



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPER LAID

DATE: 23 FEB 2022

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REPORT

BY:

The majority Whip
Hon. E. Wangwe, MP.

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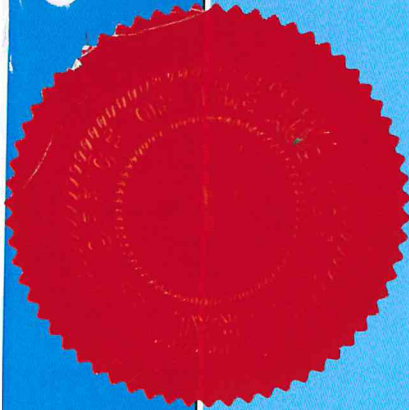
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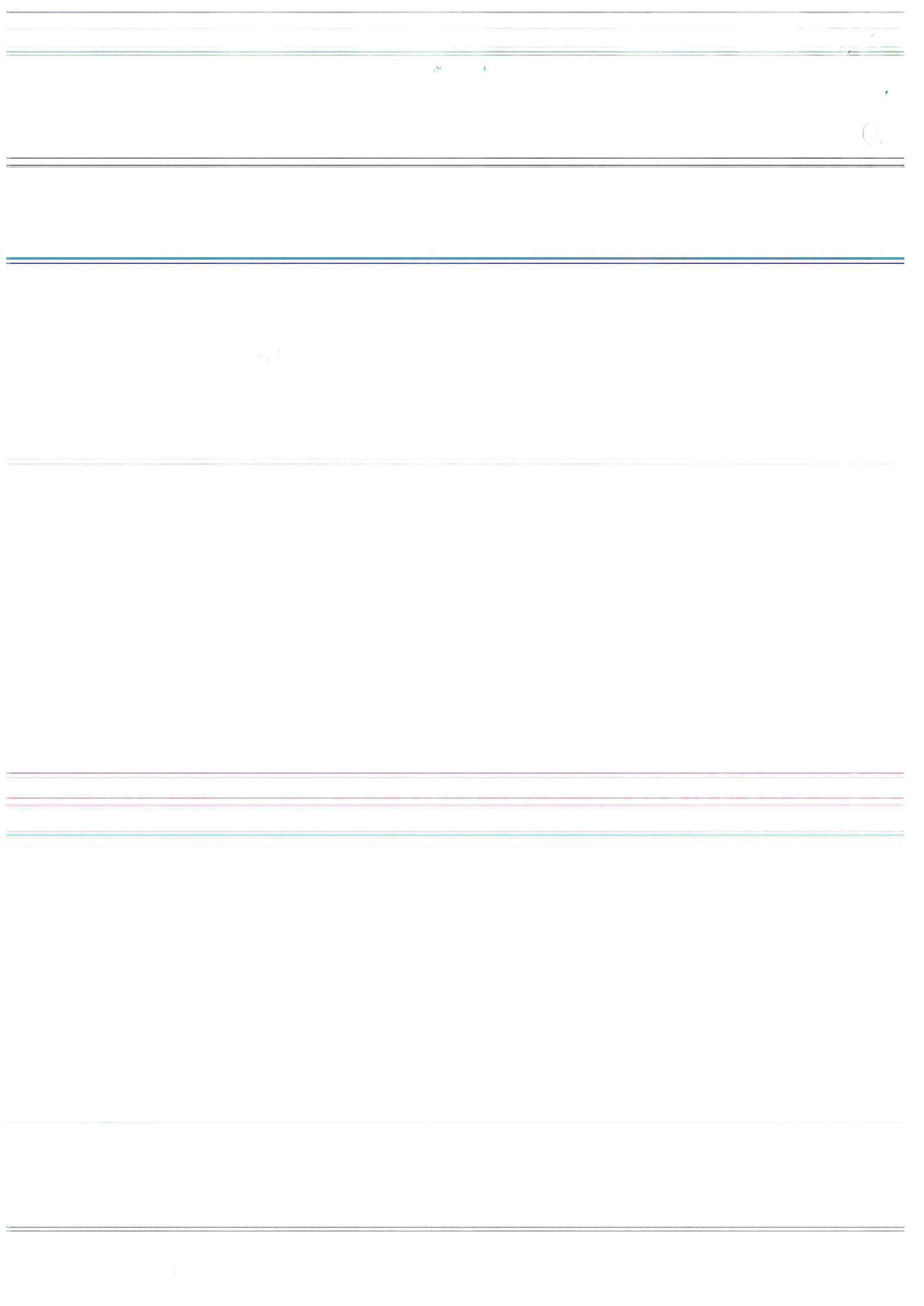
THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2020**





Revised Template 30th June 2020



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

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NORTH IMENTI CONSTITUENCY
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For the year ended June 30, 2020

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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
NORTH IMENTI CONSTITUENCY
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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) NORTH
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Core Values

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

(b) Key Management

The NGCDF NORTH IMENTI 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	Harrison Wachira
2.	Sub-County Accountant	Jane W. Muhari
3.	Chairman NGCDFC	Jacob Kithinji Manyara

(d) Fiduciary Oversight Arrangements

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

P.O. Box 1209
NGCDF Building
Mwendantu
MERU TOWN

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(f) NGCDF NORTH IMENTI Constituency Contacts

Telephone: (254) 723636367
E-mail: northimenti@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF NORTH IMENTI Constituency Bankers

Cooperative Bank
A/C NO 01120075194800
MAKUTANO BRANCH
MERU TOWN

(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

INTRODUCTION

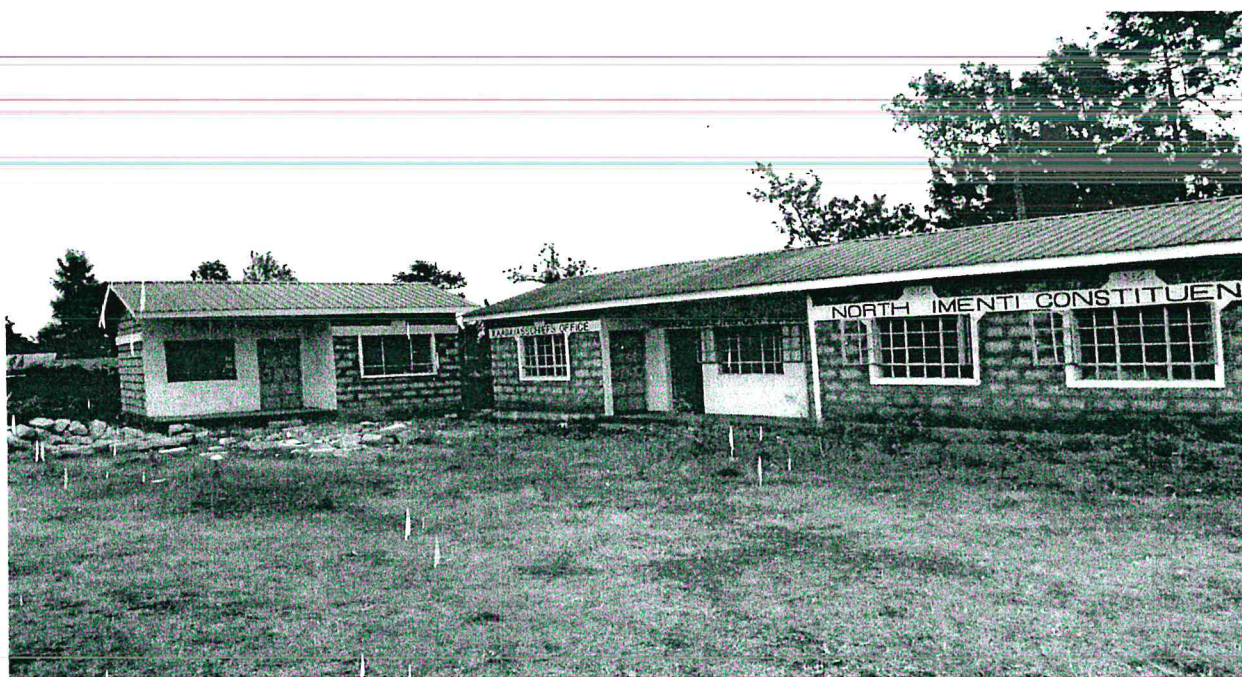
North Constituency is an electoral Constituency in Kenya. It is one of the nine Constituencies of Meru County. It was previously one of the three constituencies in the former Meru Central District, Eastern province. The Constituency was established for the 1988 elections. It has its headquarters in Meru Town. Agriculture is the main economic activities due to the rich volcanic soils in the high attitude areas, coffee, tea, French beans and dairy products as primary products, wholesale and retail trade also play important role in the County economy.

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

During the financial year 2019/20 North Imenti NG-CDF was able to utilise 64% of the allocated resources. At the closure of the financial year the constituency had unutilised funds amounting to Ksh 3,568,946 and a further Ksh 68,947,244 not yet received from the Board out of the total budget allocation, the implementation has been satisfactory despite a few challenges.

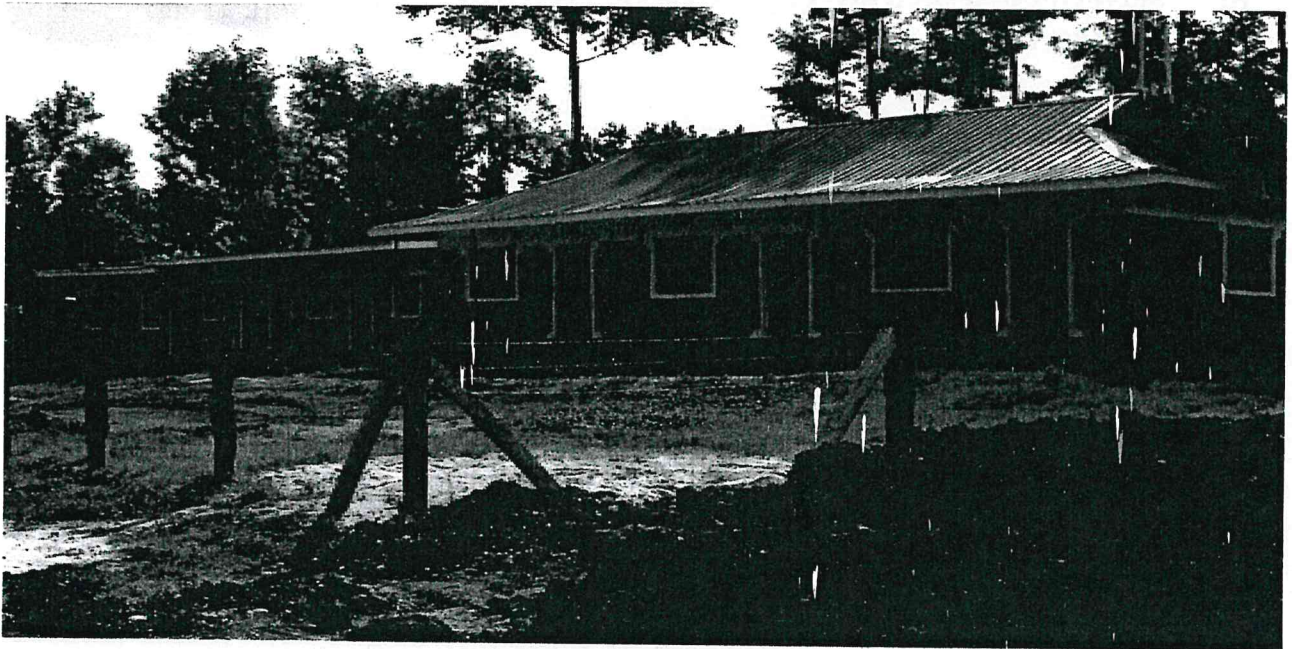
KEY ACHIEVEMENTS

During the Financial year 2019/2020 North Imenti Ng-CDF was able to put new facilities like new classrooms, laboratories, administration blocks in the education sector, we have also renovated a number of classrooms and this has helped to create a conducive environment for students/learners and also the teachers, security has also improved to a great extent by construction of new police post, chiefs offices for the local Administration, students have also benefited a lot through the bursary kit. We have also managed to issue sports equipment to promote sports activities in the Constituency, Enviroment activities have also not been lefts out, schools have benefitted with tanks for water harvesting and also planting of trees to conserve the Enviroment.



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EMERGING ISSUES

Like any other Constituency, North Imenti has also faced some emerging issues, the spread of Corona virus which has almost paralysed the economy worldwide reducing movement of goods and people hence affecting the operations of almost all government departments, increase in bursary uptake which has been attributed to hard economic times, slow release of funds from the National Government which has also impacted negatively on our overall performance, the Board has also introduced performance contracting which will help in improved performance of the NG-CDFC to a great extent.

IMPLEMENTATION CHALLENGES

Political influence from the local leaders to some extent has become a challenge in the allocation of resources within the constituency such influence could affect the fair distribution of resources, Project Management Committees, procurement process still poses a great challenge to the committee. We shall continuously endeavour to train and Build PMC's capacity in order to appreciate the laws and regulations governing management of public funds.

APPRECIATION

Let me recognise the CDF BOARD, Office of the Auditor General, The Area Member of parliament, all district Heads, CDFC Members and all other stake holders who have stood with us all along. Finally, I would like to appreciate the contribution and individual dedication of our members of staff towards our success.

A handwritten signature in blue ink, appearing to read 'Jacob Kithinji Manyara'.

Jacob Kithinji Manyara

CHAIRMAN NGCDF COMMITTEE

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

Introduction

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

The key development objectives of NGCDF-NORTH IMENTI Constituency's 2019-2022 plan are to:

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

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Security	To provide security to all constituents by improving police posts and chiefs camp	Develop the infrastructure in the national security administration to enhance service delivery	Number of usable physical infrastructure built at sub county levels locations , sub locations and police stations	Number of Ass County Commissioners office increased from 3 to 5 Number of Chiefs offices increased from Number of Ass Chiefs offices increased from Number of Police stations renovated
Self Sufficiency and empowerment	To encourage economic activities of residents for self –sufficiency and empowerment	Reduced dependency and spur economic growth through sports and other related activities	Number of youth groups benefiting from the sports activities	Number of youth groups benefiting increased from 30 to 60

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Education	To enhance knowledge in schools through refurbishing schools and conducting motivational talks	Develop and enhance the infrastructure in schools to provide a conducive learning Environment	Number of physical infrastructure built in primary, secondary and tertiary levels institutions Number of bursary beneficiaries at all the the levels	Number of classrooms increased from Number of laboratories increased from Number of dormitories increased from Number of administration block increased from 15 to 24
Capacity Building	To enhance the knowledge of the NG-CDF Staff by trainings and team building	Knowledge transfer	Develop the skills of the staff through trainings and team building exercises	Number of staff trained within the year 5
Information Communication and ICT	Enhance access to information communication and use of ICT to enhance service delivery	Equip ICT Centres with computers and internet connectivity to enable them improve service delivery	Number of usable ICT Centres with computers and internet connectivity	Number of ICT Centres increased to 4

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. Sustainability strategy and profile -

To help the committee realize effective sustainability, the constituency relied on set targets as outlined in our strategic plan, the goals in our strategic plan remained the focal points through which our external audiences can judge our progress and achievement against their expectations. The frame work under which we have 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 is very key to us, care for the same is also one of our key responsibilities.

Our Environment Policy.

In this policy North Imenti NG-CDF commits to:

- Comply with the relevant government legislations , regulations and approved codes of practice
- In our budgeting process we factor projects that's can be used to conserve our Environment
- Protecting the Environment by striving to prevent and minimise our contribution to pollution of land , air and water
- Managing and disposing of wastage in a responsible manner
- Developing our management processes to ensure that environmental factors are considered during planning and implementation.

Our Environment Action Plan

The committee has identified four impact areas in which as an office we have direct or indirect impact on the Environment and developed approaches on how we can manage or reduce these impacts.

- a) Conservation of energy and resources
 - Harness water harvesting
 - Invested in available energy saving technologies and devices within our existing premises
 - Reduction on use of paper and use of electronic means in communication
- b) Environment protection and conservation
 - Encouraged planting of indigenous trees within the constituency to improve forest cover and prevent soil erosion.
 - Construction of culverts and gabions to prevent soil erosion
- c) Pollution control and waste management
 - Recycling of all paper
 - Proper disposal of human waste through construction of pit latrines , septic tanks and soak pits
- d) Capacity Building
 - Community awareness on good conservation practices
 - Regular communication on behavioural changes

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3. Employee welfare

This highlights the general rules governing employment of NG-CDFC Staff.

Nature of employment

North Imenti NG-CDFC offers employment to their staff only on contract form but when necessitated due to extra work load like cleaning they engage casual employees who are paid daily wages. The staff are employed on a three year and two year contract which is structured to fit the parliamentary term, the employees are entitled to employees benefits as guided by guidelines issued by the NG-CDF BOARD.

Recruitment process

Once a vacancy occurs the Fund Account Manager communicates the same to the committee where an approval is authorised thereafter an advertisement is placed stating the qualifications and other requirements for the said job. The fund account manager then appoints the selection committee who then interviews the candidates and recommends the names of the best candidate to the NG-CDFC committee. In selection of the candidate the committee looks at the qualifications, gender balance and regional representation within the constituency. Once the candidate has been selected an offer letter is given and the employee is supposed to sign the acceptance then an appointment letter is given containing the terms of engagement.

The committee gives an orientation to the staff through the Fund account manager and at period levels they also contact trainings so that staff are equipped with best skills for the job.

Health, Safety and well being

This provides guidelines on the health, safety and wellbeing of the employees.

Guidelines to general safety

The office has maintained a health and safe working conditions for all its employees to ensure there is no personal injury caused by accidents. The staff are encouraged to consider safety to themselves and others while performing their duties. Any accident or injury in the work place should be immediately reported to the immediate supervisor.

Emergency preparedness.

As a requirement and depending on the nature of work and services every department should plan for foreseeable incidents such as accidents, explosions, fire, floods etc. and prepare and outline procedures to be followed when such events occurs.

The office has provided fire extinguishers both inside and outside the building which adequately maintained within the financial year. Guidelines on use of the facilities are also provided.

Guidance and counselling

The Environment whether work place or at family levels and current challenges normally affects the performance of an employees. To address such in cases where an employee needs guidance and counselling it is provided and in cases an attention of the family is needed the office communicates.

Healthcare services

The staff and their immediate family members are eligible to affordable health care services through the NHIF Medical scheme.

HIV/AIDS

HIV and AIDS is major challenge facing officers in and out the workplace, in cognizance of this the committee has put in place care and support programs for any infected officer in the work place.

An employee shall not be discriminated or stigmatized on the basis of HIV Status.

Drug and Substance Abuse

Addiction to drugs or substance will be treated like any other disease. Any officer who is determined to deal with drug abuse will be referred by the office to a doctor for evaluation.

Persons living with disability.

An Employee with any impairment in his /her body will be expected to confirm their disability with a doctor after medical examination. The office has provided facilities that reasonably accommodate any person living with disability.

Sexual harassment and other forms of harassment.

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Any staff of the office should not harass another officer sexually through, direct, indirect requests for favours, use of language whether written or spoken of a sexual nature that may be seem offensive.

Disciplinary action will be taken against an officer who harasses other staffs of the organisation.

4. Market place practices-

The aim of the Fund is to support grass root development through implementation of projects at the grass root level by ensuring equitable distribution of the resources across all the regions of the constituency. The targeted projects are those that aim to alleviate poverty and control imbalances in regional development brought about by partisan politics.

a) Responsible competition practice.

During projects implementation the office transfers funds to the project management committees who thereafter are guided on tendering process. Priority is also give to the locals in the provision of materials and services

b) Responsible Supply chain and supplier relations- Payment to suppliers are done promptly upon inspection by relevant committees and presentation of requisite supporting documents

c) Responsible marketing and advertisement-Tenders are advertised openly and no form of discrimination is applied to lock out qualified and interested bidders

d) Product stewardship- The committee has developed guidelines showing our commitment to our customers as well as the expectations of the customers while serving them to ensure that we provide quality services at the least *expected time*

5. Community Engagements-

Public participation in project identification

The NG-CDF Act 2015 stipulates in part 5 section 27 subsection 1 and 2 within the first year of commencement of every new parliament and at least once every two years the Chairperson of the committee shall convene public meetings in every ward in the constituency where they shall deliberate on development matters.

The committee shall then deliberate on project proposals from all the wards in the constituency and any other project which the NG-CDF Committee considers beneficial to the constituency , including joints projects with other constituencies , considering the national development plans and policies and the constituency strategic plan and the 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. There after the list of proposed projects to be covered are submitted to the NG-CDF Board for consideration.

In public participation the concerned stakeholders are engaged directly in decision making and gives full consideration to their input in making that decision.

When the community is engaged in the decision making process they feel part of the process and it helps in ownerships and sustainability of the projects, the community will also feel motivated to work together and this helps to bring better outcomes in terms of project implementation.

Information sharing will help those involved in project implementation to get a product that meets most needs and addresses most concerns as possible.

Through public awareness the process of implementation becomes more transparent and this helps in enhanced accountability of the funds.

Covid -19 Mitigation Measures

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

- In collaboration with the office of the Area Member of parliament the office has distributed more than 5000 bottles of 250mls sanitizers to the community free of charge.
- The office has purchased hand wash pots and basins that have been distributed to government offices within the constituency
- The office has also distributed more than 3000 facial masks to the public

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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.

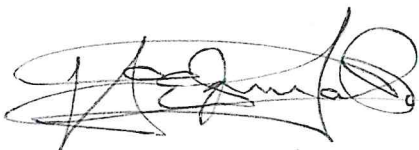
The Accounting Officer in charge of the NGCDF-NORTH IMENTI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 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-NORTH IMENTI Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *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-NORTH IMENTI 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-NORTH IMENTI 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-NORTH IMENTI Constituency financial statements were approved and signed by the Accounting Officer on 01/03/ 2021.



**Fund Account Manager
Harrison Wachira**



**Sub-County Accountant
Jane W. Muhari
ICPAK Member Number: 15096**



REPUBLIC OF KENYA

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NAIROBI

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - North Imenti Constituency set out on pages 14 to 57, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

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

Basis for Qualified Opinion

1.0 Accuracy of the Financial Statements

1.1 Accuracy of the Summary Statement of Appropriation: Recurrent and Development Combined

1.1.1 Variance with Re-Casted Balances

The summary statement of appropriation: recurrent and development combined for the year ended 30 June, 2020 reflects Kshs.198,376,894 in respect to total final budget expenditure. However, a recast of the balances arrived at Kshs.198,384,712 on the same items resulting to an unexplained variance of Kshs.7,818.

In addition, the same statement reflects Kshs.61,009,171 in respect to adjustments which should be the unutilized funds for 2018/2019 financial year. However, Note 17.3 to the financial statements reflects unutilized fund comparative balance of Kshs.60,588,691 resulting to unexplained variance of Kshs.420,480.

Further, the same statement reflects Kshs.4,248,821 in respect to final budget on compensation of employees. However, cross casting of the same arrived at Kshs.4,240,821 resulting to unreconciled variance of Kshs.8,000.

1.1.2 Variance with the Approved Budget

The summary statement of appropriation: recurrent and development combined reflects total receipts and expenditure original budget of Kshs.137,367,723 each for the financial year ended 30 June, 2020. However, a review of the budget approved by the National Government Constituencies Development Fund Board revealed Kshs.139,641,993 on the same items each resulting to unexplained variance of Kshs.2,274,270.

In the circumstances, the accuracy and completeness of the summary statement of appropriation: recurrent and development combined for the year ended 30 June, 2020 could not be confirmed.

1.2 Accuracy of the Budget Execution by Programs and Sub-programs

1.2.1 Variance with Re-Casted Balances

The budget execution by programmes and sub-programmes for the year ended 30 June, 2020 reflects grand total balances on five (5) items that are at variance with the re-casted balances as shown below:

Items	Balances in the Budget Execution by Program and Sub-program (Kshs.)	Re-casted Balances (Kshs.)	Variance (Kshs.)
Original Budget	137,367,723	137,267,223	100,500
Adjustments	61,009,171	61,109,171	(100,000)
Final Budget	198,376,894	198,176,894	200,000
Actual on Comparable Basis	125,860,704	126,230,704	(370,000)
Budget Utilization Difference	72,516,190	71,526,190	990,000

1.2.2 Unsupported Balances

The budget execution by programmes and sub-programmes reflects Kshs.198,376,894 in respect to final budget for the financial year ended 30 June, 2020 which includes Kshs.984,751, Kshs.2,331,620 and Kshs.1,051,201 in respect to allocation awaiting, previous years' balances and allocation awaiting funding respectively all totaling to Kshs.4,367,572. However, supporting documents including approval from the National Government Constituencies Development Fund Board were not provided for audit review.

In the circumstances, the accuracy and completeness of the budget execution by programs and sub-programs for the year ended 30 June, 2020 could not be confirmed.

1.3 Summary of Fixed Assets Register

Annex 4 to the financial statements reflects Kshs.37,779,986 in respect to assets' historical cost balance brought forward from 2018/2019 financial year which includes

Kshs.598,578 in respect to office equipment, furniture and fittings. However, the 2018/2019 financial statements reflects Kshs.444,378 in respect to closing balance on the same item resulting to an unexplained variance of Kshs.154,200. In addition, the same annex reflects Kshs.444,378 in respect to historical cost of office equipment, furniture and fittings as at 30 June, 2020. However, documents availed for audit review reflects Kshs.598,578 on the same item similarly resulting to an unexplained variance of Kshs.154,200.

In the circumstances, the accuracy and completeness of the Kshs.444,378 in respect to office equipment, furniture and fittings comparative balance as at 30 June, 2020 could not be confirmed.

1.4 Accuracy of Unutilized Funds

Disclosed under Note 17.3 to the financial statements is a balance of Kshs.72,516,190 in respect to unutilized funds balance for the year under review. However, a recast of the balances arrived at Kshs.72,515,790 on the same item resulting to an unexplained variance of Kshs.400.

Further, Annex 3 to the financial statements reflect Kshs.72,516,190 in respect to unutilized funds balance. However, a recast of the balances gave Kshs.69,768,566 on the same item resulting to an unexplained variance of Kshs.2,747,624.

In the circumstances, the accuracy of the unutilized funds of Kshs.72,516,190 for the year ended 30 June, 2020 could not be confirmed.

1.5 Accuracy of Other Grants and Other Payments

Disclosed under Note 7 to the financial statements is a balance of Kshs.49,913,793 in respect to other grants and other payments. However, a recast of the balances arrived at Kshs.49,913,354 resulting to an unexplained variance of Kshs.439.

In the circumstances, the accuracy of other grants and other payments of Kshs.49,913,793 for the year ended 30 June, 2020 could not be confirmed.

2.0 Cash and Cash Equivalents – Stale Cheques

Disclosed under Note 10A to the financial statements is a figure of Kshs.3,568,946 in respect to cash and cash equivalents as at 30 June, 2020. However, review of the respective bank reconciliation statement indicated Kshs.2,922,497 in respect to unpresented cheques which further includes Kshs.2,633,733 in respect to stale cheques and which had not been replaced or reversed in the cashbook as at 30 June, 2020 therefore understating the cash and cash equivalents by the same amount.

In the circumstances, the accuracy and completeness of the Kshs.3,568,946 in respect to cash and cash equivalents as at 30 June 2020 could not be confirmed.

3.0 Project Management Committee's (PMC) Account Balances

Disclosed under Note 17.4 to the financial statements is a figure of Kshs.4,653,069 in respect to PMC account balances held by various institutions. However, the respective cashbooks, bank statements and bank balance confirmation certificates were not provided for audit review contrary to Section 90(1) of the Public Finance Management

(National Government) Regulations, 2015 which stipulates that accounting officers shall ensure bank accounts reconciliations are completed for each bank account held by that accounting officer, every month and submit a bank reconciliation statement not later than the 10th of the subsequent month to the National Treasury with a copy to the Auditor-General and Section 100 of the same Regulations which stipulate that accounting officers shall keep in all offices concerned with receiving cash or making payments a cash book showing the receipts and payments and shall maintain such other books and registers as may be necessary for the proper maintenance and production of the accounts.

In the circumstances, the accuracy and completeness of the Kshs.4,653,069 in respect to PMC account balances as at 30 June, 2020 could not be confirmed. In addition, the Fund is in breach of the law.

4.0 Other Grants and Other Payments

4.1 Unsupported Bursaries

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.49,913,793 in respect to other grants and other payments which includes Kshs.15,600,000 and Kshs.11,676,000 in respect to bursaries disbursed to secondary schools and bursaries disbursed to tertiary institutions respectively, all totaling to Kshs.27,276,000. However, the list of applicants and applications letters/forms were not provided for audit review. Further, only bursaries totaling to Kshs.23,169,480 (85%) were acknowledged by the respective beneficiary schools and institutions through issuance of acknowledgement receipts while bursaries totaling Kshs.4,106,520 (15%) were not acknowledged or accounted for by the recipient schools and institutions.

In the circumstance, it was not possible to ascertain whether the Kshs.4,106,520 bursaries were received by the respective schools and institutions and whether the same was expended as appropriated during the year ended 30 June, 2020.

4.2 Lack of Supporting Documents - Sports Projects

Similarly, disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.49,913,793 in respect to other grants and other payments which includes Kshs.4,327,354 in respect to sports projects. However, supporting documents were not provided.

In the circumstances, the accuracy and value for money for the Kshs.4,327,354 incurred during the year under review could not be confirmed.

4.3 Construction Materials not as per Bills of Quantities - Mwirine Police Post

Disclosed under Note 7 to the financial statements is a figure of Kshs.49,913,793 in respect to other grants and other payments which includes Kshs.8,400,000 in respect to security projects which further includes Kshs.600,000 transferred to Mwirine Police Post for staff houses painting, power connection (allocated Kshs.200,000) and fencing of the 0.5 acres compound using concrete posts and Chain link (allocated Kshs.400,000). This was as per the bills of quantities provided for review. However, physical verification carried out in December, 2020 revealed that the materials used and work done was not as per the bills of quantities. Wooden post and not concrete posts were used, barbed wire fence was used instead of chainlink both of unknown value contrary to Section

48(4)(b) of the Public Procurement and Asset Disposal Act, 2015 which stipulates that the inspection and acceptance committee shall ensure that the goods, works or services meet the technical standards defined in the contract.

In the circumstances, the accuracy and value for money for the Kshs.400,000 expenditure incurred during the year under review could not be confirmed.

5.0 Use of Goods and Services

5.1 Unsupported Expenditure

As disclosed in Note 5 to the financial statements, the statement of receipts and payments reflects Kshs.10,387,671 in respect to use of goods and services which includes Kshs.500,000 and Kshs.1,450,000 in respect to office and general supplies and services and training expenses respectively both totaling to Kshs.1,950,000. However, supporting documents were not provided.

In the circumstances, the validity and value for money for the Kshs.1,950,000 expenditure for the year ended 30 June, 2020 could not be confirmed.

5.2 Excess Meetings - Committee Allowances

Similarly, the balance of Kshs.10,387,671 in respect to use of goods and services includes Kshs.2,050,500 and Kshs.2,047,400 in respect to committee expenses and other committee expenses respectively both totaling to Kshs.4,097,900. However, a review of documents provided revealed that the Fund Committee was paid Kshs.2,020,400 for thirty-four (34) meetings contrary to Section 43(11) of the National Government Constituencies Development Fund Act, 2015 which stipulates that the Constituency Committee shall meet at least six times and not more than twenty-four (24) meetings in the same financial year, including sub-committee meetings. Documents provided for audit review revealed that the said committee should have been paid Kshs.1,489,400 for twenty-four (24) meetings resulting to an overpayment of Kshs.531,000.

In the circumstances, the accuracy, validity and value for money for the Kshs.531,000 expenditure for the year under review could not be confirmed. In addition, the Fund is in breach of the law.

6.0 Transfers to Primary Schools

6.1 Kaaga School for the Hearing Impaired

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.61,870,000 in respect to transfers to other government entities which includes Kshs.35,740,000 in respect to transfers to primary schools which further includes Kshs.1,000,000 transferred to Kaaga School for the Hearing Impaired for construction of a four-door toilet and four bathrooms. However, physical verification carried out in December, 2020 revealed that the project was not complete and appeared

stalled as no works was ongoing. Further, relevant supporting documents were not provided.

In the circumstances, the value for money for the Kshs.1,000,000 expenditure for the year ended 30 June, 2020 could not be confirmed.

6.2 Kinoru Primary School

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.61,870,000 in respect to transfers to other government entities which includes Kshs.35,740,000 in respect to transfers to primary schools which further includes Kshs.1,600,000 transferred to Kinoru Primary School for construction of a ten-door toilet at Kshs.800,000, completion of computer classes including paint, benches and electrical works at Kshs.200,000 and Kshs.600,000 for renovation of 6 classrooms. However, physical verification carried out in December, 2020 revealed that the computer classes were not painted and the benches were not fitted. Further, bank statements for the project and certificates of payment from the Ministry of Public Works detailing the quantity of works done relating to the computer classes, benches and electrical works were not provided.

In the circumstances, the value for money for the Kshs.1,600,000 expenditure incurred during the year ended 30 June, 2020 could not be confirmed.

7.0 Other Payments - Irregular Procurement of a Strategic Plan

As disclosed in Note 9 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.1,495,000 in respect to other payments which was spent in procurement of a strategic plan. However, initial and relevant procurement documents were not provided.

In addition, the opening and evaluation committee signed the minutes on 19 July, 2019 while the lowest bidder was notified of the award on 17 July, 2019 two days before the bids were opened.

Further, the contract between the firm and the National Government Constituencies Development Fund - Imenti North Constituency was signed on 22 July, 2019 which is five (5) days after notification of award contrary to Section 135(3) of the Public Procurement and Asset Disposal Act, 2015 which requires that the written contract shall be entered into within the period specified in the notification but not before fourteen days have elapsed following the giving of that notification.

In the circumstances, validity of the other payments of Kshs.1,495,000 as at 30 June, 2020 could not be ascertained. In addition, the Fund is in breach of the law.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund - North Imenti Constituency in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial

statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

1.1 Receipt Analysis

The Fund's summary statement of appropriation: recurrent and development combined for the year ended 30 June, 2020 reflects Kshs.198,376,894 in respect to final receipt budget and actual receipts of Kshs.129,429,650 resulting to budget shortfall of Kshs.68,947,244.

In overall, the Fund underabsorbed its budget by Kshs.68,947,244 or 35% an indication that some programs and activities had been planned but not implemented.

In addition, the National Government Constituencies Development Fund (NGCDF) Board approved a budget of Kshs.191,988,119 which was to be transferred to North Imenti Constituency Fund but only transferred Kshs.123,040,875 resulting to Kshs.68,947,244 in respect of funds approved by the Board but not transferred to the Fund. Failure to transfer the Kshs.68,947,244 by the Board results to the Fund not being able to deliver on planned activities therefore negatively affecting service delivery.

1.2 Expenditure Analysis

The Fund's summary statement of appropriation: recurrent and development combined reflects a final budgeted expenditure of Kshs.198,376,894. However, only Kshs.125,860,704 (63%) was spent resulting to an under-expenditure of Kshs.72,516,190. However, a recast of the under expenditure arrived at Kshs.72,524,008 resulting to unexplained variance of Kshs.7,818.

In overall, the National Government Constituencies Development Fund - North Imenti Constituency under spent its budget by Kshs.72,524,008 or 37% of the total budgeted allocation.

Further, included in the Kshs.72,524,008 under expenditure for the year under review was Kshs.3,568,946 in respect to cash at bank, being funds released by the Board but not utilized. Failure to spend funds already released by the Board denied the residents of North Imenti Constituency equivalent services.

2.0 Project Implementation Status

The Fund's summary statement of appropriation: recurrent and development combined reflects Kshs.94,045,000, Kshs.87,991,547 and Kshs.308,400 in respect to transfer to other government units, other grants and transfers and acquisition of assets respectively all totaling to Kshs.182,344,947 which was meant for various projects within the year

under review. However, the project implementation status availed for audit review reflects Kshs.180,236,028 resulting to unexplained variance of Kshs.2,108,919.

A review of the project implementation status revealed that one hundred and eighty-four (184) projects worth Kshs.180,236,028 were planned for implementation during the year under review. However, only two (2) projects with a budget of Kshs.4,490,354 had been completed while one hundred and eighty-two (182) projects worth Kshs.175,745,674 were ongoing as at 30 June, 2020.

Therefore, there is need for the Constituency Development Fund Management to review its project planning mechanism with a view to prioritizing those projects which are more deserving to the citizens of North Imenti 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 Presentation of the Financial Statements

A review of the Fund's financial statements submitted for audit review revealed that the summary statement of appropriation: recurrent and summary statement of appropriation: development have not been included in the Fund's financial statements for the year ended 30 June, 2020 contrary to the Public Sector Accounting Standard Board (PSASB) template issued in June, 2020.

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

2.0 Transfers to Secondary Schools

2.1 Abandoned project - Mbirikine Day Secondary School

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.61,870,000 in respect to transfer to other government entities which includes Kshs.26,130,000 in respect to transfers to secondary schools which further includes Kshs.1,000,000 transferred to Mbirikine Day Secondary School for the roofing, plastering and putting of windows to the dining hall. However, physical inspection carried out in December, 2020 revealed that the project was not complete and the contractor was not on site.

In the circumstances, the value for money for the Kshs.1,000,000 expenditure for the year ended 30 June, 2020 could not be confirmed.

2.2 Nthimbiri Secondary School - Undelivered Works

Similarly, the balance of Kshs.61,870,000 in respect to transfer to other government entities includes Kshs.26,130,000 in respect to transfers to secondary schools which further includes Kshs.1,000,000 transferred to Nthimbiri Secondary School for roofing, tiling, electricity connection and painting of a dormitory. However, physical verification carried out in December 2020 revealed that the project was not complete and the contractor was not on site.

In the circumstances, the value for money for the Kshs.1,000,000 expenditure for the year ended 30 June, 2020 could not be confirmed.

2.3 Abandoned project - Giaki Girls Secondary School

Further, the balance of Kshs.61,870,000 in respect to transfer to other government entities includes Kshs.26,130,000 in respect to transfers to secondary schools which further includes Kshs.1,500,000 transferred to Giaki Girls Secondary School for the construction of dining hall/kitchen to roofing level during the year. However, physical verification carried out in December, 2020 revealed that the project was incomplete and appeared to have stalled as no work was on going.

Further, documents provided for audit review revealed that the Ministry of Education also co-funded the project by contributing Kshs.2,000,000. However, the defined phase to be funded by each party was not provided for audit review contrary to Section 49 of the National Government Constituencies Development Fund Act, 2015 which stipulates that for the purposes of this Act, the Board may consider part funding of a project financed from sources other than the Fund so long as the other financiers or donors of that project have no objection and provided that the part funding for the project availed pursuant to this Act shall go to a defined unit or any part thereof or phase of the project in order to ensure that the particular portion defined in the allocation is completed with the funds allocated under this Act.

In the circumstances, the value for money for the Kshs.3,500,000 comprising of Kshs.1,500,000 and Kshs.2,000,000 expenditure for the year ended 30 June, 2020 could not be confirmed. In addition, the Fund is in breach of the law.

2.4 Kirige Boys Secondary School

As disclosed in Note 6 to the financial statements, the statement of receipts and payments reflects a balance Kshs.61,870,000 in respect to transfer to other government entities which includes Kshs.26,130,000 in respect to transfers to secondary schools which further includes Kshs.1,000,000 transferred to Kirige Boys Secondary School for plastering and painting of classrooms. Documents provided for audit review revealed that the Parent Association also co-funded the project by contributing Kshs.857,475. However, the defined phase to be funded by each party was not provided for audit review contrary to Section 49 of the National Government Constituencies Development Fund Act, 2015 which stipulates that for the purposes of this Act, the Board may consider part

~~funding of a project financed from sources other than the Fund so long as the other financiers or donors of that project have no objection and provided that the part funding for the project availed pursuant to this Act shall go to a defined unit or any part thereof or phase of the project in order to ensure that the particular portion defined in the allocation is completed with the funds allocated under this Act.~~

Further, a review of documents provided for audit and physical verification carried out in December, 2020 revealed that the construction of the project started in the financial year 2016/2017 and is still ongoing in 2019/2020, which is an indication of delayed benefit to the beneficiaries.

In the circumstances, the value for money for the Kshs.1,857,475 comprising of Kshs.1,000,000 and Kshs.857,475 expenditure for the year ended 30 June, 2020 could not be confirmed. In addition, the Fund is in breach of the law.

3.0 Other Grants and Other Payments – Incomplete Igoki Chiefs Camp

As disclosed in Note 7 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.49,913,793 in respect to other grants and other payments which includes Kshs.7,730,000 in respect to emergency projects which further includes Kshs.200,000 transferred to Igoki Chiefs Camp for constructing of a two (2) door toilet. However physical verification carried out in December, 2020 revealed that a three (3) door toilet was constructed and not the approved two (2) door toilet. In addition, the project was incomplete and appeared stalled after funds were said to have been exhausted. There was no authority from the Constituency Development Fund Board for the change from the original plan of a two (2) door toilet to three (3) door toilet, which may have resulted to the project being incomplete.

In the circumstances, the value for money for the Kshs.200,000 expenditure for the year ended 30 June, 2020 could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Qualified Opinion 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.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, 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 sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish the National Government Constituencies Development Fund - North Imenti Constituency or 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 Fund's 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 National Government Constituencies Development Fund - North Imenti Constituency's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to 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 with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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 noncompliance. 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 National Government Constituencies Development Fund - North Imenti Constituency'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 going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 National Government Constituencies Development Fund - North Imenti Constituency 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 National Government Constituencies Development Fund - North Imenti Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 February, 2022



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) NORTH
IMENTI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

VII. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2020

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	123,040,875	108,784,483
Proceeds from Sale of Assets	2		
Other Receipts	3	420,480	210,240
TOTAL RECEIPTS		123,461,355	108,994,723
PAYMENTS			
Compensation of employees	4	2,040,040	1,942,850
Use of goods and services	5	10,387,671	6,008,679
Transfers to Other Government Units	6	61,870,000	45,225,000
Other grants and transfers	7	49,913,793	45,703,105
Acquisition of Assets	8	154,200	8,432,180
Other Payments	9	1,495,000	4,677,027
TOTAL PAYMENTS		125,860,704	111,988,841
SURPLUS/ (DEFICIT)		(2,399,349)	(2,994,118)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NORTH IMENTI Constituency financial statements were approved on 01/23/ 2021 and signed by:

Fund Account Manager
Harrison Wachira

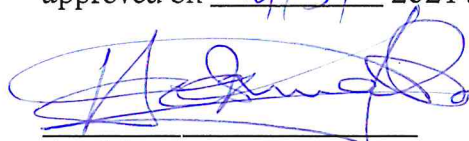
Sub-County Accountant
Jane W. Muhari
ICPAK Member Number: 15096

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

VIII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE 2020

	Note	2019-2020	2018-2019
		Kesha	Kesha
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	3,568,946	5,968,295
Cash Balances (cash at hand)	10B		
Total Cash and Cash Equivalents		3,568,946	5,968,295
Accounts Receivable			
Outstanding Imprests	11		
TOTAL FINANCIAL ASSETS		3,568,946	5,968,295
FINANCIAL LIABILITIES			
Accounts Payable			
Retention	12A		
Deposits (Gratuity)	12B		
TOTAL FINANCIAL LIABILITES			
NET FINANCIAL ASSETS		3,568,946	5,968,295
REPRESENTED BY			
Fund balance b/fwd	13	5,968,295	8,962,413
Prior year adjustments	14		
Surplus/Defict for the year		(2,399,349)	(2,994,118)
NET FINANCIAL POSITION		3,568,946	5,968,295

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NORTH IMENTI Constituency financial statements were approved on 01/03/2021 and signed by:



Fund Account Manager
Harrison Wachira



Sub-County Accountant
Jane W. Muhari
ICPAK Member Number: 15096

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) NORTH
IMENTI CONSTITUENCY**

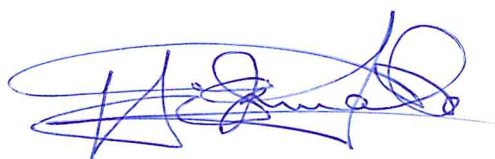
Reports and Financial Statements

For the year ended June 30, 2020

IX. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2020

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	123,040,875	108,784,483
Other Receipts	3	420,480	210,240
Total receipts		123,461,355	108,994,723
Payments for operating expenses			
Compensation of Employees	4	2,040,040	1,942,850
Use of goods and services	5	10,387,671	6,008,679
Transfers to Other Government Units	6	61,870,000	45,225,000
Other grants and transfers	7	49,913,793	45,703,105
Other Payments	9	1,495,000	4,677,027
Total payments		125,706,504	103,556,661
Total Receipts Less Total Payments		(2,245,149)	5,438,062
Adjusted for:			
Decrease/ (Increase) in Accounts receivable:	15		
Increase/ (Decrease) in Accounts Payable:	16		
Prior year adjustments	14		
Net cash flow from operating activities		(2,245,149)	5,438,062
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2		
Acquisition of Assets	9	(154,200)	(8,432,180)
Net cash flows from Investing Activities		-	(8,432,180)
NET INCREASE IN CASH AND CASH EQUIVALENT		(2,399,349)	(2,994,118)
Cash and cash equivalent at BEGINNING of the year	13	5,968,295	8,962,413
Cash and cash equivalent at END of the year		<u>3,568,946</u>	<u>5,968,295</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NORTH IMENTI Constituency financial statements were approved on 01/05/2021 and signed by:



Fund Account Manager
Harrison Wachira



National Sub-County Accountant
Jane W. Muhari
ICPAK Member Number: 15096

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NORTH IMENTI CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2020**

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30TH JUNE 2020

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis c	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,723	54,620,396	191,988,119	123,040,875	68,947,244	64%
Unspent Balances		5,968,295	5,968,295	5,968,295		
Other Receipts		420,480	420,480	420,480		
TOTAL RECEIPTS	137,367,723	61,009,171	198,376,894	129,429,650	68,947,244	65%
PAYMENTS						
Compensation of Employees	2,915,000	1,325,821	4,248,821	2,040,040	2,200,781	48%
Use of goods and services	7,085,500	4,285,146	11,370,464	10,387,671	982,793	91%
Transfers to Other Government Units	63,420,000	30,625,000	94,045,000	61,870,000	32,175,000	66%
Other grants and transfers	63,947,223	24,044,324	87,991,547	51,408,793	36,582,754	58%
Acquisition of Assets		308,400	308,400	154,200	154,200	
Other Payments						
Allocation awaiting approval		420,480	420,480		420,480	
TOTALS	137,367,723	61,009,171	198,376,894	125,860,704	72,516,190	63%

(a) [For the revenue items, indicate whether they form part of the AIA by inserting the "AIA" alongside the revenue category.]
Unspent Balances at the beginning of year include an item of Ksh 2,274,270 being AIA at the beginning of the year

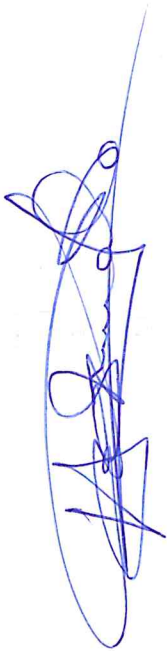
(b) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- i. Compensation for employees was 48 % due to funds not received at the close of the year
- ii. Other grants and transfers was 66% due to funds not yet released from the board
- iii. Other Grants and transfers was 58 % due to funds not yet received from Board at close of financial year

(c) The opening figures for adjustment has been amended by sh 420,480 to disclose the amount of revenue collected which is awaiting allocation and approval

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

The NGCDF-NORTH IMENTI Constituency financial statements were approved on 21/03/2021 and signed by:



Fund Account Manager
Harrison Wachira



Sub-County Accountant
Jane W. Muhari
ICPAK Member Number: 15096

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NORTH IMENTICONSTITUENCY

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

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30TH JUNE 2020

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,915,000	1,325,821	4,240,821	2,040,040	2,200,781
1.2 Goods and Services	1,600,000	13,319	1,613,319	1,613,319	
1.3 Committee allowances	1,585,000		1,585,500	1,585,500	
1.4 Goods and services		1,500,000	1,500,000	1,495,000	5,000
1.5 Office Furniture	900,000	149,400	1,049,400	1,049,400	
2.0 Monitoring and evaluation					
2.1 Use of Goods and Services	400,000	271,226	671,226	671,226	
2.2 Committee allowances	1,200,000	1,050,600	2,250,600	1,277,426	973,174
2.3 Capacity Building	14,000,000	1,450,000	2,850,000	2,850,000	
3.0 Emergency					
3.1 Emergency Projects	7,198,241		7,198,241	2,000,000	5,198,241
3.2 Emergency Projects		5,738,993	5,738,993	5,730,000	8,993
4.0 Bursary and Social Security					
4.1 Bursary Secondary	25,000,000	64,523	25,064,523	15,600,000	9,464,523
4.2 Bursary Tertiary	15,204,274	2,529,717	17,733,991	11,676,439	6,057,552
5.0 Sports					
5.1 Sports Projects	2,747,354		2,747,354	2,747,354	
5.2 Sports Projects		1,584,000	1,584,000	1,580,000	4,000
6.0 Environment					
6.1 Environment Projects	2,747,354		2,747,354		2,747,354
6.2 Environment Projects		2,180,000		2,180,000	
7.0 Primary Schools Projects					
7.1 Gachanka Primary School	1,000,000.00		1,000,000	800,000	200,000
7.2 Bishop Lawi Imathiu Primary	1,000,000.00		1,000,000	1,000,000	

**Reports and Financial Statements
For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
School					
7.3 C.C.M Thege Primary School	400,000.00		400,000		400,000
7.4 CCM Gitoro Primary School	400,000.00	650,000	1,050,000	650,000	400,000
7.5 CCM Irinda Primary School	1,000,000.00	150,000	1,150,000	1,150,000	
7.6 CCM Meru Town Ship primary school	230,000.00	1,650,000	1,880,000	1,880,000	
7.7 CCM Nchaure Primary School	1,000,000.00		1,000,000	1,000,000	
7.8 Chugu Primary School	1,000,000.00		1,000,000	1,000,000	
7.9 Ciothirai Primary School	550,000.00		550,000		550,000
7.10 DEB Kathirune Primary School	800,000.00		800,000		800,000
7.11 DEB Township Primary School	700,000.00	150,000	850,000	850,000	
7.12 Gachua Primary School	600,000.00	150,000	750,000	750,000	
7.13 Giaki Primary School	800,000.00		800,000	800,000	
7.14 Giantune Primary School	400,000.00		400,000	400,000	
7.15 Gichunge Primary School	800,000.00	150,000	950,000	150,000	800,000
7.16 Gikumene Primary School	600,000.00	150,000	750,000	750,000	
7.17 Kaaga Deaf Primary School	1,500,000.00	1,000,000	2,500,000	1,000,000	1,500,000
7.18 Kaaga Primary School	800,000.00	800,000	1,600,000	800,000	800,000
7.19 Kaing'inyo boarding primary school	600,000.00		600,000	600,000	
7.20 Kainginyo Primary School	350,000		350,000	350,000	
7.21 Kambereu Boarding Primary school	300,000.00		300,000	300,000	
7.22 Kambiti Primary School	400,000.00	150,000	550,000	550,000	
7.23 Karima Ga Ntwiko Primary School	700,000.00	350,000	1,050,000	350,000	700,000
7.24 Karirwara Primary School	500,000.00	450,000	950,000	450,000	500,000
7.25 Kathithi Primary School	800,000.00	650,000	1,450,000	1,450,000	
7.26 Kathurine primary school	600,000.00	550,000	1,150,000	1,150,000	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NORTH IMENTICONSTITUENCY

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

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
7.27 Kiamiruru Primary School	700,000.00		700,000		700,000
7.28 Kiraria Primary School	600,000.00		600,000	600,000	
7.29 Kirimaitune Primary School	180,000.00	300,000	480,000		
7.30 Kithoka Primary School	600,000.00		600,000	600,000	
7.31Mbeu Primary School	500,000		500,000		500,000
7.32Mbirikene Primary School	200,000		200,000	200,000	
7.34Mbuta Primary School	800,000	750,000	1,550,000	750,000	800,000
7.35MCK Mulathankari Primary School	800,000	650,000	1,450,000	1,450,000	
7.36Meru Primary School	800,000	900,000	1,700,000	800,000	900,000
7.37Mpuri Primary School	300,000	650,000	950,000	950,000	
7.38Mukoigorone Primary School	600,000		600,000	600,000	
7.39Muringombugi Primary School	500,000		500,000	500,000	
7.40Mwiramwanki Primary School	800,000	150,000	950,000	150,000	800,000
7.41Mwirine Primary School	400,000	1,150,000	1,550,000	1,550,000	
7.42Mwiteria Primary School	800,000	150,000	950,000	950,000	
7.43Mwithumuiru Primary School	800,000		800,000	800,000	
7.44Ndiine Primary School	600,000		600,000		600,000
7.45Ngiine Primary School	450,000	650,000	1,100,000	1,100,000	

NATIONAL GOVERNMENT CONSULTANCIES DEVELOPMENT FUND (NGCDF) – NORTH IMENTICONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
7.46Ngonyi Primary School	800,000		800,000	800,000	
7.47Njuki Njiru Primary School	800,000		800,000		800,000
7.48Nkabune Primary School	600,000		600,000	600,000	
7.49Ntani Primary School	500,000		500,000	500,000	
7.50Nthamiri Primary School	500,000		500,000	500,000	
7.51Runogone Primary School	1,200,000		1,200,000		1,200,000
7.52Ruriene Primary	180,000		180,000	180,000	
7.53Rwanyange primary	500,000		500,000	500,000	
7.54Thuura Primary	1,000,000	650,000	1,650,000	1,650,000	
7.55Meru School for the Mentally Challenged	1,200,000		1,200,000		1,200,000
7.56Kinoru Primary		1,600,000	1,600,000	1,600,000	
7.57Meru Muslim		2,000,000	2,000,000		2,000,000
7.56Nthimbiri Primary School		600,000	600,000	600,000	
7.57Mwiteria Primary		125,000	125,000		125,000
8.0 Secondary Schools Projects					
8.1 Bisiop Lawi Imathiu Secondary School	800,000		800,000	800,000	
8.2 CCM Irinda Day Secondary School	600,000		600,000	400,000	200,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NORTH IMENTICONSITUENCY

**Reports and Financial Statements
For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
8.3 CCM Meru Township Day Secondary School	330,000.00		330,000	330,000	
8.4 Chugu Boys School	1,200,000.00		1,200,000	600,000	600,000
8.5 Chungari Mixed Day Secondary School	800,000.00	1,000,000	1,800,000	1,500,000	300,000
8.6 Gachanka Day Mixed Secondary School	600,000.00		600,000		600,000
8.7 Gikumene Girls Secondary School	2,000,000.00		2,000,000		2,000,000
8.8 Kaaga Boys Secondary School	1,000,000.00	1,000,000	2,000,000	1,000,000	1,000,000
8.9 Kaaga Girls Secondary School	1,200,000.00		1,200,000		1,200,000
8.10 Kaing'inyo Day Secondary School	500,000.00	1,000,000	1,500,000	1,000,000	500,000
8.11 Kambiti Day Secondary School	800,000.00		800,000	800,000	
8.12 Kathirune Day Secondary School	600,000.00		600,000		600,000
8.13 Kiburine Day Secondary School	1,000,000.00	1,000,000	2,000,000	1,000,000	1,000,000
8.14 Kirige Boys Secondary School	1,000,000.00	1,000,000	2,000,000	2,000,000	
8.15 Kirige Day Secondary School	1,000,000.00		1,000,000	1,000,000	
8.16 Mbirikene Day Secondary School	1,000,000.00		1,000,000	1,000,000	
8.17 MCK Nthamiri Day Mixed Secondary School	600,000.00		600,000		600,000
8.18 Meru School	1,000,000.00		1,000,000		1,000,000
8.19 Mpuri Day Secondary School	1,000,000.00		1,000,000		1,000,000
8.20 Mulathankari Girls Secondary School	1,200,000.00		1,200,000	600,000	600,000
8.21 Mulathankari Mixed Day Secondary School	800,000.00		800,000		800,000
8.22 Muniithu Girls Secondary School	800,000.00		800,000	800,000	
8.23 Mwithumwiru Day Secondary School	400,000.00		400,000	400,000	

**Reports and Financial Statements
For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
8.24Ngonyi Boys Secondary School	1,000,000.00		1,000,000		1,000,000
8.25Nkabune Day Secondary School	800,000.00		800,000		800,000
8.26Ntakira Day Secondary School	1,000,000.00		1,000,000	1,000,000	
8.27Nfimbiri secondary school	1,000,000.00	1,000,000	2,000,000	2,000,000	
8.28Runogone Mixed Day Secondary School	600,000.00		600,000	600,000	
8.29Rurine Mixed Day Secondary School	600,000.00	400,000	1,000,000	400,000	600,000
8.30Rwanyange Day Secondary School	800,000.00	400,000	1,200,000	400,000	800,000
8.31Thuura Mixed Day Secondary School	600,000		600,000	500,000	100,000
8.32Mwirine Mixed Day Secondary School	400,000	800,000	1,200,000	1,200,000	
8.33Mwiteria Day Secondary School	350,000	2,000,000	2,350,000	2,000,000	350,000
8.34Mwithumwiru Day Secondary School	400,000	1,000,000	1,400,000	1,400,000	
8.35Kiamiruru Day Sec School		1,000,000	1,000,000	1,000,000	
8.36Giaki Girls		1,500,000	1,500,000	1,500,000	
8.37Nkabune Girls		400,000	400,000	400,000	
8.38Kinoru Day		500,000	500,000	500,000	
9.0 Tertiary institutions Projects					
10.0 Security Projects					
10.1 Chugu Chiefs Office	200,000		200,000		200,000
10.2 Ciothirai Chiefs Camp	400,000		400,000		400,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NORTH IMENTI CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 20/06/2020	Budget utilization difference
10.3 Gachua Chiefs Camp	200,000		200,000		200,000
10.4 Gakere Chiefs Camp	600,000		600,000		600,000
10.5 Gitugu Chiefs Camp	200,000		200,000		200,000
10.6 Kaaga Ass Chief	400,000		400,000		400,000
10.7 Kirima Ass Chief Office	400,000		400,000		400,000
10.8 Mulathakari Chief Office	600,000	300,000	900,000	300,000	600,000
10.9 Municipality Ass Chief	600,000		600,000		600,000
10.10 Mwitaria Chiefs Camp	600,000	500,000	1,100,000	500,000	600,000
10.11 Ngonyi Chiefs Camp	500,000		500,000		500,000
10.12 Runongone Chiefs Camp	850,000		850,000		850,000
10.13 Thuura Chiefs Camp	500,000	500,000	1,000,000	500,000	600,000
10.14 Kithoka Ass Chiefs Office	100,000		100,000		100,000
10.15 Kanyuango Assistant Chief Office	500,000		500,000	500,000	
10.16 Kirimaitune Chief office	200,000		200,000		200,000
10.17 Assistant County Commissioners office Kiamwitari	500,000		500,000		500,000
10.18 Assistant County Commissioners office Giaki	500,000		500,000	500,000	
10.19 Deputy County Commissioner Imenti North	400,000		400,000		400,000
10.20 Gakurine Police Post	400,000		400,000		400,000
10.21 Kambakia Police Post	700,000	300,000	1,000,000	300,000	700,000

**Reports and Financial Statements
For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
10.22Rwanyange Police Post	260,000		260,000		260,000
10.23 Ngonyi Police Post	200,000		200,000		200,000
10.24Kinoru Police Post	240,000		240,000		200,000
10.25Officer in Charge Station - Meru Police Station	800,000		800,000		800,000
10.26 Officer in Charge police division	200,000				
10.27 Mwirine Police		600,000	600,000	600,000	
10.28Kiamwitari Chiefs Camp		1,000,000	1,000,000	1,000,000	
10.29Lower Nchaure Chiefs office		300,000	300,000	300,000	
10.30Mpuri Chiefs Office		700,000	700,000	700,000	
10.31Nthimbiri Chiefs		400,000	400,000	400,000	
10.34Themba Chiefs Office		500,000	500,000	500,000	
10.35Giaki Chiefs Office		500,000	500,000	500,000	
10.36Kiathandi ACCs Office		800,000	800,000	800,000	
10.37Mwirine Police Post		500,000	500,000	500,000	
10.38 Kiamwitari Chiefs Camp		500,000	500,000	500,000	
11.1 Motor Vehicles (including motorbikes)		159,000	159,000	500,000	159,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NORTH IMENTICONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2020**

Programme/Sub-programme	Original Budget 2019/2020	Adjustments	Final Budget 2019/2020	Actual on comparable basis 30/06/2020	Budget utilization difference
12.0 Others					
12.1 Allocation Awaiting		984,751	984,751		984,751
12.2 Previous Years Balances		2,331,620	2,331,620	1,495,000	836,620
12.2 Allocation awaiting Funding		1,051,201	1,051,201		1,051,201
GRAND TOTAL	137,367,723	61,009,171	198,376,894	125,860,704	72,516,190

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
NORTH IMENTI CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

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

2. Reporting Entity

The financial statements are for the NGCDF-NORTH IMENTI Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

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) –
NORTH IMENTI CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

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) –
NORTH IMENTI 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) –
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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) –
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XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO	B005126		52,884,483
AIE NO	B005388		1,900,000
AIE NO	B030291		10,000,000
AIE NO	B005444		12,000,000
AIE NO	B006491		8,000,000
AIE NO	B042602		11,000,000
AIE NO	B047531		13,000,000
AIE NO	B041100	50,490,876	
AIE NO	B047339	4,550,000	
AIE NO	B041175	4,000,000	
AIE NO	B047637	20,000,000	
AIE NO	B049152	6,000,000	
AIE NO	B104066	15,000,000	
AIE NO	B104445	23,000,000	
TOTAL		123,040,875	108,784,483

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Total		

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received		
Rents	420,480	210,240
Receipts from Sale of tender documents		
Other Receipts Not Classified Elsewhere		
Total	420,480	210,240

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,687,040	1,589,850
House Allowance	160,000	160,000
Transport Allowance	193,000	193,000
Employer Contributions Compulsory national social security schemes		
Total	2,040,040	1,942,850

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	2,050,500	1,943,460
Other Committee expenses	2,047,400	1,407,000
Utilities, supplies and services	1,195,000	391,000
Electricity	151,613	151,777
Water	19,675	63,252
Communication, supplies and services	609,450	
Domestic travel and subsistence	378,600	216,305
Printing, advertising and information supplies & services	900,000	325,117
Rentals of produced assets		
Training expenses	1,450,000	
Hospitality supplies and services		
Insurance costs	323,984	332,575
Specialized materials and services		
Office and general supplies and services	500,000	410,000
Other operating expenses		
Routine maintenance – vehicles and other transport equipment		
Routine maintenance – other assets		
Fuel	150,000	300,000
Bank Charges	49,401	19,870
Security operations	562,048	448,323
Total	10,387,671	6,008,679

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NOTES TO THE FINANCIAL STATEMENTS (Continued)**

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools	35,740,000	24,225,000
Transfers to secondary schools	26,130,000	21,000,000
Transfers to tertiary institutions		
Transfers to health institutions		
TOTAL	61,870,000	45,225,000

7. OTHER GRANTS AND OTHER PAYMENTS

Description	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools	15,600,000	15,716,105
Bursary – tertiary institutions	11,676,000	10,000,000
Bursary – special schools		
Mock & CAT		
Security projects	8,400,000	13,200,000
Sports projects	4,327,354	2,150,000
Environment projects	2,180,000	1,500,000
Emergency projects	7,730,000	3,137,000
Total	49,913,793	45,703,105

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 NOTES TO THE FINANCIAL STATEMENTS (Continued)**

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & CURRENCY	2019-2020	2018-2019
	Kshs	Kshs
Name of Bank, Account No. 01120075194800	3,568,946	5,968,295
Total	3,568,946	5,968,295
10B: CASH IN HAND		
Location 1		
Location 2		
Location 3		
Other Locations (<i>specify</i>)		
Total		
<i>[Provide cash count certificates for each]</i>		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
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13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	5,968,295	8,962,391
Cash in hand		59,022
Imprest		
Total	5,968,295	8,962,413

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

Description of the error	Balance b/f FY 2019/2020 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
	Kshs	Kshs	Kshs
Bank account Balances			
Cash in hand			
Accounts Payables			
Receivables			
Others (<i>specify</i>)			

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST*

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

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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	2,200,781	1,325,821
Use of goods and services	828,775	4,285,146
Amounts due to other Government entities (see attached list)	32,175,000	30,625,000
Amounts due to other grants and other transfers (see attached list)	36,582,754	23,413,604
Acquisition of assets	308,000	308,400
Others (<i>specify</i>)-Allocation awaiting	420,480	630,720
	72,516,190	60,588,691

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17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	4,653,069	8,183,911
	4,653,069	8,183,911

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Compensation of employees				
Employees' Salaries		2,200,781	1,325,000	
Goods and Services		5,000	4,285,146	
Use of goods & services				
Monitoring and Evaluation		973,174		
Amounts due to other Government entities				
Secondary School Projects				
CCM Irinda Day		200,000		
Chugu Boys		600,000		
Chungari Day Sec		300,000		
Gachanka Day Sec		600,000		
Gikumene Girls		2,000,000		
Kaaga Boys		1,000,000		
Kaaga Girls		1,200,000		
Kainginyo Day		500,000		
Kathurine Day		600,000		
Kihurine Day		1,000,000		
Nthamiri Mixed Day		600,000		
Meru School		1,000,000		
Mpuri Day		1,000,000		
Mulathankari Girls		600,000		
Mulathankari Mixed		800,000		
Mwiteria Day		350,000		
Ngonyi Boys		1,000,000		
Nkabune Day		800,000		
Runongone		600,000		
Thuura Boys		100,000		
Rwanyange		800,000		

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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Chugu Chiefs Office		200,000		
Ciothirai Chiefs		400,000		
Gachua Chiefs Office		200,000		
Gankere Chiefs Office		600,000		
Gitugu Chiefs Office		200,000		
Kaaga Ass Chief		400,000		
Kirima Ass Chiefs		400,000		
Mulanthankari Chiefs		600,000		
Municipality Ass Chiefs Office		600,000		
Mwiteria Chiefs Office		600,000		
Ngonyi Chiefs Office		500,000		
Runongone Chiefs Office		850,000		
Thuura Chiefs Office		500,000		
Kithoka Chiefs Office		100,000		
Kirimaitune Chiefs Office		200,000		
ACC Office Kiamwitari		500,000		
DCC North Imenti		400,000		
Gakurine Police Post		400,000		
Kambakia Police		700,000		
Rwairiyange Policc		260,000		
Ngonyi Police		200,000		
OCS Meru Police Station		800,000		
OCPD Meru		200,000		
Kinoru Police		240,000		
Emergency Projects				
Bursaries Secondary		5,207,234		
Bursaries Tertiary		9,464,253		
Sports		6,057,552		
Enviroment		4,000		
Sub-Total			24,044,324	

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Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Sub-Total				
Acquisition of assets		159,000	308,000	
Others (<i>specify</i>)				
Other Balances		2,872,572		
Sub-Total		72,516,190	60,588,691	
Grand Total				

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NORTH IMENTI CONSTITUENCY
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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land				
Buildings and structures	27,966,688			27,966,688
Transport equipment	7,641,000			7,641,000
Office equipment, furniture and fittings	598,578	154,200		444,378
ICT Equipment, Software and Other ICT Assets	1,573,720			1,573,720
Other Machinery and Equipment	~			~
Heritage and cultural assets	~			~
Intangible assets	~			~
Total	37,779,986	154,200		37,625,786

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NORTH IMENTI CONSTITUENCY
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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
Deb Primary School	Cooperative Bank	01139418287500	700,655	1,135
CCM Good Shepherd Pri School	Cooperative Bank	01134418650100		622
Gachanka primary school	Cooperative Bank	01139022223401		301,795
Muringo::bugi primary school	Cooperative Bank	01134418049500	501,546	1,546
Mwiteria primary school	Cooperative Bank	01134418970300		518,742
Njuki njiru primary school	Cooperative Bank	01139418892600		60,462
CCM Irinda primary school	Cooperative Bank	01134664118300	150,502	500,502
Gikumene primary school	Cooperative Bank	01139022221601		602,469
Kaiginyo Boarding primary school	Cooperative Bank	01134664089600		2,885
Kiamiriru Primary school	Cooperative Bank	0113466413150		600,762
Mwiramwanki Primary School	Cooperative Bank	01024040374300		2,075
Bishop Lawi Primary school	Cooperative Bank	01139378027300	67,789	657,459
Kathirune Primary School	Cooperative Bank	01134418380801		3437
Gichunge Primary School	Cooperative Bank	01134525577300		501,207
Kiambiti Primary School	Cooperative Bank	01134664837200		200,825
Kithoka Primary School	Cooperative Bank	01139075112401		1,028
Mwithumwiru Primary School	Cooperative Bank	01139075182100	342,040	189,040
Kathurine Primary School	Cooperative Bank	01134418380800		3,437

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Gachua Primary School	Cooperative Bank	01134664309800		304,972
Nkabune Primary School	Cooperative Bank	01134021981600		14,010
Rwanyange Primary School	Cooperative Bank	01139022094402		402,050
Meru Primary School	Cooperative Bank	01139378590100		1,470
Kinoru Day Secondary School	Cooperative Bank	01139075211002		6,294
Gachanka Day Sec School	Cooperative Bank	01128020028400		98,354
Kirige Day Sec School	Cooperative Bank	01134020688900		706,694
CCM Township Day Sec School	Cooperative Bank	01139020707401		134,135
CCM Irinda Day Sec School	Cooperative Bank	01139418304400		256,969
Ntakira Day Sec School	Cooperative Bank	01134418649800		312,436
Chugu Boys Sec School	Consolidated Bank	10071203000001		10,296
Munithu Day Sec School	Cooperative Bank	01134664219100		1,001,419
Runogone Day Sec School	Cooperative Bank	01139075194402		302,945
Kathirune Day Sec School	Cooperative Bank	01139021640601		1,010
Nkabune Day Sec School	Cooperative Bank	01134020703000		224,412
Nkabune Girls Sec School	Cooperative Bank	01129022172900		42,742
Thuura Day Sec School	Cooperative Bank	01134021889900		1,989
Karabiti Day Sec School	Cooperative Bank	01139525596000		203,242
Kaaga Ass Chiefs Office	Cooperative Bank	01134525876000		9,032

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kirigia Ass Chiefs Office	Cooperative Bank	01134664830000		
Kaaga Chiefs Office	Cooperative Bank	01141525435300		
Mulathankari Chiefs Office	Cooperative Bank	01134418936600		
Mwirine Day Sec School	Cooperative Bank	01134020774800		
Kathirune Primary	Cooperative Bank	01134418380801		
Runoge Chiefs Office	Cooperative Bank	01141525439700		
CCM Gitoro Primary	Cooperative Bank	01139075253600		
Nthimbiri Primary School	Cooperative Bank	01134664090600		
MCK Nthamiri Day Sec	Cooperative Bank	01134418947000		
Bishop Lawi Secondary	Cooperative Bank	01139665516300	42,010	
Thuura Boys Secondary School	Cooperative Bank	01139020190300		
Mukungorone Primary School	Cooperative Bank	01134022223000		
Good Shepherd Primary School	Cooperative Bank	01134418650100		
Kinoru Primary School	Cooperative Bank	01139075073702	1,530	
CCM Meru Township Primary	Cooperative Bank	01134021006800	398,553	
Kainginyo Day Sec School	Cooperative Bank	01134020690700		
Kiamiruru Day Sec School	Cooperative Bank	01134020689100		
Mwithumwiru Day Sec School	Cooperative Bank	01139075213501		
CCM Meru Township Day	Cooperative Bank	01139020707401		

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PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kaaga Boys Sec	Cooperative Bank	01139075188402		
Kambiti Day Sec School	Cooperative Bank	01139525596000		
Ngonyi Boys Secondary School	Cooperative Bank	01134022162700		
Kirige Boys Sec	Cooperative Bank	01134021616500	1.047,348	
Mwiteria Day Sec School	Cooperative Bank	01134664310300	539,243	
Kiamiriru Day Sec School	Cooperative Bank	011340206889100		
Giaki Girls Sec School	Cooperative Bank	01134664309700	973	
Chungari Day Sec School	Cooperative Bank	01139021696800		
Kaaga Girls Sec School	Cooperative Bank	01139378494300		
Chugu Chiefs Office	Cooperative Bank	01134525988300		
Themba Ass ChiefOffice	Cooperative Bank	01141665721300		
Kienderu Police Post	Cooperative Bank	01141665721600		
Kiraria Primary School	Cooperative Bank	01134664319200		
Meru Muslim Primary School	Cooperative Bank	01139020637500		
Meru Primary School	Cooperative Bank	01139378590100	259,870	
Runonge Primary School	Cooperative Bank	01139022227100		
Kathirune Day Sec School	Cooperative Bank	01139021640601	601,010	
Nthimbiri DO Office	Cooperative Bank	01141665735000		
TOTAL			4,653,069	8,183,899

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NORTH IMENTI CONSTITUENCY
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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)
2.1	Un accounted expenditures in respect of committee allowances	The missing payment vouchers which were not provided at the time of audit have been traced and copies attached.	FAM	Not Resolved	30/10/2020
2.2	Wrong classification of expenditures	Out of Ksh 947,400 an amount of Ksh 157,000 is correctly posted as committee allowance and the balance of Ksh 785,400 is an error in classifying of the expenditure of which has been corrected and expenses posted in the correct vote and the financial statement amended	FAM	Not Resolved	30/10/2020
3.1.1	Stalled in expenditures in various institutions (Kinoru day Sec , Nguine day Sec, Murnithu day Sec ,	The NG-CDFC Committee has factored additional funding in the current financial year	FAM	Not Resolved	30/10/2020

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NORTH IMENTI CONSTITUENCY
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.1.2	Kirige Day and Thuura Sec School Labelling of projects and unaccounted expenditure in Irinda Day Sec School	to help complete all the on-going projects The project is being co-funded by the NG-CDF, Parents and the ministry. At the time of time of audit the project was not labelled coz it was an ongoing project, but there is a sign post erected at the entrance of the school showing the project activities and the years funding, the committee has also committed to fully account for the funds after the project has been completed.	FAM	Not Resolved	30/10/2020
3.2.1	Irregularity in the procurement process for Irinda Primary School	Expenditure returns availed Bank statements also attached Project management committee minutes also attached	FAM	Not Resolved	30/10/2020
3.2.3	Irregularity in procurement process and an accounted funds	Bank statements and bill of quantities provided	FAM	Not Resolved	30/10/2020

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NORTH IMENTI CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

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)
	for Muringombugi Primary School	<p>Documents accounting for funds which were not provided at the time of audit have been provided.</p> <p>The project has stalled because the amount which was allocated to do the classroom was not enough but the NG-CDFC Committee has allocated funds in the 2019-2020 financial year to enable the project management committee complete the project.</p>			
4.1	Stalled implementation of projects in Magundu Ass Chiefs office	The committee has allocated funds in the 2019-2020 financial year to complete the ongoing project.	CDFC , FAM	Resolved	
4.2	Lack of supporting documents for emergency projects	Documents showing the projects were emergency in nature for funding which were not provided at the time	FAM	Not Resolved	30/10/2020

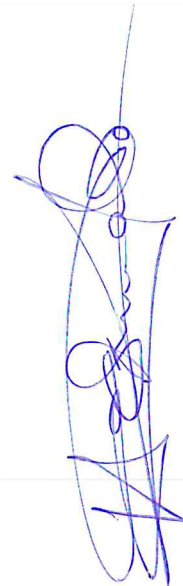
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NORTH IMENTI CONSTITUENCY
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.3	An accounted bursary funds	<p>of audit have been provided.</p> <p>Minutes approving the expenditures by the NG-CDFC Committee which were not provided at the time of audit have also been provided copies attached.</p> <p>Copies of expenditure returns attached</p> <p>Copies of application forms for bursary are available at the office for review</p> <p>Copies of minutes approving use of funds on bursaries have also been provided.</p> <p>Copies attached</p> <p>Copies of acknowledgement receipts have also been provided</p> <p>Criteria used in the allocation of bursary has also been provided</p>	FAM	Not Resolved	30/10/2020
5.0	Tagging of fixed assets	Fixed asset register has been	FAM	Not Resolved	30/10/2020

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – NORTH IMENTI CONSTITUENCY
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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
7.1	Budget under performance	<p>updated and assets that were not tagged have been tagged, copies of updated register attached.</p> <p>The management is putting up measures to ensure that absorption rate of funds has been increased and projects that were funded in a financial year are completed on time</p>	CDFC, FAM	Resolved	

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-NORTH IMENTI Constituency financial statements were approved on 01/03/2021 and signed by:



Fund Account Manager
Harrison Wachira



Sub-County Accountant
Jane W. Muhari
ICPAK Member Number: 15096