiefs office	600,000.00		Funds have not been disbursed
Heni sublocation assistant chiefs office	Purchase of land (quarter of an acre)	400,000.00		Funds have not been disbursed
Mutamaiyu assistant chiefs office	Purchase of land (Half of an acre)	600,000.00		Funds have not been disbursed
Cheese Assistant chief's office.	Construction of 3 roomed chiefs office	600,000.00		Funds have not been disbursed
Matundura police post.	Construction of police post 4 rooms (foundation level). Balance to be factored in FY 20/21 for completion	500,000.00		Funds have not been disbursed
Kinja AP post.	Wiring of AP post 6 rooms and electricity connection	200,000.00		Funds have not been disbursed
Heni AP post.	Wiring of AP post 3 rooms	100,000.00		Funds have not been
Nyakio AP Post	Renovation of 5 staff house rooms (plastering, flooring and painting)		500,000.00	
Kinamba Assistant chief's office.	Construction of chiefs office		500,000.00	
Olmagogo assistant chiefs office	Construction of assistant chiefs office		500,000.00	
Engineer chief's office.	Extension of one unit for assistant chief		500,000.00	
Murungaru ACC's office.	Completion of acc's office (plastering and painting)		500,000.00	

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Bursary	Payment of bursary to needy student	7,734,468.17	9,561,996.00	Funds have not been disbursed
Emergency	To cater for any unforeseen occurrences in the constituency during the financial year	4,913,488.83	735,247.00	Funds have not been disbursed
Sports	Purchase of 600 pairs sport boots for top 5 teams who will win in the constituency tournament per ward:-	300,000.00	1,880,817.00	Funds have not been disbursed
Environment	Purchase of water tanks (10,000 litres) for the following schools in the constituency		2,180,817.00	
Audit FY 2015/16		500,000.00		Funds have not been released to PMC
Sub-Total		**17,447,957.00**		
Totals		**71,276,827.00**	**42,404,201.00**	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/19
Land				
Buildings and structures	**18,093,279.08**	-		**18,093,279.08**
Transport equipment	**3,606,463.96**	-		**3,606,463.96**
Office equipment, furniture and fittings	**4,304,553.00**	-		**4,304,553.00**
ICT Equipment, Software and Other ICT Assets	**2,384,000.00**	-		**2,384,000.00**
Other Machinery and Equipment	**18,500,000.00**	-		**18,500,000.00**
Heritage and cultural assets	-	-		
Intangible assets	-	-		
Total	**46,888,296.04**	-		**46,888,296.04**

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Rwanyambo Primary School	Equity Bank	0200279233097	60,111.00	
Njabini Primary School	Equity Bank	0200271815954	20,149.00	
Kioneki Primary School	Equity Bank	0200279014501	421,058.00	
Chania Primary School	Equity Bank	0200277408162	8,580.00	
Mwiruti Primary School	Equity Bank	0200190271443	112,903.30	
Aberdare Primary School	Equity Bank	0200299505032	398,775.50	
Kiandege Primary School	Equity Bank	0200299169412	46,789.30	
Muhuti Primary School	Equity Bank	0200277386748	355.00	
Mbirithi Primary School	Equity Bank	0200278881799	50,018.15	
Mwihoko Primary School	Equity Bank	0200277385853	64,023.00	
Raitha Primary School	Equity Bank	0200296046107	41,535.00	
St Christopher Pri School	Equity Bank	0200271785274	37,171.00	
Gacharage Primary School	Equity Bank	0200277386664	105,604.00	
Kimuri Primary School	Equity Bank	0200263309970	127,564.95	
Githinji Sec School	Equity Bank	0200278988102	153,140.00	
St Marys Sec School	Equity Bank	0200278988197	4,684.00	
Kenyatta Road Primary School	Equity Bank	0200271784618	2,775.00	
Kihunguru Priimary School	Equity Bank	0200279054686	395,236.05	
Ragia Primary School	Equity Bank	0200279069463	499,760.00	

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Mbogani Primary School	Equity Bank	0200277578115	89,560.00	
Kangutu Primary School	Equity Bank	0200278892059	360,915.75	
Kamirangi Pri School	Equity Bank	0200278850191	102,442.50	
Kiriko Pri School	Equity Bank	0200279871270	900,000.00	
Tulaga Primary School	Equity Bank	0200277383614	778,859.65	
Kirarwa Primary School	Equity Bank	0200279871335	1,500,000.00	
Ndunyu Njeru Primary School	Equity Bank	0200272520617	700,096.00	
Mugumo-Ini Primary School	Equity Bank	0200279871545	400,000.00	
Baraka Primary School	Equity Bank	0200278606874	2,981,454.00	
Kawamaitha Primary School	Equity Bank	0200277397724	500,000.00	
Nandarasi Sec School	Equity Bank	0200271774006	102,980.95	
Gathara Sec School	Equity Bank	0200293545146	22,600.95	
Kangeraini Sec School	Equity Bank	0200298907456	643,940.00	
Kambata Sec Sch	Equity Bank	0200279487230	1,000,000.00	
Karate Sec School	Equity Bank	0200197637458	115,182.65	
Heni Pri School	Equity Bank	0200277462170	34,443.00	
Kariahu Sec School	Equity Bank	0200271851651	153,291.25	
Kenton Secondary School	Equity Bank	0200279027790	1,051,821.00	
Nyakio Secondary School	Equity Bank	0200277694544	940.90	
Muthomi Secondary School	Equity Bank	0200279054465	198,200.00	

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kmtc Kinangop Campus	Equity Bank	0200279870991	7,500,000.00	
Nyakio Primary School	Equity Bank	0200277386648	609,280.00	
Olmagogogo Ass Chief Office	Equity Bank	0200279477338	492,020.00	
Kinamba Ass Chiefs Office	Equity Bank	0200279462299	23,229.00	
Engineer Chiefs Office	Equity Bank	0200162950628	27,861.25	
Nyakio Ap Post	Equity Bank	0200279037289	26,400.00	
Murungaru Acc Office	Equity Bank	0200271876242	654,220.00	
Kinangop Sports Committee	Equity Bank	0200196452331	11,299.20	
Kinangop Cons Env Comm	Equity Bank	0200261432834	3,036.70	
Kinangop Const Road Rehabilitation	Equity Bank	0200272423611	64,129.00	
Heni Secondary school	Equity Bank	0200279718411	7,162,250.00	
Kinangop Constituency Developemnt Fund	Equity Bank	0200279037289	1,360.00	
Matundura Primary School	Equity Bank	0200293190229		193,142.20
Karoroha Primary School	Equity Bank	0200278880706		23,420.00
Kiriahu Primary School	Equity Bank	0200271851651		902,236.00
Kahuho Primary School(Githabai)	Equity Bank	0200278682123		1,500,000.00
Mbogani Primary School	Equity Bank	0200277578115		800,725.00
Mukiri Primary School	Equity Bank	0200277386789		1,578,283.00
Mucibau Primary School	Equity Bank	0200271771936		1,500,930.00
Ndaracaini Primary School	Equity Bank	0200190725767		15,418.40
Githabai Primary School	Equity Bank	0200277386850		28,465.00

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kenyatta Road Primary School	Equity Bank	0200271784618		1,835.00
Kiambaa Primary School	Equity Bank	0200299489141		385,502.50
Tulaga Primary School	Equity Bank	0200277383614		2,019,404.65
Kiriahu Primary School	Equity Bank	0200271851651		902,236.00
Mweteithia Primary School	Equity Bank	0200272220250		509,369.00
Kamirangi Primary School	Equity Bank	0200278850191		0
Kanamba Primary School	Equity Bank	0200271838957		363,233.00
St Mary Secondary School	Equity Bank	0200278988197		0
Koinange Secondary School	Equity Bank	0200278971174		39,408.00
St Michael Faru Secondary School	Equity Bank	0200278737726		391,409.85
Thindi Highstar Secondary School	Equity Bank	0200264386566		676,239.60
Bongo Mixed Secondary School	Equity Bank	0200277480936		875,308.10
Muthomi Secondary School	Equity Bank	0200279054465		00
Kirarwa Secondary School	Equity Bank	0200298896952		657.00
Kiyo Secondary School	Equity Bank	0200277620592		1,499,285.00
Githinji Secondary School	Equity Bank	0200271789032		801,395.00
Kinangop Constituency Enviroment Conservation Comm	Equity Bank	0200261432834		30,480.70
NG -CDF Office Fencing	Equity Bank	0200277384707		95,616.00
Kinangop TTI Fencing	Equity Bank	0200277330539		105,907.00
TOTALS			**30,762,046.15**	**15,239,906.00**

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	**Issue / Observations from Auditor**	**Management comments**	**Focal Point person to resolve the issue** ***(Name and designation)***	**Status:** ***(Resolved / Not Resolved)***	**Timeframe:** ***(Put a date when you expect the issue to be resolved)***