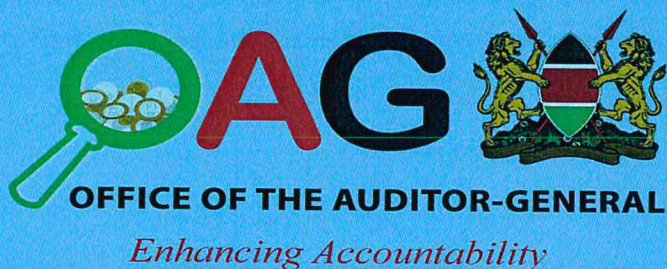


REPUBLIC OF KENYA



 THE NATIONAL ASSEMBLY PROCEEDINGS	
DATE REPORT	21 OCT 2021 DAY <i>Thursday</i>
TABLED BY:	<i>LoMP.</i>
CLERK-AT THE-TABLE:	<i>Mwira Wanjiku</i>

THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2019**



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND, GATANGA CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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Core Values

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

(b) Key Management

The NGCDF Gatanga 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 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Olympia Musonye
2.	Sub-County Accountant	Anthony Nderitu
3.	Chairman NG-CDFC	Evanson Muiyuro
4.	Member NG-CDFC	Petronillah Kalimi

(d) Fiduciary Oversight Arrangements

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

P.O. Box 63-0100,
Thika
Mabanda Sub-County Offices
Gatanga

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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(f) NGCDF Gatanga Constituency Contacts

Telephone: (254) 714 884 675

E-mail: cdfgatanga@cdf.go.ke

Website: www.gatangacdf.com

(g) NGCDF Gatanga Constituency Bankers

The Co-operative Bank of Kenya,

Thika Branch

A/C 01120074416200

Thika

(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

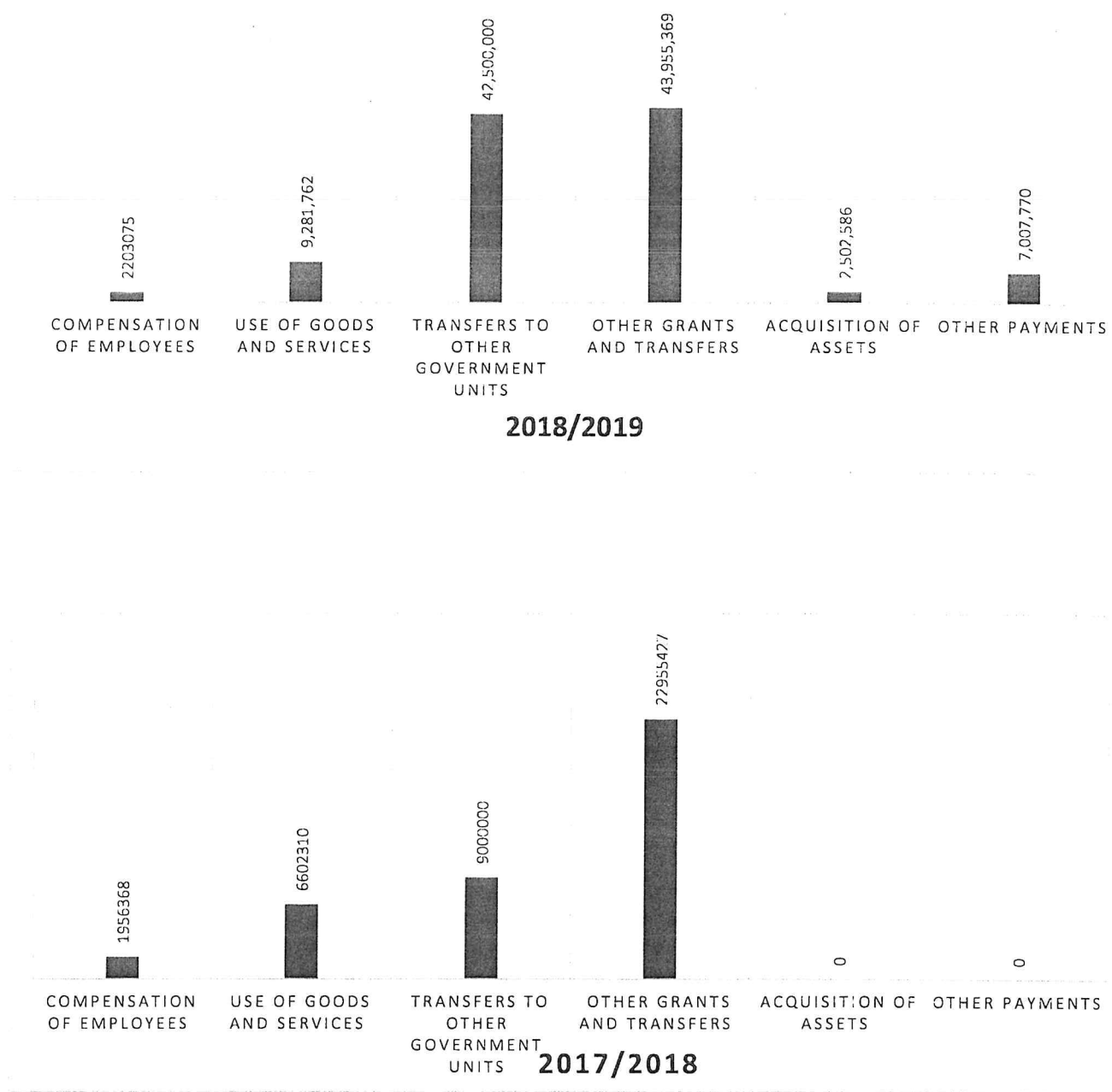
Nairobi, Kenya

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC)

Our NG-CDFC wishes to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. Our NG-CDF have improved the Education infrastructure, Education bursary, Sports, Environment and Security infrastructures of Gatanga Constituency through the various projects that we have.

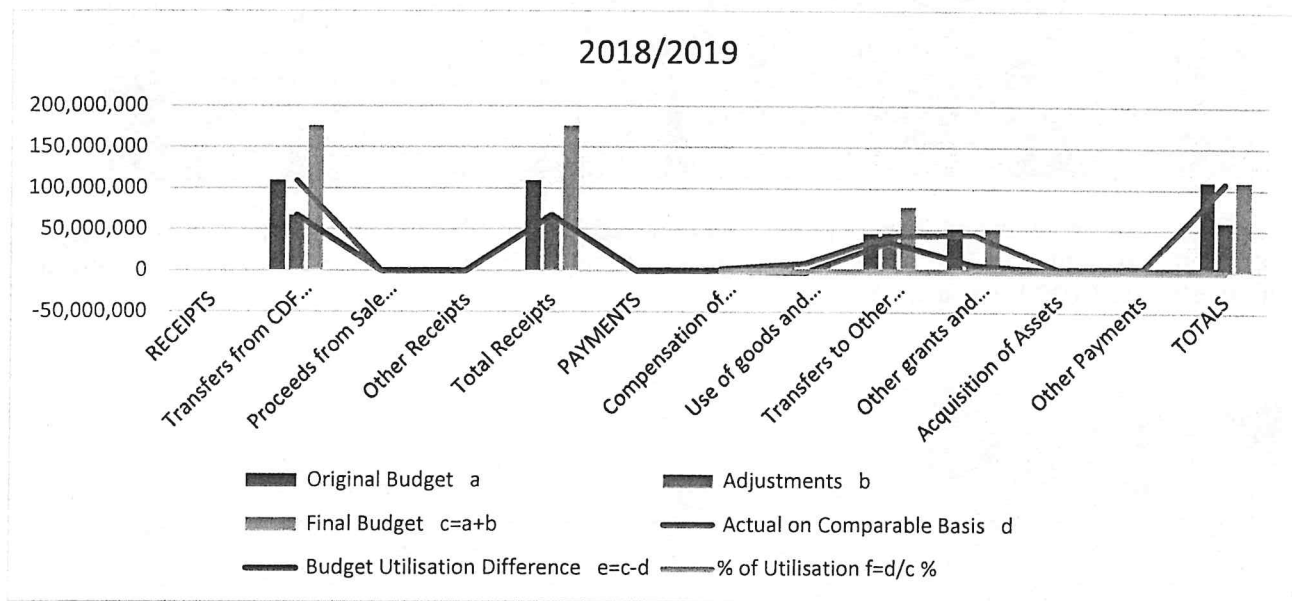
Statement of Receipts and Payments Comparison F/Ys' 2018/2019 and 2017/2018



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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Comparatively, Statement of Receipts and Payments for the financial year 2017/2018 reflects a low value in amount against the financial year 2018/2019. The biggest variance is evident in Transfers to Other Government Units and Other grants and transfers. In the mentioned items, in the financial year 2017/2018, the management managed to transfer Ksh 9,000,000 and Ksh 22,955,427 contrary to the financial year 2018/2019 where Ksh 42,500,000 and Ksh 43,955,369 was attained respectively. The high amount evident in the financial year 2018/2019 is due to some of the 2017/2018 amount totaling to Ksh 60,009,316.2 being used in the financial year 2018/2019.

Original Budget, Adjustments against Actual Utilization of Funds for the Financial Year

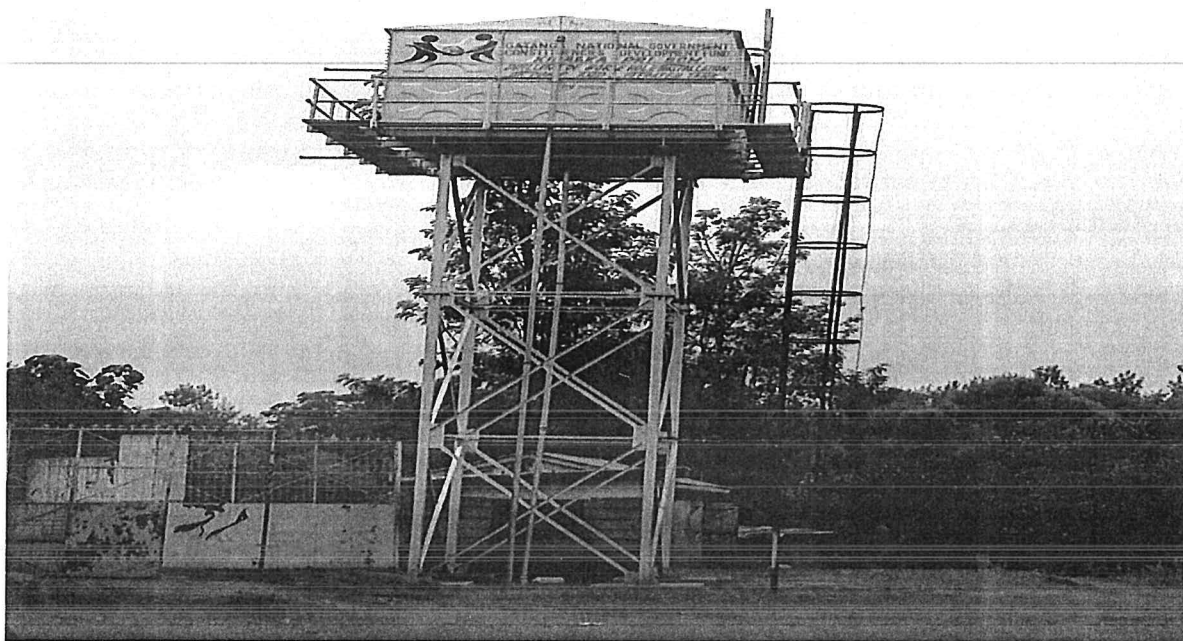


a. Original Budget; b. Adjustments; c. Final Budget; d. Actual on Comparable Basis; e. Budget Utilisation Difference

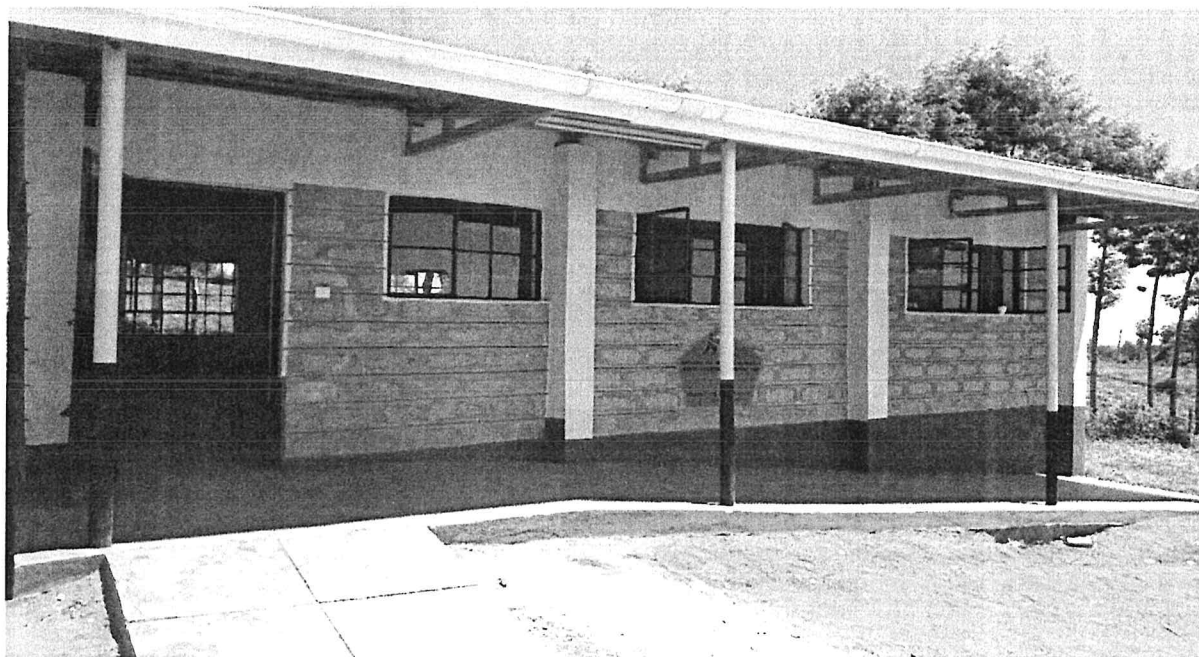
As observed, the Management managed to utilize Ksh 107,450,562 against the final budget of Ksh 109,040,876. This rate points to 98.5% absorption. This is an improvement from the financial year 2017/2018 where the constituency absorption rate stood at 78.1%. Despite of the improvement, the absorption translates to a variance of 1.5% of the final budget. The management has been unable to attain 100% utilization due to the fact that there was delayed disbursement of funds from the Board.

Apart from the above mentioned issues, there has been a good project implementation spirit within the Constituency. Some of the best practices within the constituency are hereby pictorially interpreted.

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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Drilling of Borehole, installation of pump and elevated tank at Kibaaka Primary School (The project expected to benefit over 700 pupils, 30 staff members in the School and the neighboring community of an estimated 100 homesteads)



Standard Classroom at Karangi Secondary School (The project expected to provide a 40 student learning space each year)

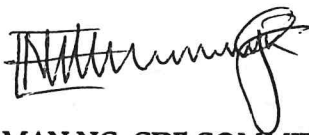
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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Apart from the positivity's experienced and exhibited, there has been political, economic, social, legal and global challenges influencing the implementation of NG-CDF projects within Gatanga Constituency. These challenges has been handled in the proper ways and those that the constituency is unable they have been handled by the relevant authorities.

Our NG-CDFC wishes that there be more sensitization done to the people on the importance and NG-CDF and also open the world to the change that has been enabled by the fund so that its sustainability and continuation is fully supported by the citizenry and ensure its livelihood.

We do wish the NG-CDF a long life.

Sign



CHAIRMAN NG-CDF COMMITTEE

Evanson Muiyuro

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
GATANGA CONSTITUENCY
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III. 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 by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Gatanga 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, 2019. 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-Gatanga Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2019, and of the entity's financial position as at that date. The Accounting Officer incharge of the NGCDF-Gatanga Constituency further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF-Gatanga Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

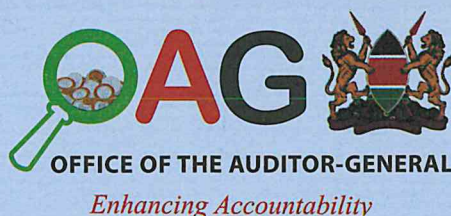
The NGCDF-Gatanga Constituency financial statements were approved and signed by the Accounting Officer on 13/3 2020.


Fund Account Manager
Name: Olympia Musonye


Sub-County Accountant
Name: Anthony Nderitu
ICPAK Member Number: 14214

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GATANGA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Gatanga Constituency set out on pages 9 to 42, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Gatanga Constituency as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

Ineligible Expenditure in Secondary Schools Bursary

The statement of receipts and payments reflects an expenditure of Kshs.43,955,369 in respect to other grants and transfers, which includes an expenditure of Kshs.27,337,913 on bursary-secondary schools as disclosed in Note 7 to the financial statements. Included in the bursary expenditure is an amount of Kshs.3,600,000 incurred on training of "boda boda" riders. Training of "boda boda" riders was not one of the items of the bursary-secondary schools account.

In addition, no procurement records including tender notices, opening and evaluation minutes were provided for audit review. Therefore, it was not clear how the driving school was identified and awarded the tender.

Consequently, the completeness and regularity of the expenditure of Kshs.3,600,000 included in the bursary to secondary schools could not be confirmed.

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

Budget Control and Performance

According to the summary statement of appropriation, during the year under review, the National Government Constituencies Development Fund - Gatanga Constituency received a total of Kshs.108,784,483 from the NG-CDF Board, against a final budget of Kshs.175,702,295, resulting in a shortfall in disbursements of Kshs.66,917,812 or about 38% of the budget.

Further, the NG-CDF Gatanga Constituency incurred a total expenditure of Kshs.107,450,562 against the total final budget of Kshs.175,702,295. The under-utilization of Kshs.68,251,733 or 39% of the approved budget impacted negatively on service delivery to the residents of Gatanga 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. Transfers to Other Government Units

1.1 Incomplete Gatungu Secondary School Projects

Disclosed in Note 6 to the financial statements under transfer to other government entities is an expenditure of Kshs.12,500,000 on transfers to secondary schools. Included in the

expenditure is an amount of Kshs.2,400,000 for rehabilitation of classrooms and construction of one-unit pit latrine at Gatunyu Secondary School. The two projects were allocated Kshs.2,000,000 and Kshs.400,000 respectively during the year 2018/2019.

Physical inspection of the projects on 07 February, 2020 revealed that painting works on the classrooms was not done. Further, construction of the pit latrine was not done despite the disbursement of money to the school.

Consequently, the regularity and value for money on the expenditure of Kshs.2,400,000 incurred by the school could not be confirmed.

1.2 Incomplete Works at Kirwara Secondary School

The transfers to secondary schools' expenditure of Kshs.12,500,000 also includes an amount of Kshs.4,000,000 disbursed to Kirwara Secondary School for construction of an Administration Block (Phase 1) to completion.

A review of the tender evaluation minutes dated 29 April, 2019 revealed that the contract was awarded to a contractor at a contract sum of Kshs.3,992,375. However, other procurement records including the letter of notification, acceptance letter, signed contract agreement and the bill of quantities for the project were not provided for audit verification.

Further, physical verification done on 10 February, 2020 revealed incomplete works including flooring, plastering/painting, window pane and plumbing works while the contractor was not on site.

Consequently, the regularity and value for money of the expenditure of Kshs.4,000,000 incurred on the project in the year could not be confirmed.

2. Other Grants and Other Payments

2.1 Unfinished Construction of Mukurwe Chief's Office

Disclosed in Note 7 to the financial statements under other grants and other payments is an expenditure of Kshs.11,404,869 on security projects. Included in the expenditure is an amount of Kshs.3,000,000 for completion of the Mukurwe Chief's Office. This was in addition to Kshs.1,500,000 allocated for the project in 2017/2018 financial year.

The completion works entailed; roofing, flooring, painting, fitting windows and doors, and plumbing works. A review of available project expenditure returns records showed that the contract was awarded to a firm at a contract sum of Kshs.2,999,200. However, procurement records including bill of quantities, tender opening and evaluation minutes, letter of notification, acceptance letter and signed contract agreement were not provided for audit review.

In addition, physical inspection of the project carried out on 10 February, 2020 revealed that the building which comprise a one-storey house was incomplete. Some of the works relating to the floor, windows, doors, painting, plastering and plumbing were not done while the contractor was not on site.

As a result, the regularity and value for money for the expenditure of Kshs.3,000,000 incurred during the year could not be confirmed.

2.2 Delayed Construction of Thungururu AP Post House

The expenditure of Kshs.11,404,869 on security projects also includes an amount of Kshs.404,869 incurred in respect of construction of Thungururu Administration Police House. Physical inspection done on 10 February, 2020 revealed that the project had not been implemented despite the disbursement of the funds to the project management committee's account in August, 2018.

3. Delayed Gatanga ICT Innovation Hub Project

Disclosed under Note 9 to the financial statements on other payments is an expenditure of Kshs.3,507,770 in respect of ICT hub. Available records indicate that the National Government Constituencies Development Fund - Gatanga Constituency had allocated a total Kshs.4,677,027 for development of four innovation hubs in Gatanga, Kariara, Kihumbu and Ithanga wards, each receiving an amount of Kshs.1,169,256.

The above contract was awarded to a local firm at a total contract sum of Kshs.4,677,027 and the contract agreement signed on 25 October, 2018. However, procurement records and details of the ICT equipment ordered and supplied were not presented for audit review.

Further, a site inspection carried out in February, 2020 revealed that only Kariara and Gatanga wards ICT hubs were completed and some of the tablets supplied were not in good working condition. In addition, ICT hubs at Kihumbu and Ithanga wards were not operational.

Consequently, the value for money on the expenditure of Kshs.3,507,770 incurred on the project during the year ended 30 June, 2019 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the management's use of the going concern 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 ability of National Government Constituencies Development Fund - Gatanga Constituency 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 sustaining its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

01 October, 2021



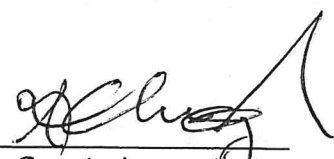
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GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

IV.STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2018 - 2019 Kshs	2017 - 2018 Kshs
RECEIPTS			
Transfers from NGCDF board	1	108,784,483	43,405,172
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	0	0
TOTAL RECEIPTS		108,784,483	43,405,172
PAYMENTS			
Compensation of employees	4	2203075	1,956,368
Use of goods and services	5	9,281,762	6,602,310
Transfers to Other Government Units	6	42,500,000	9,000,000
Other grants and transfers	7	43,955,369	22,955,427
Acquisition of Assets	8	2,502,586	0
Other Payments	9	7,007,770	0
TOTAL PAYMENTS		107,450,562	40,514,105
SURPLUS/(DEFICIT)		1,333,921	2,891,067

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Gatanga Constituency financial statements were approved on 13/3 2020 and signed by:


 Fund Account Manager
 Name: Olympia Musonye


 Sub-County Accountant
 Name: Anthony Nderitu
 ICPAK Member Number:

14214

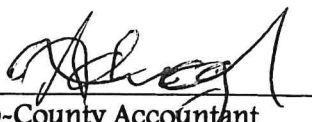
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

V. STATEMENT OF ASSETS AND LIABILITIES

	Note	2018 - 2019	2017 - 2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	13,210,857	11,876,936
Cash Balances (cash at hand)	10B	<u>0</u>	<u>0</u>
Total Cash and Cash Equivalents		13,210,857	11,876,936
Outstanding Imprests	11	<u>0</u>	<u>0</u>
TOTAL FINANCIAL ASSETS		<u>13,210,857</u>	<u>11,876,936</u>
FINANCIAL LIABILITIES			
Accounts payable-Retention	12	-	-
NET FINANCIAL ASSETS		<u>13,210,857</u>	<u>11,876,936</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	11,876,936	8,319,999
Surplus/Deficit for the year		1,333,921	2,891,067
Prior year adjustments	14	<u>0</u>	<u>665,870</u>
NET FINANCIAL POSITION		<u>13,210,857</u>	<u>11,876,936</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GATANGA Constituency financial statements were approved on 13/3 2020 and signed by:


Fund Account Manager
Name: Olympia Musonye


Sub-County Accountant
Name: Anthony Nderitu
ICPAK Member Number: 14214

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

VI. STATEMENT OF CASHFLOW

Receipts for operating income		2018 – 2019	2017 - 2018
Transfers from NGCDF Board	1	108,784,483	43,405,172
Other Receipts	3	<u>0</u>	<u>0</u>
		108,784,483	43,405,172
Payments for operating expenses			
Compensation of Employees	4	2,203,075	1,956,368
Use of goods and services	5	9,281,762	6,602,310
Transfers to Other Government Units	6	46,007,770	9,000,000
Other grants and transfers	7	43,955,369	22,955,427
Other Payments	9	3,500,000	0
		(104,947,976)	(40,514,105)
Adjusted for:			
Adjustments during the year	14	0	665,870
Net cash flow from operating activities		3,836,507	3,556,937
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	(2,502,586)	(0)
Net cash flows from Investing Activities		0	0
NET INCREASE IN CASH AND CASH EQUIVALENT		1,333,921	3,556,937
Cash and cash equivalent at BEGINNING of the year	13	11,876,936	8,319,999
Cash and cash equivalent at END of the year		<u>13,210,857</u>	<u>11,876,936</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GATANGA Constituency financial statements were approved on 13/1/2020 and signed by:


Fund Account Manager
Name: Olympia Musonye


Sub-County Accountant
Name: Anthony Nderitu
ICPAK Member Number:

14214

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

VII 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 CDF Board	109,040,876	66,661,419	175,702,295	108,784,483	66,917,812	62%
Proceeds from Sale of Assets				-	-	
Other Receipts	-				-	
Total Receipts	109,040,876	66,661,419	175,702,295	108,784,483	66,917,812	62%
PAYMENTS						
Compensation of employees	2,359,080	729,142	3,088,222	2,203,075	885,147	71.3%
Use of goods and services	7,454,599	4,059,120	11,513,719	9,281,762	2,231,957	80.6%
Transfers to Other Government Units	45,000,000	41,600,000	86,600,000	42,500,000	44,100,000	49.1%
Other grants and transfers	51,360,847	12,096,130	63,456,977	43,955,369	19,501,608	69.3%
Acquisition of Assets	2,866,350	-	2,866,350	2,502,586	363,763	87.3%
Other Payments	-	8,177,027	8,177,027	7,007,770	1,169,257	85.7%
TOTALS	109,040,876	66,661,419	175,702,295	107,450,562	68,251,733	61.2%

The Budget utilization ration is low in most sectors owing to the delays in funds disbursements from the board leading to problems in projects implementation.

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

The NGCDF-GATANGA Constituency financial statements were approved on 13/5 2020 and signed by:



Fund Account Manager
Name: Olympia Musonye



Sub-County Accountant
Name: Anthony Nderitu
ICPAK Member Number:

14214

TANZANIA GOVERNMENT ACCOUNTS DEVELOPMENT FUND (NGDF) – UGATANGA COUNTY
Reports and Financial Statements
For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2018/2019 a	Adjustments b	Final Budget 2018/2019 c=a+b	Actual on comparable basis 30/06/2019 d	Budget utilization difference e=c-d
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent	6,542,453.00		6,542,453.00		6,542,453.00
1.1 Compensation of employees	2,359,080.00	729,142.00	3,088,222.00	2,203,075.00	885,147.00
1.2 Committee allowances	780,000.00	670,638.00	1,450,638.00	1,360,000.00	90,638.00
1.3 Use of goods and services	3,403,373.00		3,403,373.00	2,001,562.00	1,401,811.00
2.0 Monitoring and evaluation	3,271,226.00		3,271,226.00		3,271,226.00
2.1 Capacity building	1,771,226.00	600,000.00	2,371,226.00	2,334,100.00	37,126.00
2.2 Committee allowances	800,000.00	1,000,000.00	1,800,000.00	1,550,000.00	250,000.00
2.3 Use of goods and services	700,000.00	1,788,482.00	2,488,482.00	2,036,100.00	452,382.00
3.0 Emergency	5,738,993.00	2,306,447.00	8,045,440.00	4,756,000.00	3,289,440.00
3.1 Primary Schools					
3.2 Secondary schools					
3.3 Tertiary institutions					
3.4 Security projects					
4.0 Bursary and Social Security	27,260,219.00	7,237,913.00	34,498,132.00	27,337,913.00	7,160,219.00
4.1 Primary Schools					

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

4.2 Secondary Schools	16,000,000.00	4,000,000.00	20,000,000.00	15,369,723.00	4,630,277.00
4.3 Tertiary Institutions	11,260,219.00	3,237,913.00	14,498,132.00	11,967,777.00	2,530,355.00
4.4 Universities			-		-
4.5 Social Security			-		-
5.0 Sports	2,180,818.00	229,969.00	2,410,787.00	227,586.00	2,183,201.00
5.1 Sporting Activities	1,580,818.00	200,000.00	1,780,818.00	200,000.00	1,580,818.00
5.2 Cultural Activities	600,000.00	29,969.00	629,969.00	27,586.00	602,383.00
6.0 Environment	2,180,818.00	235,899.00	2,416,717.00	220,000.00	2,196,717.00
6.1 Planting of Trees	500,000.00	120,899.00	620,899.00	120,000.00	500,899.00
6.2 Dirt Bins	500,000.00	50,000.00	550,000.00	70,000.00	480,000.00
6.3 Purchase and Installation Tanks	1,180,818.00	65,000.00	1,245,818.00	30,000.00	1,215,818.00
7.0 Primary Schools Projects	20,000,000.00	-	20,000,000.00	-	20,000,000.00
Gatunguru Kariara primary school	1,500,000.00	-	1,500,000.00	-	1,500,000.00
Ngato Primary School	4,000,000.00	-	4,000,000.00	-	4,000,000.00
Ngato Primary School	500,000.00	-	500,000.00	-	500,000.00
Kiunyu Primary School	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Gichumbu Primary School	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Ngate Primary School	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Giatutu Primary School	1,000,000.00	-	1,000,000.00	-	1,000,000.00
Gatiguru Primary School	500,000.00	-	500,000.00	-	500,000.00
Wanduki Primary School	1,000,000.00	-	1,000,000.00	-	1,000,000.00

UNION COUNTY CONSORTIUM DEVELOPMENT AND NUOGE - GATANGA CC AND FITUENGY
Reports and Financial Statements
For the year ended June 30, 2019

Rubiru Primary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00	-
Mwea Primary School	1,000,000.00	-	1,000,000.00	-	1,000,000.00	-
Gatakaini Primary School	2,500,000.00	-	2,500,000.00	-	2,500,000.00	-
Kigio Primary School	2,000,000.00	-	2,000,000.00	-	2,000,000.00	-
Mugumo Primary School	1,000,000.00	-	1,000,000.00	-	1,000,000.00	-
Kinyangi Primary School CDF	-	1,400,000.00	1,400,000.00	1,400,000.00	-	-
Kariara Primary School CDF	-	400,000.00	400,000.00	400,000.00	-	-
Kanduri Primary School CDF	-	1,500,000.00	1,500,000.00	1,500,000.00	-	-
Wanduhi Primary School CDF	-	1,000,000.00	1,000,000.00	1,000,000.00	-	-
Silanga Primary School CDF	-	1,400,000.00	1,400,000.00	1,400,000.00	-	-
Rwegetha Primary School CDF	-	400,000.00	400,000.00	400,000.00	-	-
Paul Mbiyu Primary School CDF	-	500,000.00	500,000.00	500,000.00	-	-
Ngurunga Primary School CDF	-	1,500,000.00	1,500,000.00	1,500,000.00	-	-
Mabanda Primary School CDF	-	1,500,000.00	1,500,000.00	1,500,000.00	-	-
Kitito Primary School CDF	-	400,000.00	400,000.00	400,000.00	-	-
Ithangarari Primary School CDF	-	400,000.00	400,000.00	400,000.00	-	-
Gatunguru Primary School CDF	-	1,500,000.00	1,500,000.00	1,500,000.00	-	-
Gathanji Primary School CDF	-	400,000.00	400,000.00	400,000.00	-	-
Rwaitira Primary School CDF	-	1,000,000.00	1,000,000.00	1,000,000.00	-	-
Gatanga Primary School CDF	-	1,000,000.00	1,000,000.00	1,000,000.00	-	-

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

Ngurunga Primary School CDF	-	4,000,000.00	4,000,000.00	4,000,000.00	-
Ngungugu Primary School CDF	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Gatanga Primary School CDF	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Mwea Primary School CDF	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Nanga Primary School CDF	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Ithangarari Primary School CDF	-	400,000.00	400,000.00	400,000.00	-
Eli Mambo Primary School CDF	-	800,000.00	800,000.00	800,000.00	-
Kibaka Primary School CDF	-	4,000,000.00	4,000,000.00	4,000,000.00	-
Kibaka Primary School CDF	-	500,000.00	500,000.00	500,000.00	-
Kiunyu Primary School	-	1,000,000.00	1,000,000.00	1,000,000.00	-
Giattutu Primary School	-	1,000,000.00	1,000,000.00	1,000,000.00	-
8.0 Secondary Schools Projects	25,000,000.00		25,000,000.00		25,000,000.00
Giteme Secondary School	2,000,000.00		2,000,000.00	-	2,000,000.00
Kimandi Secondary School	1,500,000.00		1,500,000.00	-	1,500,000.00
Mbugiti Secondary School	1,000,000.00		1,000,000.00	-	1,000,000.00
Delmonte Secondary School	1,000,000.00		1,000,000.00	-	1,000,000.00
St.Teresa Secondary School	2,000,000.00		2,000,000.00	-	2,000,000.00
Ngelelya Secondary School	1,000,000.00		1,000,000.00	-	1,000,000.00
Gatanga CCM Secondary School	1,000,000.00		1,000,000.00	-	1,000,000.00
Iembeni Secondary School	1,000,000.00		1,000,000.00	-	1,000,000.00

THE LOCAL GOVERNMENT CONSTITUTIONAL DEVELOPMENT FUND (NGCDF) - KATANA COUNTY
Reports and Financial Statements
For the year ended June 30, 2019

Gakurari Secondary School	1,000,000.00		1,000,000.00	-	1,000,000.00	
Gathanji Secondary School	2,500,000.00		2,500,000.00	-	2,500,000.00	
Rwegetha Secondary School	2,500,000.00		2,500,000.00	-	2,500,000.00	
Jogoo Kimakia Secondary School	2,500,000.00		2,500,000.00	-	2,500,000.00	
Chomo Secondary School	1,500,000.00		1,500,000.00	-	1,500,000.00	
Gatunyu Secondary School	1,500,000.00		1,500,000.00	-	1,500,000.00	
Gatunyu Secondary School	1,500,000.00		1,500,000.00	-	1,500,000.00	
Thungururu Secondary School	1,500,000.00		1,500,000.00	-	1,500,000.00	
9.0 Tertiary institutions Projects	-	-	-	-	-	-
10.0 Security Projects	14,000,000.00		14,000,000.00			14,000,000.00
Kirwara Police Station	4,000,000.00		4,000,000.00		4,000,000.00	
Mukurwe Chiefs Office	3,000,000.00		3,000,000.00		3,000,000.00	
Nyaga Administration Police Post	1,000,000.00		1,000,000.00		1,000,000.00	
Gitamba Chiefs Office	1,000,000.00		1,000,000.00		1,000,000.00	
Gatura Assistant County Commissioners Office	4,000,000.00		4,000,000.00		4,000,000.00	
Kiganjo Assistant Chiefs Office	1,000,000.00		1,000,000.00		1,000,000.00	
11.0 Acquisition of assets	2,866,349.52		2,866,349.52			2,866,349.52
11.1 Motor Vehicles (including motorbikes)	-	-	-	-	-	-
11.2 Construction of CDF office	1,936,350.00	1,002,586.00	2,938,936.00	1,002,586.00	1,936,350.00	
11.3 Purchase of furniture and equipment	-	-	-	-	-	-
11.4 Purchase of computers	930,000.00	-	930,000.00	-	930,000.00	-
11.5 Purchase of land			-			-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

IX. 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-GATANGA 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.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

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 Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law and there was no supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

X. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
A855807			5,500,000
A892945			37,905,172
AIE No. B 042736		11,000,000	
AIE No. B005159		54,784,483	
AIE No. B 030055		10,000,000	-
AIE No. B 006332		8,000,000	
AIE No. B 030391		12,000,000	
AIE No. B 042886		13,000,000	
TOTAL		108,784,483	43,405,172

2. PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	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		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

	2018- 2019	2017-2018
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	0

4. COMPENSATION OF EMPLOYEES

	2018-2019	2017-2018
	Kshs	Kshs
Basic wages of contractual employees	1,593,860	1,417,658
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	510,215	452,910
Other personnel payments	99,000	85,800
Total	2,203,075	1,956,368

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2018-2019	2017-2018
	Kshs	Kshs
Committee Expenses	4,288,170	3,894,100
Utilities, supplies and services	200,000	350,000
Communication, supplies and services	0	
Domestic travel and subsistence	0	0
Printing, advertising and information supplies & services	550,000	0
Rentals of produced assets	0	0
Training expenses	777,600	0
Hospitality supplies and services	1,006,500	0
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	1,836,655	1,988,710
Fuel, Oil and lubricants	300,000	300,000
Routine maintenance – vehicles and other transport equipment	322,837	69,500
Routine maintenance – other assets	0	0
Total	9,281,762	6,602,310

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2018-2019 Kshs	2017-2018 Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	30,000,000	5,500,000
Transfers to secondary schools (see attached list)	12,500,000	3,500,000
Transfers to tertiary institutions- (see attached list)	0	0
Transfers to health institutions (see attached list)	-	0
TOTAL	42,500,000	9,000,000

7. OTHER GRANTS AND OTHER PAYMENTS

	2018-2019 Kshs	2017- 2018 Kshs
Bursary – secondary schools (see attached list)	27,337,913	14,464,673
Bursary – tertiary institutions (see attached list)	0	0
Bursary – special schools (see attached list)	0	0
Mock & CAT (see attached list)	0	0
Water projects (see attached list)	0	0
Others (Markets)	0	0
Electricity projects (see attached list)	0	0
Security projects (see attached list)	11,404,869	2,500,000
Roads projects (see attached list)	0	0
Sports projects (see attached list)	227,586	1,733,824
Environment projects (see attached list)	220,000	1,656,480
Emergency projects (see attached list)	4,765,000	2,600,450
Total	43,955,369	22,955,427

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

Non-Financial Assets

	2018-2019	2017-2018
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	2,502,586	0
Purchase of Specialized Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
	0	0
Total	2,502,586	0

9. OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	3,500,000	-
ICT Hub	3,507,770	-
TIVET	-	-
	7,007,770	0

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10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2018-2019	2017-2018
	Kshs	Kshs
Co-operative Bank – Thika (01120074416200)	13,210,857	11,211,066
Total	13,210,857	11,211,066
10B: CASH IN HAND		
Location 1		
Location 2		
Location 3		
Other Locations (specify)		
Total		
[Provide cash count certificates for each]		

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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	xxx	Xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	Xxx	xxx
Total				xxx

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

12RETENTION

	2018 - 2019 Kshs	2017-2018 Kshs
Supplier 1	Xx	Xx
Supplier 2	xx	Xx
Supplier 3	xx	Xx
Total	XX	XX

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	11,876,936	8,319,999
Cash in hand		
Imprest		
Total	11,876,936	8,319,999

[Provide short appropriate explanations as necessary]

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2018- 2019	2017-2018
	Kshs	Kshs
Bank accounts	0	665,870
Cash in hand		
Imprest		
Total	0	665,870

The above is a cheque that had been erroneously been treated as unrepresented yet it was totally cancelled.

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018- 2019	2017-2018
	Kshs	Kshs
Construction of buildings	Xx	Xx
Construction of civil works	Xx	Xx
Supply of goods	Xx	Xx
Supply of services	Xx	Xx
	Xx	Xx

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	Xx	Xxx
Middle management	Xx	Xxx
Unionisable employees	Xx	Xxx
Others (specify)	Xx	Xxx
	Xx	Xxx

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	156,005	1,195,735
Use of goods and services	1,827,163	897,857
Amounts due to other Government entities (see attached list)	35,100,000	46,007,770
Amounts due to other grants and other transfers (see attached list)	7,405,479	7,405,368
Acquisition of assets	363,763	~
Others (specify)	0	4,502,586.2
	44,852,410	60,009,316.2

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15.4: PMC account balances (See Annex 5)

	2018- 2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list –Annex 4)	xxx	Xxx
Kibaaka Primary School CDF	130,004.50	-
Paul Mbiyu Primary School	30,015.25	-
Nanga Primary School	52,084.50	-
Mt. Olive Primary School	48,881.50	-
Kinyangi Primary School CDF Account	25.00	-
Kitito Primary School CDF Account	18,300.50	-
Rwegetha Primary School CDF	400,462.50	-
Thare Primary School	18,765.00	-
Ngurunga Primary School	1,729,885.00	-
Thuita Primary School CDF	17,937.60	-
Silanga Primary School	1,995.75	-
Mwea Primary School	48,433.00	-
Gatunguru Kariara Primary School CDF	600.00	-
Wanduhi Primary School	620.75	-
Gatura Primary School	21,181.25	-
Elimambo Primary School	31,667.84	-
Mabae Primary School CDF	28,075.50	-
Gatanga Primary School CDF	48,613.00	-
Thungururu Primary School	25,517.60	-
Wanyaga Primary School CDF Account	17,160.63	-
Gatunyu Primary School	18,662.34	-
Ithangarari Primary School	2,915.00	-
C.C.M Gathanji Primary	41,773.00	-
Mabanda Primary School	60,925.00	-
Ngungugu Primary School	2,607.75	-
Mugumo Primary School	21,034.25	-
Kanduri Primary School CDF Account	69,800.00	-
Rwaitira Primary School	53,260.00	-
Kirwara High School CDF Account	181,583.75	-
St. Benedict Ithanga Township Sec School CDF	18,289.25	-
St Marys Rwegetha Secondary School	445,187.10	-
Ithangarari Secondary School	16,183.75	-
St. Paul Sec School	1,030,237.50	-
Githambia Sec School	22,870.00	-
Gakurari Sec School	5,710.00	-
Gatunyu Sec School	96,789.00	-
Karangi Secondary School	567.25	-

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Gatanga Girls Sec Sch CDF A/c	1,000,095.50	-
Kiarutara Secondary Sch	49,230.50	-
Kihumbu-Ini Sec School	1,157.50	1,000,812.50
Mianyani Chiefs Office	47,475.50	-
Mukurwe Chiefs Office	560,240.50	-
	6,416,821.11	1,000,812.50

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2018	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						

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	Outstanding Balance 2018	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							

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ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2018/19	Outstanding Balance 2017/18	Comments
Compensation of employees		156,005	1,195,735	
Use of goods and services		1,827,163	897,857	
Amounts due to other Government entities		35,100,000	46,007,770	
Sub-Total		37,083,168	48,101,362	
Amounts due to other grants and other transfers		7,405,479	7,405,368	
Sub-Total		7,405,479	7,405,368	
Acquisition of assets		363,763	0	
Others (specify)		0	4,502,586.2	
Sub-Total		363,763	4,502,586.2	
Grand Total		44,852,410	60,009,316.2	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land	249,000	0	0	249,000
Buildings and structures	4,035,600	0	0	4,035,600
Transport equipment	7,600,000	0	0	7,600,000
Office equipment, furniture and fittings	2,490,998	0	0	2,490,998
ICT Equipment, Software and Other ICT Assets	942,768	2,502,586	0	3,445,354
Other Machinery and Equipment	4,000	0	0	4,000
Heritage and cultural assets	N/A	0	0	N/A
Intangible assets	N/A	0	0	N/A
Total	15,322,366	2,502,586	0	17,824,952

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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Kibaaka Primary School CDF	Cooperative Bank	01141558361700	130,004.50	-
Paul Mbiyu Primary School	Cooperative Bank	01141428521700	30,015.25	-
Nanga Primary School	Cooperative Bank	01139278454600	52,084.50	-
Mt. Olive Primary School	Cooperative Bank	01141558393500	48,881.50	-
Kinyangi Primary School CDF Account	Cooperative Bank	01141832279700	25.00	-
Kitito Primary School CDF Account	Cooperative Bank	01141734037500	18,300.50	-
Rwegetha Primary School CDF	Cooperative Bank	01141558713800	400,462.50	-
Thare Primary School	Cooperative Bank	01141073047900	18,765.00	-
Ngurunga Primary School	Cooperative Bank	01139073045402	1,729,885.00	-
Thuita Primary School CDF	Cooperative Bank	01141773474450 0	17,937.60	-
Silanga Primary School	Cooperative Bank	01141558461500	1,995.75	-
Mwea Primary School	Cooperative Bank	01141735286300	48,433.00	-
Gatunguru Kariara Primary School CDF	Cooperative Bank	01141428271500	600.00	-
Wanduhi Primary School	Cooperative Bank	01141558738000	620.75	-
Gatura Primary School	Cooperative Bank	01139279973900	21,181.25	-
Elimambo Primary School	Cooperative Bank	01139073048202 11	31,667.84	-
Mabae Primary School CDF	Cooperative Bank	01141558714600	28,075.50	-
Gatanga Primary School CDF	Cooperative Bank	01141734215800	48,613.00	-
Thungururu Primary School	Cooperative Bank	01139557343200	25,517.60	-
Wanyaga Primary School CDF Account	Cooperative Bank	01141429648900	17,160.63	-
Gatunyu Primary School	Cooperative Bank	01141558693300	18,662.34	-
Ithangarari Primary School	Cooperative Bank	01141734273000	2,915.00	-
C.C.M Gathanji Primary	Cooperative Bank	01117073048101	41,773.00	-
Mabanda Primary School	Cooperative Bank	01141428508600	60,925.00	-

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PMC	Bank	Account number	Bank Balance 2018/19	Bank Balance 2017/18
Ngungugu Primary School	Cooperative Bank	01141073047500	2,607.75	-
Mugumo Primary School	Cooperative Bank	01141073045300	21,034.25	-
Kanduri Primary School CDF Account	Cooperative Bank	01141832022400	69,800.00	-
Rwaitira Primary School	Cooperative Bank	01141428529700	53,260.00	-
Kirwara High School CDF Account	Cooperative Bank	01141429744500	181,583.75	-
St. Benedict Ithanga Township Sec School CDF	Cooperative Bank	01141832022800	18,289.25	-
St Marys Rwegetha Secondary School	Cooperative Bank	01139074174700	445,187.10	-
Ithangarari Secondary School	Cooperative Bank	01141074624100	16,183.75	-
St. Paul Sec School	Cooperative Bank	0113927848200	1,030,237.50	-
Githambia Sec School	Cooperative Bank	01139278976100	22,870.00	-
Gakurari Sec School	Cooperative Bank	01139074146000	5,710.00	-
Gatunyu Sec School	Cooperative Bank	01141558789600	96,789.00	-
Karangi Secondary School	Cooperative Bank	01141735285200	567.25	-
Gatanga Girls Sec Sch CDF A/c	Cooperative Bank	01141428520000	1,000,095.50	-
Kiarutara Secondary Sch	Cooperative Bank	01141279198000	49,230.50	-
Kihumbu-Ini Sec School	Cooperative Bank	01139278419300	1,157.50	1,000,812.50
Mianyani Chiefs Office	Cooperative Bank	01141832052400	47,475.50	-
Mukurwe Chiefs Office	Cooperative Bank	01141832047000	560,240.50	-
Total			6,416,821.11	1,000,812.50

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.1	The supporting schedules must be reconciled against figures reflected in the financial Statements.	<i>This was an Emergency expenditure for Nanga Primary School wrongly classified as transfer to other government entities.</i>	Musonye Olympia. Fund Account Manager	Resolved	1day
4.2	Re classify the figures and restate the financial statements.	<i>The error of misclassification was noted and amended</i>	Musonye Olympia. Fund Account Manager	Resolved	1day
4.3	Reconcile the schedules with the financial statement.	<i>The misstatement was occasioned by misclassification of transfers to other government entities and other grants and transfers as use of goods. This error was noted and corrected.</i>	Musonye Olympia. Fund Account Manager	Resolved	1day
4.4	Explain why a project was carried out only to be used as intended and whether assessment of needs was carried out before commencement of the project	<i>The project was complete as stipulated in the Code list and the Bill of Quantities. The project has been allocated extra money in the financial year 2018/2019 to purchase and installation of equipment and fixtures.</i>	Musonye Olympia. Fund Account Manager	Resolved	2day
4.5	The NG-CDFC should include specific delivery time frames into the contracts and hold the contractors accountable for any unjustified delays	<i>The contractor had delayed because the specific quality of tanks he had ordered was not readily available from the suppliers'. Despite of this, the tanks has been delivered and installed.</i>	Musonye Olympia. Fund Account Manager	Resolved	3day

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4.6	Amend the financial statements to reflect a true and fair position	<i>The misstatement of other grants and transfers was as a result of misclassification of the components constituting other grants and transfers to use of goods and services. The error was noted and rectified.</i>	Musonye Olympia. Fund Account Manager	Resolved	1day
4.7	The CDF should strictly comply with the provisions of the CDF laws and regulations	<i>The allocation was informed by the circular from the Board that specified the amount to be allocated for Emergency</i>	Musonye Olympia. Fund Account Manager	Resolved	1day
4.8	Amend the cash and bank balances to reflect the true and fair position	<i>The misstatement was as a result of omission of unrepresented cheque in the bank reconciliation statements. This has now been rectified and Financial Statement amended to reflect true and fair position.</i>	Musonye Olympia. Fund Account Manager	Resolved	1day
4.9	Explain the source of the projects	<i>The figure was included in the note erroneously as a prior year adjustment. This was noted and the financial statement adjusted.</i>	Musonye Olympia. Fund Account Manager	Resolved	1day
4.10	Explain how the beneficiaries of the bursary fund were unidentified.	<i>The beneficiaries were identified through the ward sub-committees that vetted each applicant using the formulae issued to them through the NG-CDFC Minutes.</i>	Musonye Olympia. Fund Account Manager	Resolved	1day
4.11	Explain the underperformance	<i>This aspect occurred due to delayed disbursement of the fund from the Board. The disbursement occurred in the third and fourth quotas of the financial year. This meant that expenditure was also to delay as there is need regulations and procurement procedures before expenditure.</i>	Musonye Olympia. Fund Account Manager	Resolved on ML(Yet to be cleared by KENAO)	1day
4.12	Provide the evidence of receipt and distribution of the items.	<i>At the time of audit all the expenditure items was in a different file.</i>	Musonye Olympia. Fund Account Manager	Resolved	1day