


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

	
THE NATIONAL ASSEMBLY	
PARTICULARS	
DATE: 03 MAR 2022	DAY: Thursday
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THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
KAITI CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2020



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND –
KAITI CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020 (RESTATED)**

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

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KAITI CONSTITUENCY
Reports and Financial Statements
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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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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 KAITI 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	Daniel M. Maluki
2.	Sub-County Accountant	Julius Muchohi
3.	Chairman NGCDFC	Samuel M. Mulwa
4.	Member NGCDFC	N/A

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1-90301
Okia
MAKUENI

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(f) NG-CDF KAITI Constituency Contacts

Telephone: (254) 0720 792 224
E-mail: dmaluki@cdf.go.ke
Website: www.go.ke

(g) NG-CDF KAITI Constituency Bankers

1. Kenya Commercial Bank
WOTE BRANCH
A/C No:- 1105347109
P.O BOX 269-90300

(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

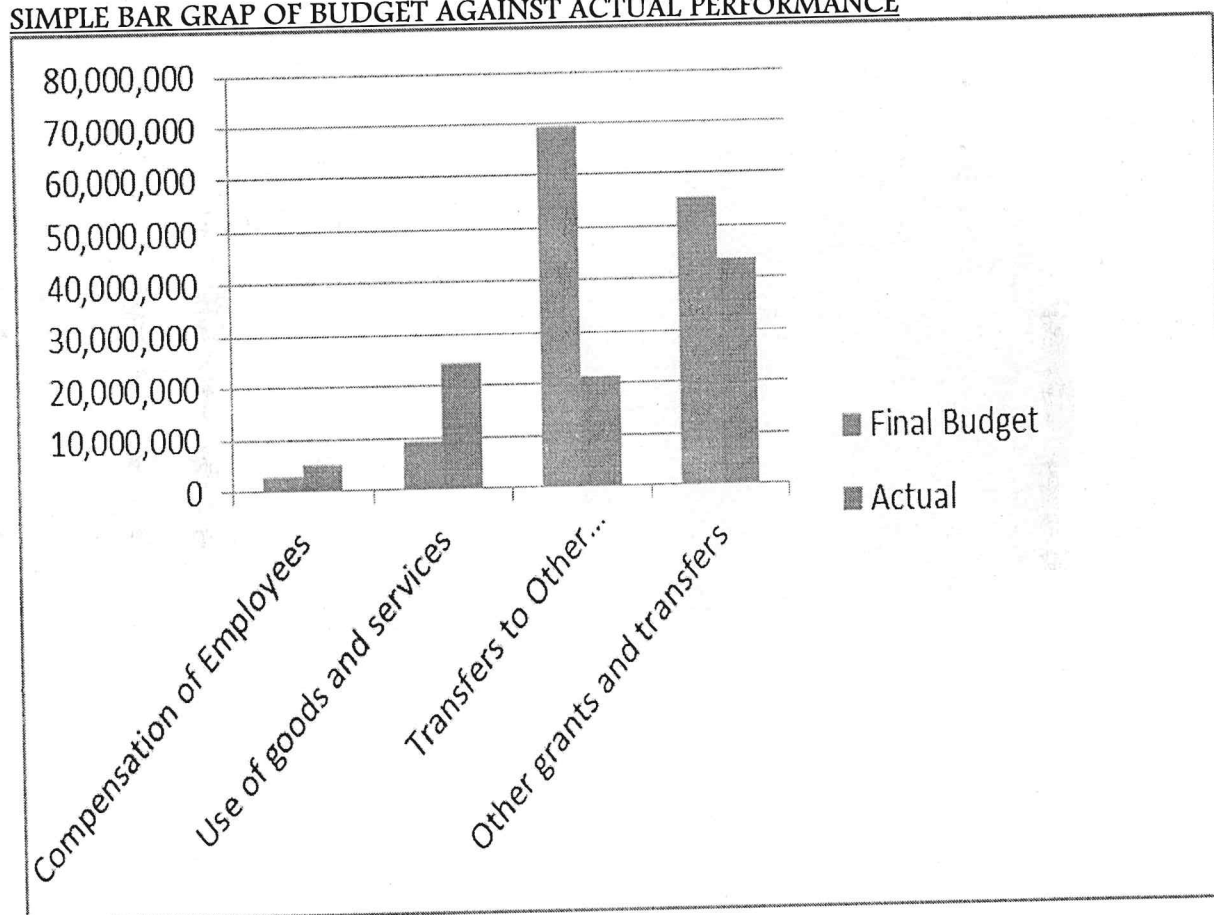
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II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Expense item	Final Budget	Actual
Compensation of Employees	5294946	5,289,946
Use of goods and services	24,567,093	24,567,093
Transfers to Other Government Units	93,578,255	21,400,000
Other grants and transfers	55,384,881	43,895,701

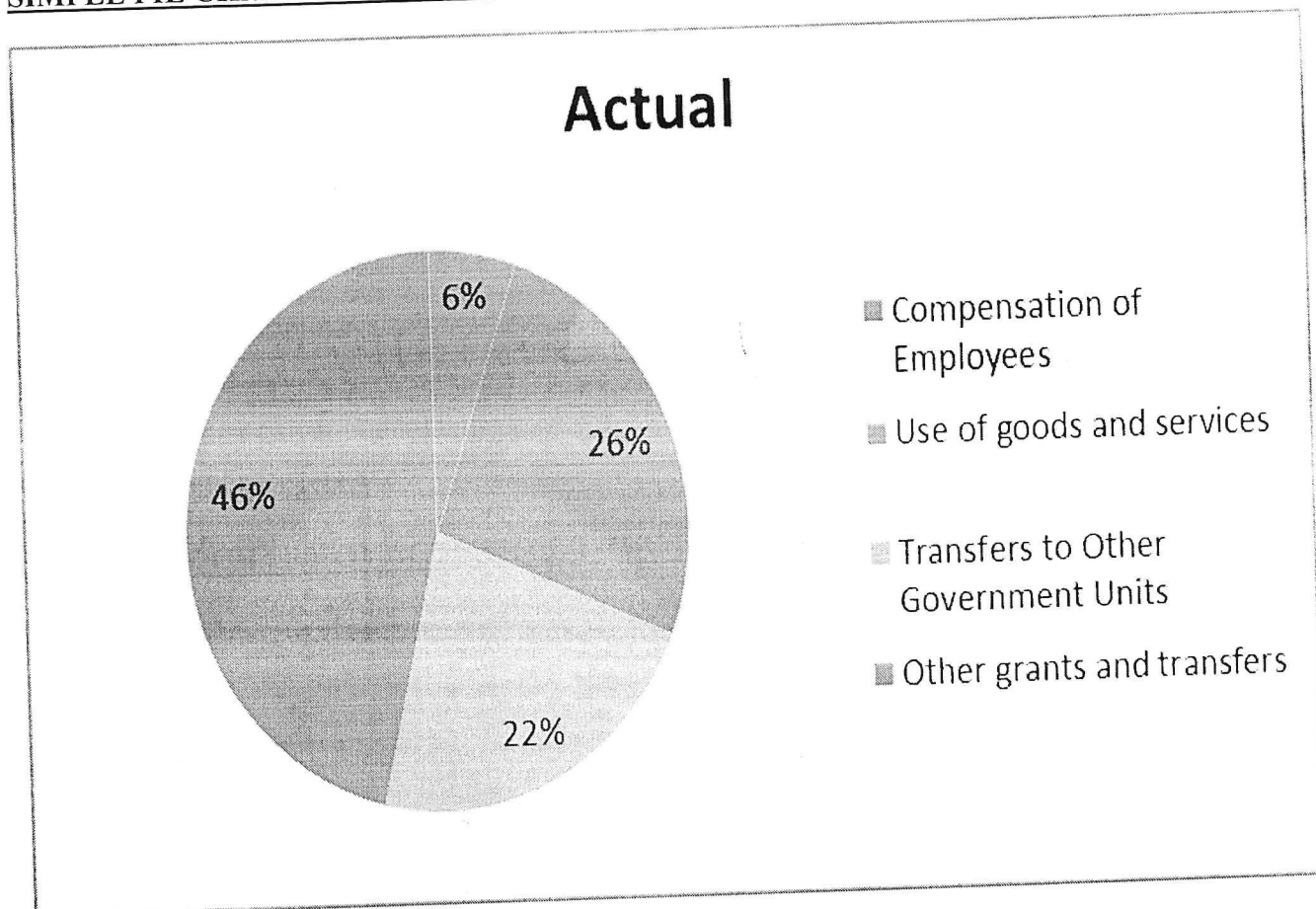
SIMPLE BAR GRAP OF BUDGET AGAINST ACTUAL PERFORMANCE



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Expense item	Actual
Compensation of Employees	5,289,946
Use of goods and services	24,567,093
Transfers to Other Government Units	21,400,000
Other grants and transfers	43,895,701

SIMPLE PIE CHART OF ACTUAL PERFORMANCE OF THE CONSTITUENCY



I have sampled photos of some of the projects that were implemented during the financial year as shown below

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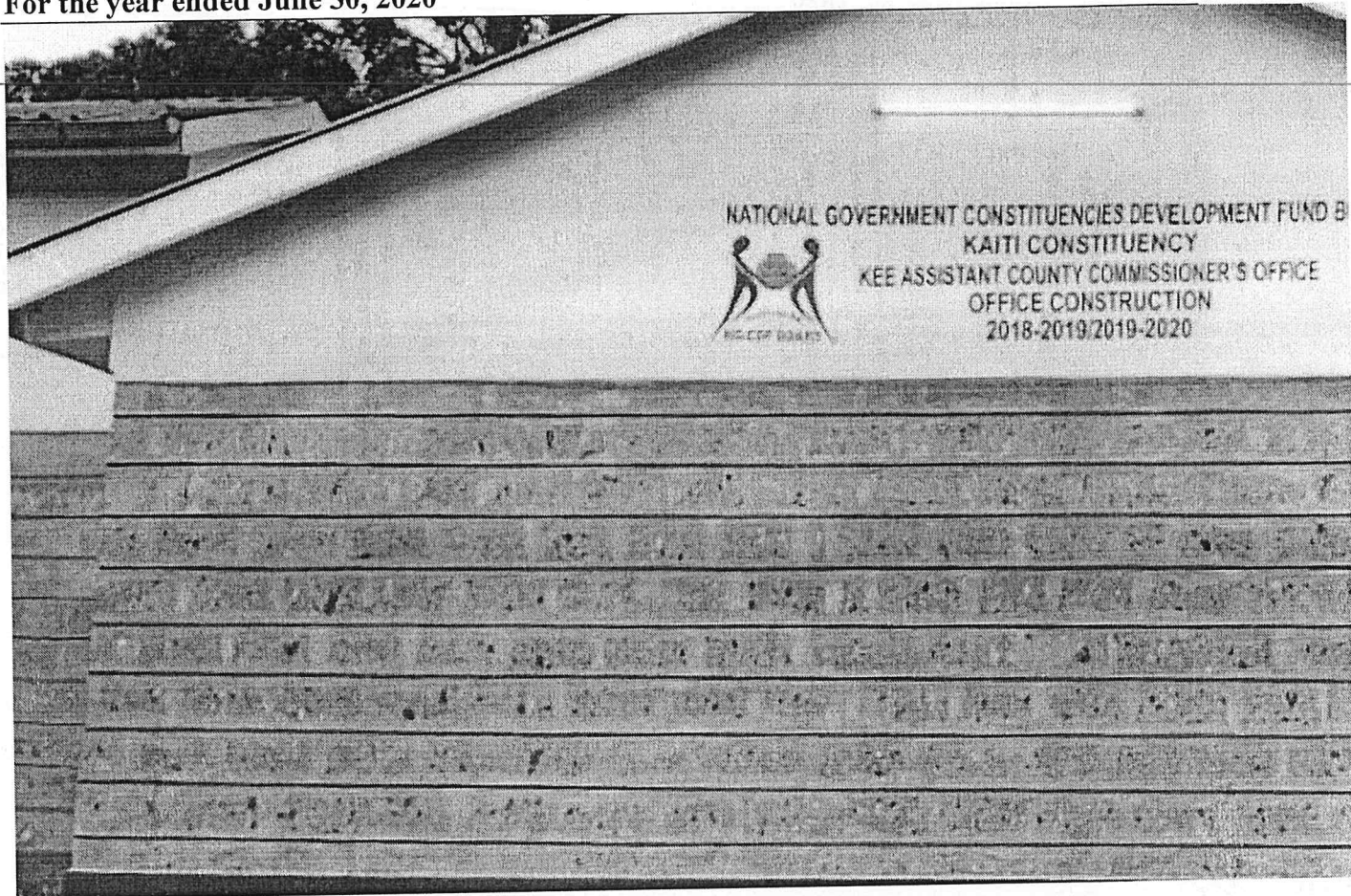


Figure 1 CONSTRUCTION OF ASSISTANT COUNTY COMMISSIONER'S OFFICE

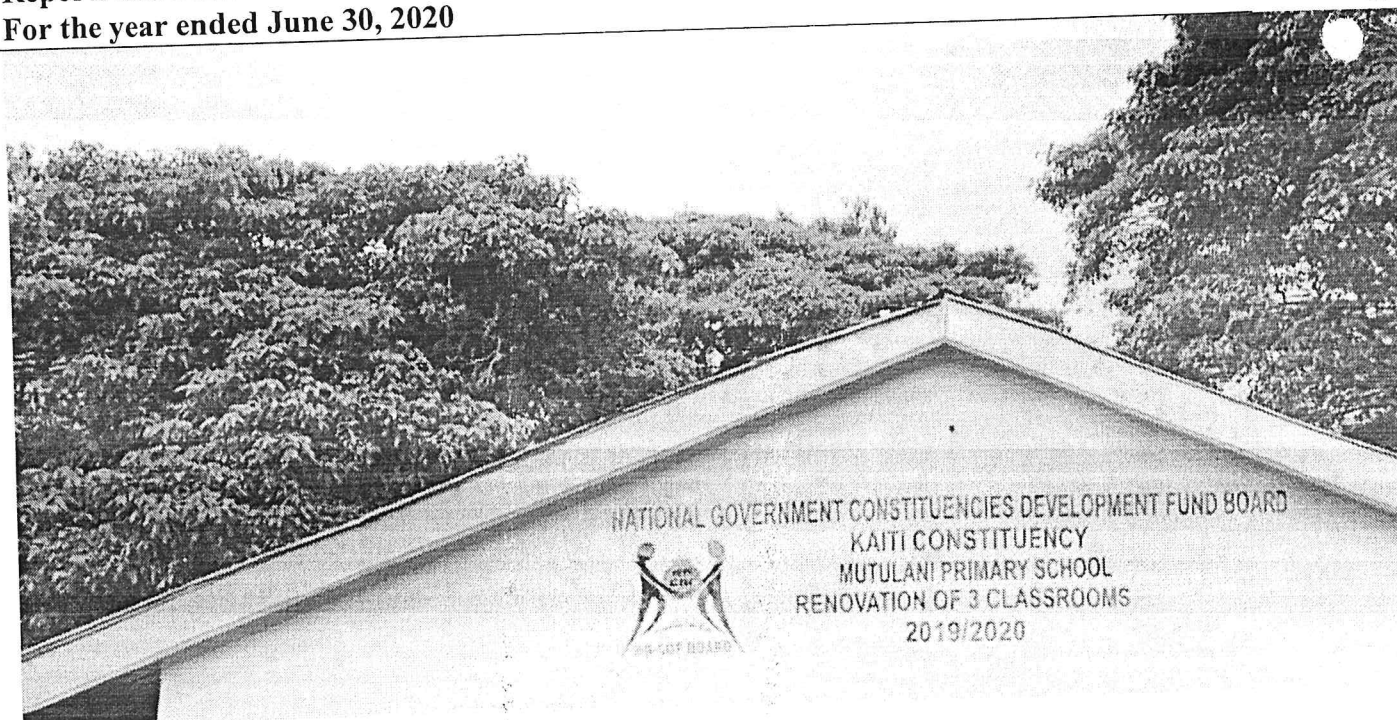


Figure 2 MUTULANI PRIMARY SCHOOL- RENOVATION OF 3 CLASSROOMS

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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EMERGING ISSUES RELATED TO KAITI NG-CDF

- i. The budget performance against the actual amounts corresponded quite well. The variances are very negligible and have been caused by the current economic inflation rate.
- ii. The frequent change of the cost of the materials given during the budgeting period and funding time bring the shortfalls. The shortfalls are occasioned by failure to implement some projects by the project management committee (PMC'S).
- iii. There has been little savings which arise from some projects being awarded below the budgeted figure during the procurement process by the PMC's
- iv. There have been some variances with the actuals due to the strict commitment to the budgeted figure by the NG---CDFC.
- v. Kaiti NG-CDFC has been able to train the project management committees (the PMC's) widely on procurement procedures which has enabled us to perform quite well. Efforts have been put in massive monitoring and evaluation exercise which has shown clear transparency and accounting in the implementation process to the side of project management committee (PMC's). Capacity building to the NG-CDF board members has significantly contributed a big deal in our achievements.
- vi. Corona pandemic has emerged as an issue which has seriously struck the activities of NG-CDF.

IMPLEMENTATION CHALLENGES

1. Failure of PMC to adhere to the procurement procedures with preference to engaging local fundi's. This has been addressed through continuous training and also making sure that payments are authorized by FAM.
2. Delay of funds from treasury. This can be looked upon by ensuring that fund are released in time to avoid backlog of the projects.

Sign



Samuel M. Mulwa
CHAIRMAN NG-CDF COMMITTEE

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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED 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.

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

In underscoring the planning of the constituency, the National Government Constituency Development Fund Committee (NG-CDFC) in its strategic plan (2018-2022) outlined key strategic objectives that were to be used to spur development in the constituency. The plan sought to contribute towards the identification of how and where development programmes identified will be implemented especially in the economic activities with special focus on marketing and value addition, improved social infrastructure on road development and improved governance. It was anticipated that this will help in achieving food security, improved quality of education, health care for all, expanded access to ICT and environmental conservation among others.

The key development objectives of NG-CDFC KAITI Constituency's 2018-2022 plans are to:
In underscoring the above, the key development objectives of NGCDFC-KAITI Constituency's 2018-2022 plan included but not limited to;

Strategic Area One: Education

- Objective: Become a national model for education by improving schools' infrastructure, improving performance, reducing dropout rates and increasing primary, secondary and higher education transition rates.
- Initiative: Develop and enhance schools' infrastructure to enhance facilities and provide conducive learning environment for children.
- Initiative: Enhance and develop social programmes that support education within the constituency.

Strategic Area Two: Environment

- Objective: Improve access to clean water and a more sustainable and conserved environment in Kaiti through natural resources conservation initiatives
- Initiative: Initiate and enhance conservation programs within the constituency
- Initiative: Water and Sanitation: To ensure water sustainability in the Constituency

Strategic Area Three: Security

- Objective: Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery and make the constituency secure
- Initiative: Improving infrastructure and service delivery

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Strategic Area Four: Sports

Objective: Empower and develop youth and special groups to reduce dependence and spur economic growth through sports

Initiative: Develop and empower youth and special groups through sports.

Strategic Area Five: Information Communication and Technology (ICT)

Objective: Enhance access to information and technology by Kaiti residents and use ICT to enhance service delivery and spurring development.

Initiative: Enhancement of infrastructure and accessibility of ICT resources in the constituency.

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:

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Constituency Program	Objective	Outcome	Indicator	Performance
Education	Improve performance, reduce dropout rates and increase primary, secondary and higher education transition rates	Develop and enhance schools infrastructure to enhance facilities and provide conducive learning environment for children	Number of usable physical infrastructure built in primary, secondary, and tertiary institutions Number of bursary beneficiaries at all levels	Number of classrooms increased Number of laboratories increased Number of dormitories increased Number of administration blocks increased
Environment	Conserved environment through natural resources conservation initiatives	Environment conservation Equip schools and public facilities with sanitation	Number of drifts Number of sanitation facilities built in primary and secondary Number of trees	Number increased Number of sanitation facilities increased
Constituency Program	Objective	Outcome	Indicator	Performance
Security	Equip, facilitate and enhance capacity of provincial administration and other security organs in order to improve service delivery	Develop and enhance provincial administration and other security organs infrastructure to enhance service delivery	Number of usable physical infrastructure built in locations, sub locations and police stations	Number of renovated chiefs' offices increased Number of assistant chiefs' offices increased Number of police lines increased
Sports	Empower and develop youth and special groups to	Reduced dependence and spur economic growth through sports	Number of youth groups benefitting from the sports programme	Number of youth groups benefitting from the sports programme increased

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF –Kaiti Constituency just like any Government entity has the responsibility of ensuring public involvement in project identification, prioritization of projects and adequate allocation of funds to the projects. In undertaking the aforementioned, the Kaiti NG-CDF Committee always highlights Corporate Responsibility as a tool with relevance for public policy actualization with the aim of enhancing sustainable and inclusive development programmes in the constituency. The financial prudence has a lot of weight in development agenda which drives on a delicate thread of enormous community expectations. In enhancing the financial trust in various sectors, we assessed the risks factors, long term and short term performance. We further looked at performance on responsible leadership with clear undertone on the interest of the constituents and stakeholders and sufficient respect for environmental, social and governance issues.

This is aimed at ensuring efficient and effective management of public resources at the grassroots level thus transformation of livelihoods. It remains our purpose and the driving force behind everything we do. It's what guides us to deliver our strategies, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. SUSTAINABILITY STRATEGY AND PROFILE

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

Model	Definition	Relevance to sustainable strategy
Vision	To be renowned Constituency in advocating for all round socio-economic Development and sustainability.	What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place
Mission	To involve all the stakeholders in the development process of the Constituency in order to achieve desires development goals.	This communicates what the office does to attain sustainable developments
Core Values	Accountability, Transparency, Integrity, Honesty, Equality, Equity	These are the norms, principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives

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To realize effective suitability, the constituency relied on the set targets as a sign of performance ambition. The Goals as provided in our strategic plan remained the focal point for inside and outside Stakeholders with a clear set of objectives for management, and a yardstick by which external audiences can judge our progress and achievements against their expectations. The frameworks under which we operated included projects identification, allocation of funds, approval, implementation and monitoring

**2. ENVIRONMENTAL
PERFORMANCE**

**Environment Policy and
Action Plan**

Protection of the environment in which we live and operate is part of Kaiti NG-CDF initiatives.

Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations.

Our Environmental Policy

In this policy statement Kaiti NG-CDF commits to:

- Comply with all relevant environmental legislation, regulations and approved codes of practice
- Protecting the environment by striving to prevent and minimize our contribution to pollution of land, air, and water
- Seeking to keep wastage to a minimum and maximize the efficient use of materials and resources
- Managing and disposing of all wastage in a responsible manner;
- Providing training for our NG-CDFC and staff so that we all work in accordance with this and within an environmentally aware culture
- Regularly communicating our environmental performance to our employees and other significant stakeholders
- Developing our management processes to ensure that environmental factors are considered during planning and implementation
- Monitoring and continuously improving our environmental performance.
- Seeking to leverage our environmental impact by encouraging stakeholders to improve their environmental performance

Our Environmental Action Plan

Kaiti NG-CDF has identified four areas in which we as an office have direct or indirect environmental impact, and where we can implement initiatives to manage and reduce these impacts.

These four areas together with our approach and targets for each are shown below:

Impact Area	Approach
Capacity Building	<ul style="list-style-type: none">• Promote environmental awareness by sensitizing the Kaiti NG-CDFC, NG- CDFC staff and PMCs on good conservation practices• To encourage, through regular communication to Kaiti NG-CDFC, staff, and other stakeholders changes in individual behavior to reduce usage

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Conservation of Energy and Resources	<ul style="list-style-type: none"> • To maximize use of available technologies to remove the need to use paper • To encourage our clients to engage with us using electronic means where possible • To maximize on rain water harvesting • To make energy efficiency a key factor in the selection of any new energy device being purchased • To invest in available energy saving technologies and devices within our existing premises
Environmental Protection and Conservation	<ul style="list-style-type: none"> • To promote use of volt guards to control power surges • We have constructed culverts and gabions to prevent soil erosion • To encourage tree planting in the constituency to improve the forest cover. • To promote purchase and installation of fire extinguishers to aid in extinguishing and controlling fires
Pollution Control and Waste Management	<ul style="list-style-type: none"> • To ensure that all paper waste is recycled • To ensure segregation of waste • To ensure proper human waste disposal through construction of pit latrines, septic and soak pit tanks

3. EMPLOYEES WELFARE

TERMS AND CONDITIONS OF SERVICE

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

Categories of Employment

Kaiti NG-CDFC offers only two categories of employment, which are contract employees, who are employed for 3 years on renewable contracts. Such employees are eligible for employee benefits in line with the statutory requirements.

Casual employees are hired to perform specific duties on a daily or weekly basis on a piece rate payment system. Casuals are not allowed to work continuously for more than three (3) months and are not eligible for any employee benefits in line with statutory requirements.

Recruitment Procedure

The Fund Account Manager declares vacancies in the office through the NG-CDFC; an approval is then sought for advertisement within the constituency to be done

The Advertisement contains the following:

- Job title
- Main purpose of the job
- A brief description of the key responsibilities of the job
- Education, experience, skills and competencies required for the job
- Location of the job
- Clear instructions on how to apply and information to be submitted in the application
- Closing date for receipt of applications

Appointment of a selection and Interview subcommittee

A selection and interview subcommittee is appointed to oversee the selection strategy for application review, determination of testing methodology, administration of tests and scoring, and reference check criteria.

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Interviews

Interviews for staff employment are conducted in a manner that complies with the office's commitment to equal employment opportunity, to ensure that qualified candidates are not discriminated based on ethnicity, religion, gender, age, disability, status etc.

Offer of Appointment

A person appointed to the office will be given the appropriate letter of offer of appointment, as the case may be, which may be accepted or rejected by the candidate within the stipulated time.

Letters of Appointment

A written contract of service that is signed by the Fund Account Manager and the NG-CDFC Chairman is then issued, which states particulars of employment which include, the name and address of the employee, job description, date of commencement of the job, form and duration of the contract, place of work, hours of work, remuneration, termination, terms and conditions of employment which the employee is entitled to.

Orientation and Induction of employees

The NG-CDFC ensures orientation and induction of new employees. This is carried out in order to familiarize the employees with the mandate, vision, mission and operations of the office and how their jobs contribute to this.

Induction and orientation is done within the first three months of employment.

Promotions

In selecting candidates for promotion, regard is given to merit and extra ordinary ability as reflected in work performance and results after the annual performance appraisal. Recommendations for promotion is only made by the NG-CDFC resolution.

HEALTH, SAFETY AND WELL BEING

This provides guidelines on the health, safety and well-being of the office staff.

Guidelines to General Safety

The office has maintained healthy and safe working conditions for its employees to ensure there is no personal injury caused by accidents.

All the staff must always consider safety to themselves and others when performing their duties. They should not compromise on quality, cause injury, ill health, loss or environmental damage.

Emergency Preparedness

Every Department depending on the nature of work and services shall plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed in such events.

Fire precautions

The fire protection facilities have been provided both inside and outside the building and they are adequate and maintained annually.

General information on fire precautions and fire equipment is contained in stickers on the wall next to the fire extinguishers.

Provision of protective equipment and clothing.

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The Fund Account Manager ensures that officers who are employed in any process involving exposure to wet or to any injurious or offensive substances are provided with adequate, effective and suitable protective clothing and appliances.

Reporting of an Accident

Immediately an accident or development of an occupational disease resulting in death or injury to an officer comes to the notice of the officer under whom he/she is directly employed, the supervisor should make a claim for compensation in accordance with the procedure set out in the Occupational Safety and Health Act 2007 and Work Injury Benefits act 2007.

Guidance and Counselling

The current challenges in the workplace and family environment affects the performance and wellbeing of an officer. To address these challenges, the office undertakes guidance and counselling of the affected staff however, consultation with family members or support system may be sought when deemed necessary.

Health Care Services

Staff, their spouses and children are eligible to affordable health care services and to benefit from the NHIF medical scheme as statutory deductions are done and remitted on a monthly basis

HIV/AIDS

HIV and AIDS is a major challenge facing officers in and out of the Institute. It poses a big threat to the individual, the family and the public Service. It is in cognizance of this that the Institute has put in place care and support programs for the infected and affected officers to enable them remain productive.

HIV/AIDS shall be treated like any other challenging issue at the workplace. All officers of the Institute shall have a role to play in the wider struggle to mitigate the effects of the pandemic. An officer shall not be discriminated or stigmatized on the basis of HIV status. It is an offence for any person to discriminate another on the ground of actual, perceived or suspected HIV status.

It is the responsibility of the Fund Account Manager in liaison with NG-CDFC to minimize the risk of HIV/AIDS transmission by adopting first aid/universal infection control precautions at the workplace.

HIV/AIDS screening shall not be a requirement for job seekers, recruitment or for persons in employment. Screening shall be confidential, voluntary and shall be after counselling. There

Shall be no disclosure of HIV/AIDS test results of any related assessment results to any person without the written consent of the officers.

Drug and Substance Abuse

Addiction to drugs or substance will be treated like any other disease. An officer who is determined to deal with drug and substance abuse problem by engaging in rehabilitation services will be referred by the office by a Government doctor for evaluation, within the limits and budgets endorsed by the NG-CDFC.

Persons Living with Disability

An employee with impairment in his/her body will be expected to confirm their disability status with a doctor after medical examination. Once it is confirmed that he/she is disabled, the employee will register with the National Council for Person with Disabilities. The employee will then present the registration certificate from the National Council for Persons with Disabilities to the Institute which will then recognize them as employees living with disabilities

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The office shall provide facilities and effect such modification, whether physical, administrative or otherwise, in the workplace as may be reasonably required to accommodate persons with disabilities

Sexual harassment and other Forms of Harassment

Any staff of the office should not harass another officer sexually through, direct or indirect request for favours, use of language whether written or spoken of a sexual nature, use visual material of a sexual nature and show physical behaviour of a sexual nature which directly or indirectly subjects the person to behaviour that is unwelcome or offensive.

Disciplinary action will be taken against an officer of the Institute for harassing another person.

Harassment may be based on racial, tribal, gender, marital status, religious or ethical belief, disability, age, political opinion, employment status, family status, sexual orientation, or involvement in the activities of an employee's organization.

The improper use of power based on administrative or Managerial status (i.e. the use of a position to insult, bully, dominate, manipulate, disadvantage or discriminate) may also constitute harassment.

Bullying – which means repeated, deliberate and targeted conduct by a person towards a staff member which is offensive, intimidating or humiliating and which detrimentally affects that member's well-being.

Reporting Harassment Cases

Any staff who believes that they have experienced some form of harassment should report harassment cases as outlined in the office complaints procedures manual

4. MARKET PLACE PRACTICES

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

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

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

a) Responsible competition practice

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

How the organisation ensures responsible competition practices with issues like anti-corruption, responsible political involvement, fair competition and respect for competitors

b) Responsible Supply chain and supplier relations

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

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

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

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d) Product stewardship

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

5. COMMUNITY ENGAGEMENTS

Public Participation in Project Identification and Implementation and Monitoring

The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

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

Public's engagement is a vital part of many projects and the benefits of it are well documented, such as better outcomes for all stakeholders, community ownership and lower project costs.

When the public is involved in a project, they feel motivated to work together, recognize the benefits of their involvement and have ownership of the projects and the decision making process, which is key to a successful project outcome and their sustainability.

Effective public engagement is about recognising that involving the public in a project is no longer about information dissemination and telling the people what is being done, but is a two- way information sharing tool. The more views gathered in the process of making a decision, the more likely the final product will meet the most needs and address the most concerns possible.

In summary stakeholders' participation is important since:

- Providing information helps them understand the issues, options, and solutions available for the projects
- Consulting with the public aids in obtaining their feedback on alternatives or decisions
- Involving the public to ensures their concerns are considered throughout the decision process, particularly in the development of decision criteria, options and preferred solutions that are workable, efficient and sustainable.

Public Awareness

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings

Public Awareness and Sensitisation Exercise Provide

- A menu of options for including individuals and organizational actors in identifying development priorities and selecting NG-CDF projects.
- Ensuring implementation of NG-CDF funded projects are transparent and known to everybody within the community.
- Increase accountability hence ensure local citizens gain skills and confidence to carryout social audits as means to enhanced accountability in management of other devolved funds apart from NG-CDF at constituency and other levels within the constituency.
- Increase public participation at all stages of project cycle funded under NG-CDF
- Identify control and report any irregularities witnessed during NG-CDF project implementation cycle
- Measure the impact of the projects funded by NG-CDF
- Enable people to exercise their rights by instilling democratic culture through enhanced social accountability and transparency among state and non state actors.
- Promote awareness creation on constitution and devolved governance system in Kenya

Covid-19 Mitigation Measures

Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures.

- Distribution of masks, sanitisers and soaps
- Purchase of hand wash pots and basins that were distributed to the Government offices within the constituency
- Printing of brochures disseminating information regarding Corona Virus protection measures

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

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

The Accounting Officer in charge of the NGCDF-KAITI 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-KAITI 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, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-KAITI 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-KAITI 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-KAITI Constituency financial statements were approved and signed by the Accounting Officer on 30/6 2020.



Fund Account Manager
DANIEL M. MALUKI

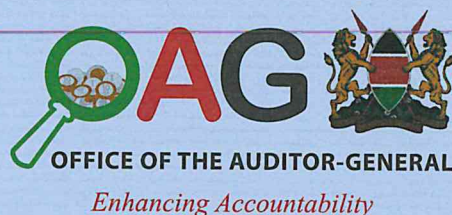


Sub-County Accountant
JULIUS MUCHOHI

ICPAK Member Number: 7897

REPUBLIC OF KENYA

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of the National Government Constituencies Development Fund - Kaiti Constituency set out on pages 23 to , which comprise the statement of assets and liabilities as at 30 June, 2020, 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 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 - Kaiti 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

1.0 Errors in Comparative Figures of the Financial Statements

Review of comparative figures reflected in the financial statements for the year ended 30 June, 2020 against the audited financial statements for 2018/2019 financial year revealed differences which were neither explained nor reconciled as shown in the table below:

Description	Opening Balances for (2019/2020) Financial Statements (Kshs)	Financial Statements (2018/2019) (Kshs)	Variance (Kshs)
Use of goods and services	10,845,383	13,316,383	2,471,000
Other grants and transfers	89,333,982	86,862,982	2,471,000

Report of the Auditor-General on National Government Constituencies Development Fund - Kaiti Constituency for the year ended 30 June, 2020

In the circumstances, it has not been possible to confirm the accuracy of the 2018/19 comparatives figures as presented in the financial statements.

2.0 Errors in the Statement of Cash Flows

The statement of cash flows reflects Kshs.5,289,946 in respect to compensation of employees which differs with the Kshs.5,259,167 reflected under the disclosure Note 4 to the financial statements and in the statement of receipts and payments resulting in unexplained variance of Kshs.30,779. Further, the statement of cash flows indicates total payments for operating expenses as Kshs.104,948,726 instead of Kshs.104,979,505 confirmed on re-computation resulting in a variance of Kshs.30,779.

Consequently, the accuracy of the statement of cash flows as at 30 June, 2020 could not be confirmed.

3.0 Errors in the Forward by the Chairman of NGCDF Committee

Review of the NG-CDF Committee Chairman's forward on page 5 of the financial statements showed errors in expenses amounts as follows:

Item	Statement of Receipts and Payments (Kshs)	Forward by NGCDF Chairman (Kshs)	Variance (Kshs)
Compensation of employees	5,259,167	5,289,946	(30,779)
Other grants and transfers	53,722,466	43,895,701	9,826,765

Consequently, the expenses information included in the forward by the Chairman of NG-CDF Committee is in contradiction with figures indicated in the financial statements.

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

The summary statement of appropriation: recurrent and development combined reflects receipts budget and actual amount on comparable basis of Kshs.178,825,175 and

Kshs.109,457,451 respectively, resulting to an underfunding of Kshs.69,367,724 or 39% of the approved budget.

The underfunding affected negatively the planned activities and projects of the Fund for the year and denied effective services to the residents of Kaiti 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

1.0 Delayed Project Implementation

A review of the projects implementation status for the year under audit revealed that, a total of Kshs.82,117,102 had been allocated for implementation of seventy-four (74) projects. However, only thirteen (13) projects with a total cost of Kshs.11,400,000 were completed during the year while eleven (11) projects with a total allocation of Kshs.9,100,000 were on-going. The remaining fifty (50) projects with total estimated cost of Kshs.61,617,102 had not commenced. No satisfactory explanation was rendered for the delay in project implementation or measures which are in place to remedy the situation.

Consequently, it has not been possible to confirm if and when value for money will be realized from the fifty projects to which Kshs.61,617,102 was allocated but had not been started.

2.0 Unapproved Expenditure on Emergency Projects

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects payments totaling Kshs.53,722,466 relating to other grants and transfers out of which Kshs.13,346,250 was incurred on emergency projects. However, this amount exceeded the approved budget on emergency projects for the year of Kshs.7,197,241 resulting to un-approved expenditure of Kshs.6,149,009.

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

3.0 Irregularities in Procurement of Primary School Projects

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects transfers to other government entities amounting to Kshs.21,400,000 which includes Kshs.18,400,000 relating to transfers to primary schools. However, a review of procurement documents revealed that Kshs.2,399,000 was incurred in respect

of five (5) primary school projects. The projects paid were paid for using cash while no competitive procurement process was undertaken despite amounts involved being above the thresholds for low value procurement method as detailed below:

No.	Project	Description	Amount (Kshs.)
1	Kikongeni Primary School	Renovation of 4 classrooms	499,000
2	Thomas Primary School	Construction 1 classroom	500,000
3	Nyaani Primary School	Renovation 2 classrooms	500,000
4	Kyambai Primary School	Renovation 2 classrooms	500,000
5	Luni Primary School	Renovation 2 classrooms	400,000
Total			2,399,000

This was in contravention of Section 45(3)(b) of the Public Procurement and Assets Disposal Act, 2015 which stipulates that all procurement should be done in accordance with threshold matrix.

Consequently, the Management was in breach of the law.

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 OVERALL GOVERNANCE

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

Basis for Conclusion

Lack of a Risk Management Policy and Business Continuity Plan

Audit revealed that the Fund did not have in place an Approved Risk Management Policy and a Disaster Recovery and Business Continuity Plan and thus lacks a blue print for identifying, preventing and mitigating against fraud and operational risks to ensure uninterrupted operations in case of a disaster.

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

Responsibilities of Management and those Charged with Governance

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

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of intention to either dissolve 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 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My

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

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

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

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

11 February, 2022

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KAITI CONSTITUENCY**

Reports and Financial Statements

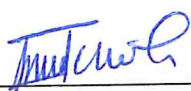
For the year ended June 30, 2020

VI. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
			Kshs
RECEIPTS			
Transfers from CDF board-AIEs' Received	1	86,291,778	102,128,408
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		86,291,778	102,128,408
PAYMENTS			
Compensation of employees	4	5,259,167	7,475,252
Use of goods and services	5	24,567,093	13,316,383
Transfers to Other Government Units	6	21,400,000	9,000,000
Other grants and transfers	7	53,722,466	86,862,982
Acquisition of Assets	8	-	-
Other Payments	9	-	-
TOTAL PAYMENTS		104,948,726	116,654,617
SURPLUS/DEFICIT		(18,656,948)	(14,526,209)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KAITI Constituency financial statements were approved on 30/6 2020 and signed by:


Fund Account Manager
DANIEL M. MALUKI


National Sub-County Accountant
JULIUS MUCHOHI
ICPAK Member Number: 7897

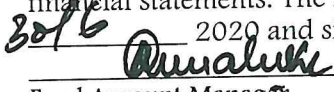
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KAITI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

VII. 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	4,508,725	23,165,674
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		4,508,725	23,165,674
Current Receivables-Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		4,508,725	23,165,674
FINANCIAL LIABILITIES			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
		4,508,725	23,165,674
NET FINANCIAL ASSETS			
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	23,165,674	27,762,617
Surplus/Deficit for the year		(18,656,948)	(14,526,209)
Prior year adjustments	14		9,929,265
NET FINANCIAL POSITION		4,508,725	23,165,674

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KAITI Constituency financial statements were approved on

30/6/2020 and signed by:


Fund Account Manager
DANIEL M. MALUKI


National Sub-County Accountant

JULIUS MUCHOHI

ICPAK Member Number: 7897

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
KAITI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

VIII. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	86,291,778	102,128,408
Other Receipts	3	-	-
		86,291,778	102,128,408
Payments for operating expenses			
Compensation of Employees	4	5,289,946	7,475,252
Use of goods and services	5	24,567,093	13,316,383
Transfers to Other Government Units	6	21,400,000	9,000,000
Other grants and transfers	7	53,722,466	86,862,982
Other Payments	9	-	-
		104,948,726	116,654,617
Total receipts less payments		(18,656,948)	(14,526,209)
Adjusted for:			
Decrease/(Increase) in Accounts receivable	15		
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	9,929,265
Net Adjustments		-	-
Net cash flow from operating activities		(18,656,948)	(4,596,944)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		-
Acquisition of Assets	8		-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(18,656,948)	(4,596,944)
Cash and cash equivalent at BEGINNING of the year	13	23,165,673	27,762,718
Cash and cash equivalent at END of the year		4,508,725	23,165,673

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

KAITI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

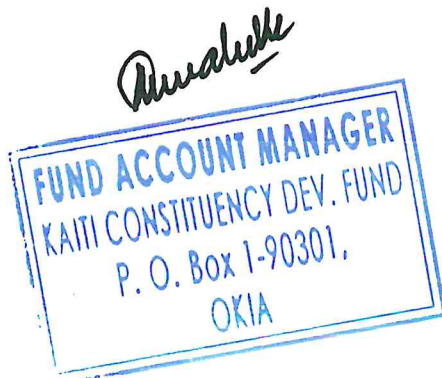
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KAITI Constituency financial statements were approved on

2016 2020 and signed by:

Daniel M. Maluki
Fund Account Manager
DANIEL M. MALUKI

Julius Muchohi
National Sub-County Accountant
JULIUS MUCHOHI

ICPAK Member Number: 7897



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAITI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020


IX. N.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 NG-CDF Board	137,367,724	41,457,451	178,825,175	109,457,451	69,367,724	61.2%
Proceeds from Sale of Assets				-	-	0.0%
Other Receipts					-	0.0%
TOTAL RECEIPTS	137,367,724	41,457,451	178,825,175	109,457,451	69,367,724	61.2%
PAYMENTS						
Compensation of Employees	2,994,922	2,300,024	5,294,946	5,259,167	35,779	99.9%
Use of goods and services	9,368,173	15,198,920	24,567,093	24,567,093	-	100.0%
Transfers to Other Government Units	69,619,748	23,958,507	93,578,255	21,400,000	72,178,255	22.9%
Other grants and transfers	55,384,881	-	55,384,881	53,722,466	1,662,415	97%
Acquisition of Assets		-	0	-	-	0.0%
Other Payments	0	-	0	-	-	
TOTAL	137,367,724	41,457,451	178,825,175	104,948,726	73,876,449	53.2%

(a) Commentary on underutilization

- i. Transfer to other government units: Due to piece meal disbursement of funds from the board
 - ii. Other grants and transfers: Due to piece meal disbursement of funds from the board
- (Changes between the original and final budget are as a result of reallocations within the budget)

The NGCDF-KAITI Constituency financial statements were approved on 29/6 2020 and signed by:


Fund Account Manager
DANIEL M. MALUKI


Sub-County Accountant
JULIUS MUCHOHI
ICPAK Member Number: 7897

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAITI CONSTITUENCY
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X.

BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020		2019/2020	30/06/2020	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,994,922	2,300,024	5,294,946	5,259,167	35,779
1.3 Use of goods and services	9,368,173	15,198,920	24,567,093	24,567,093	0
Sub total	12,363,095	17,498,944	29,862,039	29,826,260	35,779
3.0 Emergency			0		0
Distribution of sanitisers	750,000		750,000	750,000	0
Distribution of sanitisers	750,000		750,000	750,000	0
creating Awearnes of covid 19	880,000		880,000	880,000	0
Distribution of Masks	976,000		976,000	976,000	0
Repair of roads,gullies	918,750		918,750	918,750	0

NATIONAL GOVERNMENT CONSULTANCIES DEPARTMENT
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Repair of roads,gullies	955,500		955,500	955,500	0
Distribution of sanitisers	848,000		848,000	843,000	0
Repair of roads,gullies	880,000		880,000	880,000	0
Repair of roads,gullies	840,000		840,000	840,000	0
Repair of roads,gullies	848,000		848,000	848,000	0
Repair of roads,gullies	960,000		960,000	960,000	0
Repair of roads,gullies	992,000		992,000	992,000	0
Repair of roads,gullies	992,000		992,000	992,000	0
Repair of roads,gullies	780,000		780,000	780,000	0
Repair of roads,gullies	976,000		976,000	976,000	0
Sub total	7,197,241	-	7,197,241	13,346,250	0
4.0 Bursary and Social Security			0		0
4.1 Primary Schools			0		0
4.2 Secondary Schools	20,342,931		20,342,931	11,378,455	8,964,476

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAITI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

4.3 Tertiary Institutions/Universities	14,000,000		14,000,000	19,810,761	
4.4 Special schools			0	55,000	
4.5 Social Security			0		0
Sub total	34,342,931.03	0.00	34,342,931	21,417,451.00	12,925,480
5.0 Sports	2,747,354		2,747,354	4,332,000	
Sub total	2,747,354	0	2,747,354	4,332,000	
6.0 Environment	2,747,354		2,747,354		2,747,354
Sub total	2,747,354	0	2,747,354	0	2,747,354
7.0 Primary school projects			0		0
			600,000	700000.00	
Makui Primary School	600,000				
			600,000	400,000	200,000
Iuni Primary School	600,000				
			500,000		500,000
Nthukula ABC Primary School	500,000				
			500,000	500000	0
Ithini Primary School	500,000				

0

Ports and Financial Statements
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Miting'ani Primary School	900,000		900,000	500,000	400,000
Mutula Primary School	800,000		800,000		800,000
Kyamutimba Primary School	600,000		600,000	600000	0
Kikongooni Primary School	800,000		800,000		800,000
Makongo Primary School	800,000		800,000		800,000
Mumbuni Primary School	1,000,000		1,000,000	1000000	0
Kilolo Primary School	800,000		800,000	500000	300,000
Kasunguni Primary School	600,000		600,000	600000	0
Kitandi Primary School	600,000		600,000		600,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAITI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

Kyamwalye Primary School	600,000		600,000	1,100,000	
Thoma Primary School	1,000,000		1,000,000	500000	500,000
Mutulani Primary School	1,000,000		1,000,000	600000	400,000
Kyambei Primary School	1,000,000		1,000,000	500000	500,000
Mavia Meu Primary School	500,000		500,000		500,000
Kyandumbi Primary School	500,000		500,000	500000	0
mun'g'eli Primary School		865,000	865,000	600,000	265,000
Ikalyoni Primary School		1,188,680	1,188,680		1,188,680
Nzouni Primary School		502,560	502,560		502,560

Results and Financial Statements
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Nthonzweni Primary School		711,990.50	711,991		711,991
Masaani Primary School		1,010,520	1,010,520		1,010,520
Mukuyuni Primary School		2,256,806	2,256,806		2,256,806
Mukuli Primary School		2,992,400	2,992,400	1,000,000	1,992,400
Ukia Primary School		2,228,072	2,228,072		2,228,072
Yathonza Primary School		503,040	503,040		503,040
Kiukuuni Primary School		497,650	497,650		497,650
Kaumoni HGM Primary School		658,425	658,425		658,425
Kisilyungii Primary School		500,000	500,000		500,000
Kaumoni DEB Primary School		775,127	775,127		775,127

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAITI CONSTITUENCY
Reports and Financial Statements
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Ithanzeni Primary School		1,028,786	1,028,786		1,028,786
Kinyuani Primary School		649,800	649,800		649,800
Iuani HGM Primary School		972,800	972,800	600,000	372,800
Kambuku Primary School		3,594,200	3,594,200	600,000	2,994,200
kikonggeni Primary School		1,483,290	1,483,290	500,000	983,290
Nthimbani Primary School		923,800	923,800		923,800
kavata nzou primary		615,560	615,560	500,000	115,560
Kee S.A Primary School	2,400,000		2,400,000		2,400,000
Mwea Primary School	3,000,000		3,000,000		3,000,000
Ngiluni Primary School	1,219,748		1,219,748		1,219,748

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY
Reports and Financial Statements
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Kyambeke Primary School	400,000		400,000	400000	0
Kyang'a Primary School	500,000		500,000		500,000
Kyamulinge Primary School	500,000		500,000	1000000	
Mwani Primary School	500,000		500,000	500000	0
Kyangunzu Primary School	600,000		600,000	600000	0
Kyakatoni Primary School	500,000.00		500,000		500,000
Musalala Primary School	1,000,000		1,000,000		1,000,000
Katitu Primary School	500,000		500,000		500,000
Kyannuso Primary School	700,000		700,000	1000000	
Kathuluni Primary School	700,000		700,000		700,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAITI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

Kathangathini Primary School drift	3,500,000		3,500,000		3,500,000
Inyokoni Primary School	2,500,000		2,500,000		2,500,000
Kalongo Primary School	600,000		600,000	600000	0
Kwaluli Primary School	600,000		600,000	400000	200,000
Kyale Primary School	600,000		600,000	600000	0
Nyaani Primary School	500,000		500,000	500000	0
Kyangela Primary School	400,000		400,000	500000	
Nunguni Primary School	2,500,000		2,500,000		2,500,000
Kituiuni Primary School	700,000		700,000	500,000	200,000
Nduu Primary School drift	3,000,000		3,000,000		3,000,000
Sub total	41,119,748	23,958,507	65,078,254	18,400,000	46,678,254

Expenditure and Financial Statements
For the year ended June 30, 2020

8.0 secondary school projects			0		0
Muin Secondary School	500,000		500,000		500,000
Kyvasini Secondary School	2,500,000		2,500,000		2,500,000
Nthukula ABC Secondary School	2,500,000		2,500,000		2,500,000
Mumbuni Secondary School	1,000,000		1,000,000		1,000,000
St. Peters Makongo Secondary School	1,000,000		1,000,000		1,000,000
Kitandi Secondary School	600,000		600,000		600,000
Mwea Secondary School	2,000,000		2,000,000		2,000,000
Kivani Secondary School	1,500,000		1,500,000		1,500,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAITI CONSTITUENCY
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Mutulani Secondary School	800,000		800,000		800,000
Thomeandu Boys Secondary School	1,500,000		1,500,000		1,500,000
Katulye Secondary School	2,500,000		2,500,000		2,500,000
Kilungu Boys Secondary School	2,500,000		2,500,000		2,500,000
St. John's Kisekini Secondary School	600,000.00		600,000		600,000
St Pauls Kyamuthei Sec Sch				1500000	
St. Monica Wautu Secondary School	2,500,000		2,500,000	1500000	1,000,000
Kyang'a Secondary School	2,500,000		2,500,000		2,500,000

Expenditure and Financial Statements
For the year ended June 30, 2020

Engavu Secondary School	500,000		500,000		500,000
Musalala Secondary School	2,500,000		2,500,000		2,500,000
AIC Mwani Ilima Secondary School	1,000,000		1,000,000		1,000,000
Sub total	28,500,000		28,500,000	3,000,000	25,500,000
10.0 Security Projects			0		0
Kilala Chiefs Office	2,000,000		2,000,000		2,000,000
Kyusini Police Post	2,000,000		2,000,000	2000000	0
Kee ACCs Office	800,000		800,000	2,800,000	
Ikalayoni Assistant Chiefs Office	750,000		750,000		750,000
Nunguni Police Station	300,000		300,000		300,000
Kithangathini Ass. Chiefs Office	1,500,000		1,500,000		1,500,000
Musalala Ass. Chiefs Office	500,000		500,000		500,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAITI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

Kyamuoso Chiefs Office	500,000		500,000		500,000
Sub total	8,350,000		8,350,000	4,800,000	3,550,000
11.0 Acquisition of assets			0		0
11.1 Motor Vehicles (including motorbikes)			0		0
11.2 Construction of CDF office			0		0
11.3 Purchase of furniture and equipment			0		0
11.4 Purchase of computers			0		0
11.5 Purchase of land			0		0
Sub total			0		0
12.0 Others			0		0
12.2 strategic plan			0		0
Sub total			0		0
Total	137,367,724	41,457,451	178,825,174	104,948,726	73,876,448

XI. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits 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-KAITI 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 CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAITI CONSTITUENCY
Reports and Financial Statements
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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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAITI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAITI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

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.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAITI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

XII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

AIE NO	2019 - 2020	2018 - 2019
	Kshs	Kshs
B047149	2,213,793	
B047320	3,280,818	
B047434	4,000,000	
B041465	20,000,000	
B041407	12,797,167	
B047903	7,000,000	
B049284	14,000,000	
B104306	23,000,000	
B005037		9,165,517
B030249		10,000,000
A699114		11,000,000
B047548		38,962,891
B042751		13,000,000
B006354		8,000,000
B030412		12,000,000
	86,291,778	102,128,408

2. PROCEEDS FROM SALE OF ASSETS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Receipts from the Sale of Buildings		-
Receipts from the Sale of Vehicles and Transport Equipment		-
Receipts from the Sale Plant Machinery and Equipment		-
Receipts from the Sale of Office and General Equipment		-
TOTAL	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAITI CONSTITUENCY**

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For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Interest Received		-
Rents		-
Sale of Tender Documents	-	-
Other Receipts Not Classified Elsewhere (specify)	-	-
TOTAL	-	-

4. COMPENSATION OF EMPLOYEES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Basic wages of temporary employees	4,134,078	5,502,860
Basic wages of casual labour		
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance		
Other personnel payments		
Employer contribution to NSSF	21,200	24,400
Gratuity-contractual employees	1,103,889	1,947,992
TOTAL	5,259,167	7,475,252

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAITI CONSTITUENCY**
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For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Utilities, supplies and services	-	-
Electricity	-	13,566
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	211,500	28,000
Domestic travel and subsistence	-	-
Printing, advertising and information supplies & services	-	602,600
Rentals of produced assets	-	-
Training expenses	12,176,100	3,510,000
Hospitality supplies and services	-	-
Other committee expenses	-	415,500
Committee allowance	6,642,000	-
Insurance costs	-	-
Specialised materials and services	-	-
Office and general supplies and services	2,924,550	3,398,379
Fuel , oil & lubricants	1,962,943	2,030,700
Other operating expenses	-	-
Bank service commission and charges	-	-
Other Operating Expenses	-	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	650,000	846,638
Routine maintenance- other assets	-	-
Strategic plan	-	2,471,000
TOTAL	24,567,093	13,316,383

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAITI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Transfers to Primary Schools	18,400,000	6,000,000
Transfers to Secondary Schools	3,000,000	3,000,000
Transfers to Tertiary Institutions		
Transfers to Health Institutions		
TOTAL	21,400,000	9,000,000

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2019 - 2020	2018 - 2019
	Kshs	Kshs
Bursary - Secondary	11,378,455	54,346,923
Bursary - Tertiary	19,810,761	21,907,873
Bursary- Special Schools	55,000	334,500
Mocks & CAT	-	-
Water	-	-
Food Security	-	-
Electricity	-	-
Security	4,800,000	904,936
Roads and Bridges	-	-
Sports	4,332,000	2,346,000
Environment	-	-
Cultural Projects	-	-
Agriculture	-	-
Emergency Projects	13,346,250	7,022,750
TOTAL	53,722,466	86,862,982

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAITI CONSTITUENCY**

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For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Non-Financial Assets	2019 - 2020	2018 - 2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	-
Purchase of computers ,printers and other IT equipments	-	-
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
TOTAL	0	-

8. ACQUISITION OF ASSETS

9. OTHER PAYMENTS

Strategic Plan	-	-
ICT Hubs	-	-
	-	-
TOTAL	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAITI CONSTITUENCY**

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For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	Account Number	2019 - 2020	2018 - 2019
		Kshs (30/6/2020)	Kshs (30/6/2019)
<i>Kenya Commercial Bank, Wote Branch. Kaiti NG-CDF</i>	<i>1105347109</i>	4,508,725	23,165,673.80
10B: CASH IN HAND)			
		2019 - 2020	2018 - 2019
		Kshs (30/6/2019)	Kshs (30/6/2018)
Location 1		-	-
Location 2		-	-
Location 3		-	-
Other receipts (specify)		-	-
TOTAL		-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KAITI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

OUTSTANDING IMPRESTS				
Name of Officer		Amount Taken	Amount Surrendered	Balance (30/6/2020)
	Date imprest taken	Kshs	Kshs	Kshs
			-	-
				-
12 A Retention				
Supplier/Contractor	PV No.	2019-2020	2018-2019	
	-	-	-	
TOTAL	-	-	-	

12B. PENDING STAFF PAYABLES

		2019-2020	2018-2019
		Kshs	Kshs
NGCDFC Staff		-	429,058
Others (specify)		-	-
		-	429,058

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

		2019 - 2020	2018 - 2019
		Kshs (1/7/2019)	Kshs (1/7/2018)
Bank accounts		23,165,673.80	27,762,617
Cash in hand		-	-
Imprest		-	-
TOTAL		23,165,673.80	27,762,617

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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	13,236,409	9,929,265	23,165,674
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others (<i>specify</i>)	0	0	0

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0
Net changes in account receivables D= A+B-C	0	0

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	0	0
Deposit and Retentions held during the year (B)	0	0
Deposit and Retentions paid during the Year (C)	0	0
Net changes in account receivables D= A+B-C	0	0

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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 (<i>specify</i>)	-	-
	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	35,779	2,300,024
Use of goods and services	-	15,198,920
Amounts due to other Government entities (see attached list)	72,178,255	23,958,507
Amounts due to other grants and other transfers (see attached list)	8,964,476	-
Acquisition of assets	-	-
Others (<i>specify</i>)	-	-
	81,178,510	41,457,451

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	142236.7	6797
	142236.7	6797

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount a	Date Payable Contracted b	Amount Paid To- Date c	Outstanding Balance 2020 d=a-c	Comments
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						

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KAITI CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees		35,779	2,300,024	
Use of goods & services			15,198,920	
Amounts due to other Government entities		72,178,255	23,958,507	
Sub-Total		72,214,034	41,457,451	
Amounts due to other grants and other transfers		8,964,476		
Sub-Total		81,178,510	41,457,451	
Acquisition of assets				
Others (specify)				
Sub-Total				
Grand Total		81,178,510	41,457,451	

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost Kshs 2018/2019	Additions during the year	Disposals during the year	Historical Cost Kshs 2019/2020
Land	0			0
Buildings and structures	6,100,000			6,100,000
Transport equipment	4,343,000			4,343,000
Office equipment, furniture and fittings	0	-		0
ICT Equipment, Software and Other ICT Assets	267,500			267,500
Other Machinery and Equipment	18,005,520			18,005,520
Heritage and cultural assets	0			0
Intangible assets	0			0
Total	28,716,020	0	0	28,716,020

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
KEE DIV HQTRS	EQUITY	0670264815863	2700	
IUNI PRI SCHOOL	KCB	111112878	1480	
MUNGELI PRI SCHL	EQUITY	0670297029990	1882.50	
KYAMBEKE PRI SCHL	KCB	1227069073	808.50	
KYANDUMBI PRI SCHL	EQUITY	0670297390566	143.35	
KYAMBAI PRI SCHL	KCB	1123057826	995	
KALONGO PRI SCHL	EQUITY	0670162395272	580	
MITINGANI PRI SCHL	KCB	1116382725	915	
MUMBUNI PRI SCHL	KCB	1199685682	769.50	
MUTULANI PRI SCHL	EQUITY	0670299738020	1797.50	
KAMBUKU PRI SCHL	KCB	1134016646	2295	
KASUNGU PRI SCHL	EQUITY	0670194570278	4216.85	
KYALE PRI SCHL	KCB	1113061782	6097.5	
KYAMUTIMBA PRI	KCB	1167489020	990	
KYANGUNZU PRI	KCB	1116340542	353	
MAKULI PRI SCHL	KCB	0299789457	347.5	
KYAMULINGE HGM	KCB	1164840673	1990	
KYAMUOSO PRI	EQUITY	0670296900308	2109	
MUKUYUNI PRI SCHL	EQUITY	0670297062422	79059	
ST MONICAH WAUTU SEC	KCB	1167965329	32707.50	
TOTAL			142236.7	6797

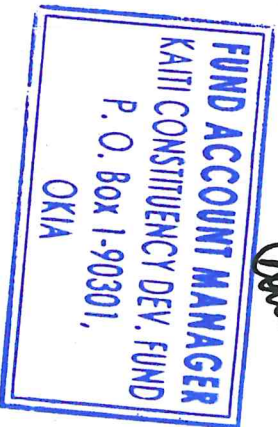
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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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.

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)
1	Unsupported project Expenditures	Project files are now available for verification	Daniel Maluki FAM	Resolved	

Daniel Maluki



[Signature]



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