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**REPORT**

DATE: 01 MAR 2022

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OF

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BY:

LOM

CLERK-AT

**THE AUDITOR-GENERAL** G. Chebet.

**ON**

**NATIONAL GOVERNMENT  
CONSTITUENCIES DEVELOPMENT FUND -  
MAGARINI CONSTITUENCY**

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



OFFICE OF THE AUDITOR GENERAL  
P. O. Box 95202, MOMBASA  
19 MAR 2021  
RECEIVED  
COAST HUB



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**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -  
MAGARINI CONSTITUENCY**

**REPORTS AND FINANCIAL STATEMENTS**

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

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

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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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 MAGARINI 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 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder (1/07/19 – 31/03/20)	<b>Juma Nyundo Buduguh.</b>
2.	A.I.E holder (1/04/20 -30/06/20)	<b>Yaye Shosi Ahmed</b>
2.	Sub-County Accountant	<b>Justus Mboya</b>
3.	Chairman NGCDFC	<b>Samson K. Ngundu</b>

**(d) Fiduciary Oversight Arrangements**

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

NG CDF Office Building  
Next to Assistant County Commissioner's Office  
Gongoni  
P.O Box 1907-80200  
**Malindi, Kenya.**

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**(f) NGCDF MAGARINI Constituency Contacts**

Telephone: (254) 733540364  
E-mail: [magarini@ngcdf.go.ke](mailto:magarini@ngcdf.go.ke)  
Website: [www.ngcdf.go.ke](http://www.ngcdf.go.ke)

**(g) NGCDF MAGARINI Constituency Bankers**

Kenya Commercial Bank Ltd  
Malindi Branch  
P.O. Box 9-80200  
Malindi, Kenya

**(h) Independent Auditors**

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

**(i) Principal Legal Adviser**

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MAGARINI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**II. FORWARD BY THE CHAIRMAN NGCDF COMMITTEE**

**Budget performance**

Magarini NG-CDF's budget for 2019/2020 financial year was Kshs 137,367,724.00. As at 30<sup>th</sup> June 2020, only Kshs 68,000,000.00 (49.5%) relating to 2019/2020 financial year had been disbursed to the Constituency and a total of Kshs 69,367,724 (50.5%) had not been disbursed from the NGCDF Board. This coupled with the Covid-19 pandemic has attributed to the overall underutilisation of funds by 30<sup>th</sup> June 2020.

Budget utilisation during the year is summarised in the table below:

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
TOTAL RECEIPTS	137,367,724	66,359,967	203,727,691	121,123,208	82,604,483	59.5%
TOTAL PAYMENTS	137,367,724	66,359,967	203,727,691	107,066,148	96,661,543	52.6%

**Emerging issues**

Following the Covid-19 Pandemic coupled with late disbursement of funds from the NGCDF Board, project implementation was delayed during this financial year. However, despite these issues, project implementation for new projects started and a good number of ongoing projects were completed and are in use.

**Implementation challenges and recommendations**

No	Challenges	Recommendations
1	Project implementation including bursary programme was slow because of the Covid 19 pandemic	Fast track project implementation
	There is only one public works officer serving constituencies in Kwale, Mombasa and Kilifi counties, resulting in delays in project design, supervision and issuance of payment and completion certificates.	The National Government should ensure that every constituency has her own Public works Officer to facilitate efficient and effective project implementation.
3	Funds allocated to Constituencies are insufficient posing a challenge to project implementation. This includes funds allocated to bursary.	The CDF Board should consider disbursing more funds to Constituencies.
4	PMCs change project activities that require NGCDFCs to request for reallocation too often.	PMCs should be trained on project planning and implementation.
5	Community proposals are forwarded to the NGCDFCs at Ward forums without getting realistic cost estimates from the public works officers posing a challenge of forwarding proposals to the NGCDF Board with unrealistic cost estimates	NGCDFCs should only consider prioritising proposals that have realistic cost estimates and BQs from the public works officer

**PROJECT PHOTOS**

**MAGARINI NG-CDF MARAFA SECONDARY SCHOOL LIBRARY**



**BEDS AND MATTRESSES –MAMBRUI SPECIAL SCHOOL**





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MAGARINI CONSTITUENCY**

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

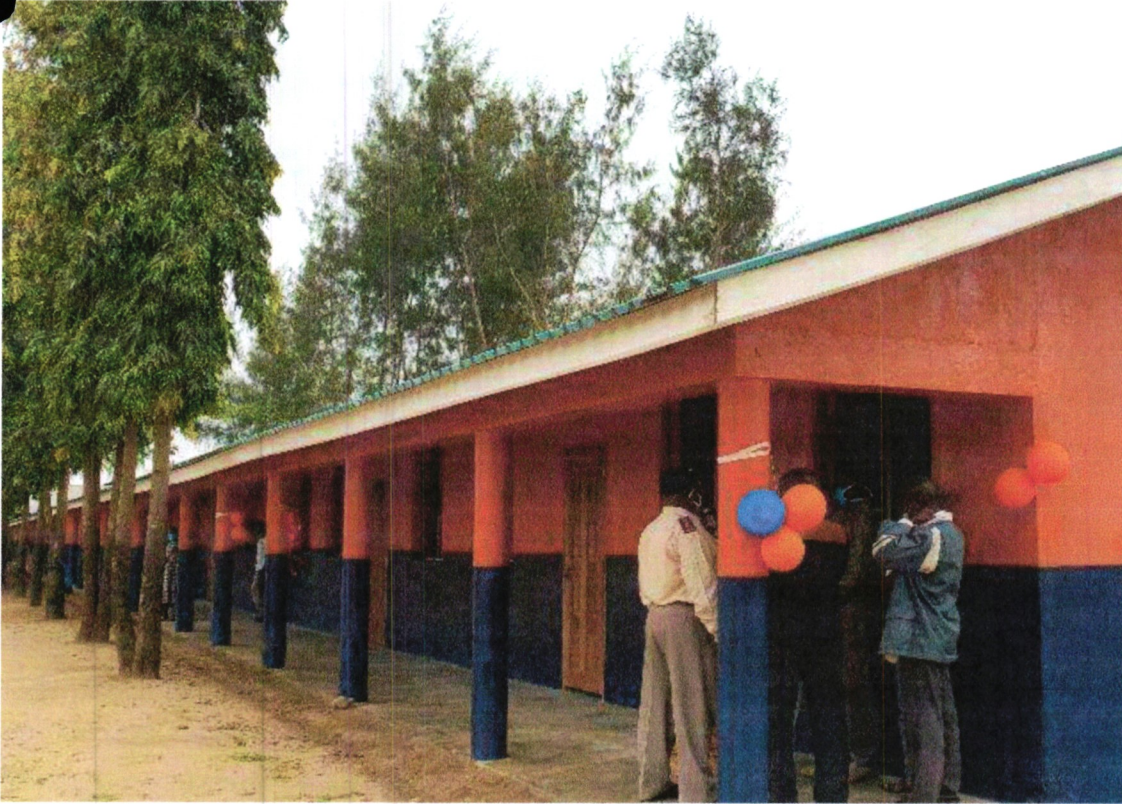
**MAGARINI NG-CDF MAGARINI GIRLS' SECONDARY SCHOOL DORMITORY**



**MAGARINI SPORTS DAY**



MAPIMO PRIMARY SCHOOL



Sign

CHAIRMAN NGCDF COMMITTEE

Sanson Kombar

11764 038

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MAGARINI CONSTITUENCY**

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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-MAGARINI Constituency's 2018-2022 plan are to:

- a) Mobilize resources for development.
- b) Reduce poverty and inequality.
- c) Improve access to quality education.
- d) Improve infrastructure in the constituency.
- e) Improve security in the constituency.
- f) Prevent environmental degradation.
- g) Build capacity to implement development projects.
- h) Promote sports activities in the constituency.

**Progress on attainment of Strategic development objectives**

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

<b>Constituency Programmes</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Performance</b>
Education	To have all children of school going age attending school.	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions.	Number of usable physical infrastructure build in primary, secondary, and tertiary institutions.  Number of bursary beneficiaries at all levels.	In FY 2019/20 20 Magarini NG-CDF increased:  -The number of classrooms increased from 168 to 199 in Fundisa primary, Kadzuhoni primary, Kata primary, Ulaya primary, Kaya primary, Mwangani primary, Kaoyeni primary, Kadzifitseni primary, Galukani primary,

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)**

**MAGARINI CONSTITUENCY**

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				<p>Midodoni central primary, Tangini primary, Ramada secondary, Sabaki secondary and Wakala girls' secondary.</p> <p>- The number of dormitories increased from 2 to 4 in Mapimo girls' secondary and Ngomeni secondary schools.</p> <p>-The number of science laboratories increased from 7 to 13 in Shomela secondary, Baricho secondary, Chakama secondary, Kaembeni secondary and Mjanaheri secondary schools.</p> <p>-The number of school toilets increased from 7 to 11 in Waresa primary, Majengo primary, Kakuhani primary and Wakala primary schools.</p> <p>The constituency constructed 1 staff house in Kibokoni secondary school.</p> <p>The constituency purchased 1 school bus in Magarini girls secondary school</p> <p>Students at all levels benefitted from the bursary allocation.</p>
Security	To improve security in the constituency.	Improved security in the constituency.	Number of police posts and staff houses constructed.	<p>In the FY 2019/2020 Magarini NG-CDF implemented the following security programmes;</p> <ul style="list-style-type: none"> <li>- Construction of a 5 unit staff house at Adu police station</li> <li>- Construction of a 5 unit staff house at Marereni police</li> </ul>

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

				station
Environment	To prevent environmental degradation	Improved environmental awareness in the constituency	Number of environmental programmes initiated.	In the FY 2019/2020 Magarini NG-CDF implemented the following environmental programmes;  4 No. 2 Door toilets in Waresa primary, Majengo primary, Kakuhani primary and Wakala primary schools.
Sports	To promote sports activities in the constituency	Increased sports activities in the constituency.	Number of sports activities implemented.	In the FY 2019/2020 Magarini NG-CDF implemented the annual constituency sports programme
Disaster Management	To manage disasters in the constituency	Improved response to disasters.	Number of disaster management initiatives implemented.	In the FY 2019/2020 Magarini NG-CDF facilitated the use of face masks, hand sanitisers, running water, soap and disinfectants and in the fight against corona virus infections.

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

NGCDF – MAGARINI 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 -**

Significant progress has been made in achieving project sustainability through liaising with the relevant technical departments before, during and after project implementation. This ensures that projects are implemented to completion as per specifications and are put into good use. Improvement in school enrolment rates and security demonstrate progress in the dimension of social development.

However, rising inequalities in resource allocation and inadequate resources are stumbling blocks for the Magarini NGCDF strategy to achieve sustainable development.

##### **2. Environmental performance**

Among the Magarini – NGCDF initiatives and key responsibilities is to protect and care for the environment while facilitating project implementation.

Magarini NG-CDF is committed to:

- Protecting the environment by preventing and minimising our contribution to land, air and water pollution.
- Providing Environmental awareness training to NGCDFC members and staff
- Managing and disposing waste in a responsible manner

Part of Magarini NGCDF environmental Action Plan for 2019/2020 financial year is construction of 4 No. 2 Door toilet blocks in Waresa primary, Majengo primary, Kakuhani primary and Wakala Girls secondary schools.

##### **3. Employee welfare**

Magarini NGCDF has a total of 9 staff on contract employed on a three year contract. Six male and three female staff participate on annual NGCDF staff training to build their capacity. On the job training and appraisal programmes are also implemented to further improve staff skills.

Staff are provided with face masks and hand sanitisers in compliance with Occupational Safety and Health Act of 2007, (OSHA).

##### **4. Market place practices-**

- a) Responsible competition practice.

**Reports and Financial Statements**

**For the year ended June 30, 2020**

Magarini NGCDF has a complaints register that allows members of the community to report any complaints arising from the day to day office operations. Project proposals are collected from the community at the ward level to ensure that community needs are fairly represented without bias.

Available tenders for construction and supplies are made available to all eligible contractors and suppliers. A list of pre-qualified contractors for 2018/19 -2019/20 is available in the office. Members of the public have also invited to apply for new prequalification for the 2020/21 – 2021/22 financial year through the office of the County Commissioner.

b) Responsible Supply chain and supplier relations-

Magarini NGCDF maintains good business practices by ensuring that right procedures are followed from project planning to project implementation. Magarini NGCDF honours contracts and has respectful payment practices. This ensures that suppliers and Contractors are treated responsibly

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

Available tenders for construction and supplies are made available to all eligible contractors and suppliers. A list of pre-qualified contractors for 2018/19 -2019/20 is available in the office. Members of the public have also invited to apply for new prequalification for the 2020/21 – 2021/22 financial year through the office of the County Commissioner

d) Product stewardship- outline efforts to safeguard consumer rights and interests

Magarini NGCDF ensures that Project Management Committee members implement projects that suit the need of the end user (Community). The right specifications for projects and supplies are established through technical departments to ensure that consumer needs and expectations are satisfactorily met.

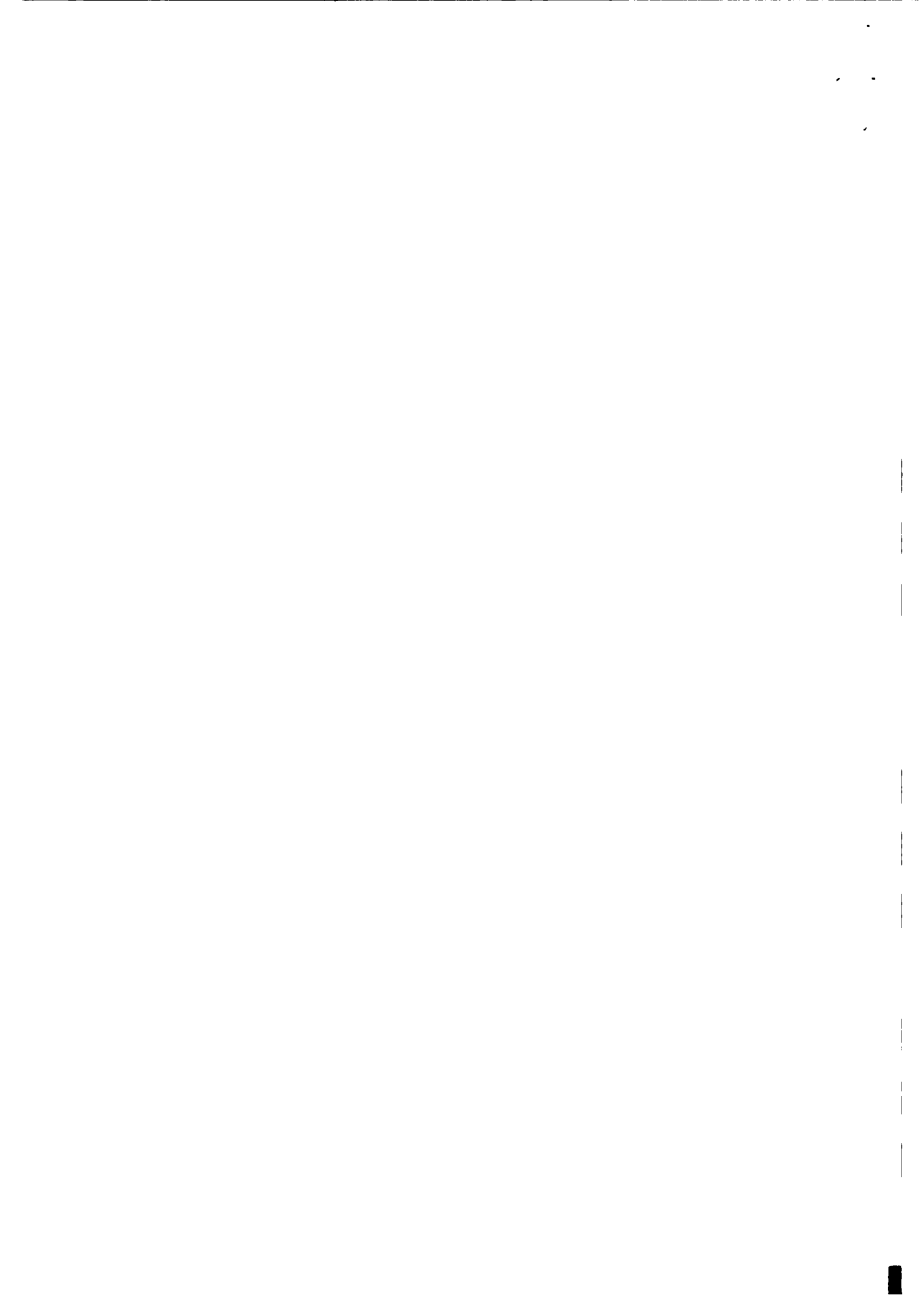
**5. Community Engagements -**

Magarini NGCDF facilitated social support programmes including issuance of bursary to needy and deserving students. Needy students who attained above 350 marks were awarded full scholarship and this goes a long way in ensuring that no needy and bright student is left behind.

Magarini NGCDF further facilitated sports activities within the constituency and this helps in keeping unemployed youths active and more productive in the society. The activity distracts youths from engaging in criminal activities.

Staff, NGCDFC members, staff and PMC training has helped to build capacity of members and improve their work efficiency.

Sensitisation programmes and provision of face masks, hand sanitisers, soap and sufficient running water during the covid 19 pandemic has kept NGCDF members, staff, and the community visiting the office safe.





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

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

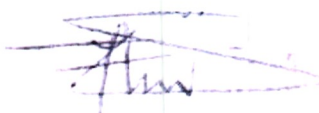
The Accounting Officer in charge of the NGCDF-MAGARINI Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. 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-MAGARINI 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 in charge of the NGCDF-MAGARINI 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-MAGARINI 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-MAGARINI Constituency financial statements were approved and signed by the Accounting Officer on 12/03 2021.



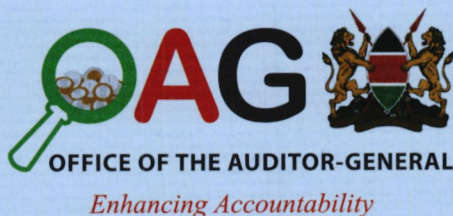
**Fund Account Manager**  
Yaye Shosi:



**Sub-County Accountant**  
Justus K. Mboya:  
ICPAK Member Number: 19820



# REPUBLIC OF KENYA



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NAIROBI

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

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Magarini Constituency set out on pages 16 to 57, which comprise of the statement of assets and liabilities as at 30 June, 2020, and statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Magarini Constituency as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015 and the Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1.0 Inaccuracies in the Financial Statements

The financial statements for the year ended 30 June, 2020 presented for audit had the following inaccuracies.

- i. The statement of assets and liabilities as at 30 June, 2020 reflects cash and cash equivalents comparative balance of Kshs.15,811,239 while the 2018/2019 audited financial statements reflect a balance of Kshs.15,911,239. Similarly, the statement of cashflows reflects opening balance of cash and cash equivalents of Kshs.15,811,239 while the audited

financial statements reflect a balance of Kshs.15,911,239, the resultant variance of Kshs.100,000 has not been reconciled or explained.

- ii. Annex 4 - summary of fixed assets register reflects fixed assets opening balance of Kshs.45,756,125 while the audited financial statements for 2018/2019 reflect a balance of Kshs.58,295,743, resulting to an unreconciled variance of Kshs.12,539,618.
- iii. The summary statement of appropriation - recurrent and development combined for the year ended 30 June, 2020 reflects total actual receipts and total budget utilization difference of Kshs.121,123,208 and Kshs.82,619,483 respectively. However, a recomputation of these balances amounts to Kshs.121,127,208 and Kshs.82,615,483 respectively, both resulting to unreconciled variance of Kshs.4,000.
- iv. The summary statement of appropriation - recurrent and development combined reflects total actual expenditure on comparable basis of Kshs.107,066,148, while the budget execution by programmes and sub-programmes reflects a total expenditure amount of Kshs.90,441,385, resulting to an unreconciled and unexplained variance of Kshs.16,624,764.
- v. The statement of receipts and payments and Note 3 to the financial statements reflects other receipts amount of Kshs.1,040,094 which includes Kshs.15,000 in respect to receipts from sale of tender documents which is omitted from the summary statement of appropriation - recurrent and development combined.

Consequently, the accuracy and completeness of the balances could not be confirmed.

## **2.0 Irregularities in Bursary Payments**

The statement of receipts and payments reflects other grants and transfers of Kshs.50,528,918. Included in this balance are bursary payments to secondary, tertiary and special schools totaling Kshs.36,844,000. However, the balance includes an amount of Kshs.9,424,300 being bursary payments for six hundred and forty five (645) beneficiaries whose registration or admission numbers were not indicated in the application documents.

Further, the bursary payments includes amounts totalling Kshs.720,000 in respect to bursary payments for sixty four (64) students in twenty three (23) schools who were sharing registration and admission numbers. In addition, bursaries totaling to Kshs.528,500 were paid to thirteen (13) students who were awarded more than one bursary each.

Consequently, the accuracy and propriety of bursary payments amounting to Kshs.36,844,000 could not be confirmed.

### 3.0 Variances Between Financial Statement Balances and Supporting Schedules

The statement of assets and liabilities as at 30 June, 2020 and the statement of receipts and payments for the year ended 30 June, 2020 reflects balances that are at variance with their supporting schedules as detailed below:

No	Item/component	Note	Financial Statements Balance (Kshs.)	Schedule Balance (Kshs.)	Variance (Kshs.)
	<b>Payments</b>				
1	Domestic travel and subsistence	5	325,380	272,580	52,800
2	Hospitality supplies and services	5	468,500	168,500	300,000
3	Committee allowance	5	2,155,500	1,910,500	245,000
4	Office and general supplies and services	5	1,725,513	1,319,313	406,200
5	Other operating expenses	5	1,308,987	608,987	700,000
6	Routine maintenance-vehicles	5	1,172,535	162,535	1,010,000
7	Routine maintenance - other assets	5	242,310	92,310	150,000
8	Emergency projects	7	3,276,000	5,140,000	(1,864,000)
9	Cash in hand	10B	15,000	-	15,000

Consequently, the accuracy and completeness of the balances could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Magarini Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

## **Key Audit Matters**

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

## **Other Matter**

### **1.0 Budgetary Control and Performance**

The summary statement of appropriation - recurrent and development combined reflects final receipts budget totaling to Kshs.203,742,691 against total actual receipts balance of Kshs.121,127,208, resulting to budget under funding of Kshs.82,615,483 or 41% of the budget. Similarly, the Fund expended an amount of Kshs.107,066,148 against an approved budget of Kshs.203,742,691 resulting to budget under absorption of Kshs.96,676,543 or 47% of the budget.

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

## **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 Unplanned Training Expenses**

The statement of receipts and payments reflects use of goods and services balance of Kshs.12,545,457. This balance includes an amount of Kshs.1,756,900 in respect to training expenses. However, the expenditure was not supported with the training plan and training needs assessment, done to assess the inadequacy of knowledge and skills. This is contrary to Section H.3.1 of the Human Resource Policies and Procedures Manual for the Public Service, 2015.

Consequently, Management was in breach of the law.

### **2.0 Irregular Procurement of Construction Contracts**

The statement of receipts and payments reflects transfers to other Government entities balance of Kshs.40,327,027. Expenditure records revealed that an amount of

Kshs.8,714,922 was incurred in four (4) primary schools, namely Mapimo, Mwaeba, Nyamala Sinene and Midodoni for the construction of classrooms and purchase of desks. A review of the related procurement records revealed the following anomalies;

- i. The procurement plan with details of the projects was not provided for audit review, contrary to Regulation 115(2) of the Public Finance Management (National Government) Regulations, 2015 which provides that every year a procurement plan shall be prepared by the Accounting Officers to form the basis for procurement activities undertaken by Government entities in the fiscal year;
- ii. The professional opinion and tender evaluation report were not provided for audit review, contrary to Section 84(1) of the Public Procurement and Asset Disposal Act, 2015 which provides that the head of procurement function of a procuring entity shall, alongside the report to the evaluation committee as secretariat comments, review the tender evaluation report and provide a signed professional opinion to the Accounting Officer on the procurement or asset disposal proceedings;
- iii. The tenders were not procured, in accordance to Executive Order No. 2 of 13 June, 2018 on Procurement of Public Goods, Works and Services by public entities which states that public procurement entities should undertake all their procurements through the e-procurement module beginning 1 January, 2019, and
- iv. An amount totalling to Kshs.710,000 being provisional sums was incurred on these contracts, however, Management has not provided for audit review, the distribution lists of the desks, the bill of quantities for the electrical works and information on how the contingency funds were utilized.

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

### **3.0 Other Grants and Transfers**

#### **3.1 Failure to Implement e-Procurement**

The statement of receipts and payments reflects other grants and transfers of Kshs.50,528,918. This balance includes an amount of Kshs.3,130,818 in respect to environment projects involving construction of toilets. However, the projects were not procured electronically, contrary to Executive Order No.2 of 13 June, 2018 on Procurement of Public Goods, Works and Services by public entities which required Public Procurement Entities to undertake all their procurements through the e-procurement module beginning 1 January, 2019.

Consequently, Management was in breach of the law.

### 3.2 Irregular Expenditure on Emergency Projects

The statement of receipts and payments and Note 7 to the financial statements reflects other grants and transfers amount of Kshs.50,528,918. This balance includes an amount of Kshs.3,276,000 in respect to emergency projects, out of which an amount of Kshs.2,314,000 was spent on projects that were not emergency in nature, contrary to Section 8(3) of the National Government Constituencies Development Fund Act, 2015 which states that "Emergency" shall be construed to mean an urgent, unforeseen need for expenditure for which it is in the opinion of the committee that it cannot be delayed until the next financial year without harming the public interest of the constituents. The expenditure is summarized below:

No.	Project Name	Amount (Kshs.)
1	Office and General supplies	406,200
2	Travelling	52,800
3	Maintenance of vehicle	1,010,000
4	Maintenance of other assets-Building	150,000
5	Committee expenses	245,000
6	Fund Account Manager	450,000
	<b>Total</b>	<b>2,314,000</b>

Consequently, Management was in breach of the law.

### 3.3 Sports Projects

As disclosed in Note 7 to the financial statements, the transfers to other Government entities of Kshs.50,528,918 includes an amount of Kshs.4,477,800 in respect to sports projects, out of which an amount of Kshs.3,477,800 was used by the Fund Account Manager for purchase of various items. However, the following anomalies were noted:

- i. An amount of Kshs.2,568,400 was spent on sports items/activities procured using direct procurement method, contrary to Section 103(1) of the Public Procurement and Asset Disposal Act, 2015 which provides that a procuring entity may use direct procurement as long as the purpose is not to avoid competition. Further, the items purchased were not in the procurement plan, contrary to Regulation 115(2) of the Public Finance Management (National Government) Regulations, 2015 which provides that every year a procurement plan shall be prepared by the Accounting Officers to form the basis for procurement activities undertaken by Government entities in the fiscal year.
- ii. Sports items acquired at a cost of Kshs.2,110,450 were not supported with a goods received note, delivery note and a distribution list contrary to Section 159(2) of the Public Procurement and Asset Disposal Act, 2015) which requires an Accounting Officer of a procuring entity to record goods, works and services received in an inventory of the procuring entity as shall be prescribed.

In the circumstances, value for money from the expenditure on sports projects could not be confirmed.

#### 4.0 Projects Inspection

Audit inspection carried out in the month of February, 2021 of five (5) projects with a total contract sum of Kshs.10,327,027 revealed anomalies as outlined in the table below:

No.	Name of Project	Project Activity	Contract Price (Kshs.)	Audit Observations
1	Sabaki Primary School	Completion of four (4) classrooms at an amount Kshs.1,400,000 and delivery of twenty (20) desks – at an amount of Kshs.100,000	1,500,000	The classrooms were complete and in use. However, the door locks and anodized aluminum louvre jamb units were not done.
2	Mapimo Primary School	Completeness of renovation of six (6) classrooms (Construction of columns, flooring, plastering, roofing and painting)	6,677,027	The classrooms were complete and in use. However, hardwood door was installed instead of steel door as indicated in Bill of Quantities (BQ) while internal painting which required two (2) coats of gloss oil paint as per the BQ was not done. Further, window glass was not fixed.
3	Magarini Primary School	Construction of one (1) Two door Toilet	550,000	The toilet was complete and in use. However, Union door locks amounting to Kshs.4,000 were not fitted as per BQs.



No.	Name of Project	Project Activity	Contract Price (Kshs.)	Audit Observations
4	Majengo Primary School	Construction of a two (2) door pit latrine at Majengo Primary School	500,000	The Pit latrine was complete and in use. However, doors were not fitted with locks as per BQs.
5	Kibaoni Primary School	Construction of two (2) classrooms to completion	1,100,000	The building was complete and in use. However, rain harvesting gutters and window louvres were not done.
	<b>Total</b>		<b>10,327,027</b>	

Consequently, it could not be confirmed whether the public obtained value for money for the above projects.

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

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

##### **Conclusion**

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

##### **Basis for Conclusion**

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

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

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

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

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

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

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

## **Auditor-General's Responsibilities for the Audit**

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements

are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date

of my audit report. However, future events or conditions may cause the Fund to cease to sustain its services.

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

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

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

17 February, 2022

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MAGARINI CONSTITUENCY**

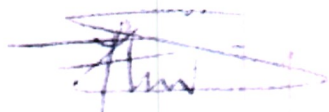
**Reports and Financial Statements**

**For the year ended June 30, 2020**

**VII. STATEMENT OF RECEIPTS AND PAYMENTS**

	Note	2019 - 2020	2018 - 2019
			Kshs
<b>RECEIPTS</b>			
Transfers from CDF board-AIEs' Received	1	104,290,876	67,015,517
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	1,040,094	579,470
<b>TOTAL RECEIPTS</b>		<b>105,330,970</b>	<b>67,594,987</b>
<b>PAYMENTS</b>			
Compensation of employees	4	2,665,657	2,977,481
Use of goods and services	5	12,545,457	10,802,634
Transfers to Other Government Units	6	40,327,027	40,371,248
Other grants and transfers	7	50,528,918	35,254,189
Acquisition of Assets	8	-	125,950
Other Payments	9	999,090	2,500,000
<b>TOTAL PAYMENTS</b>		<b>107,066,148</b>	<b>92,031,502</b>
<b>SURPLUS/DEFICIT</b>		<b>(1,735,179)</b>	<b>(24,436,515)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MAGARINI Constituency financial statements were approved on 18/03/2021 2021 and signed by:



**Fund Account Manager**  
Yaye Shosi:




**Sub-County Accountant**  
Justus K. Mboya:  
ICPAK Member Number: 19820



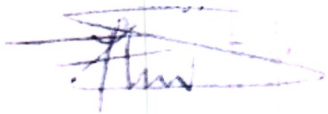
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MAGARINI CONSTITUENCY**

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


**VIII. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2019 - 2020 Kshs	2018 - 2019 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances ( as per the cash book)	10A	14,061,060	15,811,239
Cash Balances (cash at hand)	10B	15,000	-
<b>Total Cash and Cash Equivalents</b>		<b>14,076,060</b>	<b>15,811,239</b>
Current Receivables-Outstanding Imprests	11	-	-
<b>TOTAL FINANCIAL ASSETS</b>		<b>14,076,060</b>	<b>15,811,239</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payable-Retention	12A		
Gratuity	12B	-	-
<b>NET FINANCIAL ASSETS</b>		<b>14,076,060</b>	<b>15,811,239</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd 1st July...	13	15,811,239	40,247,753
Surplus/Deficit for the year		(1,735,179)	(24,436,515)
Prior year adjustments	14		-
<b>NET FINANCIAL POSITION</b>		<b>14,076,060</b>	<b>15,811,238</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MAGARINI Constituency financial statements were approved on 18/03/2021 2021 and signed by:

  
Fund Account Manager  
Yaye Shosi:



  
Sub-County Accountant  
Justus K. Mboya:  
ICPAK Member Number: 19820





**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MAGARINI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

**IX. STATEMENT OF CASHFLOW**

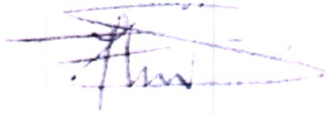
		<b>2019 - 2020</b>	<b>2018 - 2019</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>Receipts for operating income</b>			
Transfers from NGCDF Board	1	104,290,876	67,015,517
Other Receipts	3	1,040,094	579,470
		<b>105,330,970</b>	<b>67,594,987</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	2,665,657	2,977,481
Use of goods and services	5	12,545,457	10,802,634
Transfers to Other Government Units	6	40,327,027	40,371,248
Other grants and transfers	7	50,528,918	35,254,189
Acquisition of Assets	8	-	-
Other Payments	9	999,090	2,500,000
		<b>107,066,148</b>	<b>92,031,502</b>
<b>Adjusted for:</b>			
Decrease/(Increase) in Accounts receivable	15	-	-
Increase/(Decrease) in Accounts Payable	16	-	-
Prior year Adjustments	14	-	-
<b>Net Adjustments</b>		-	-
<b>Net cash flow from operating activities</b>		<b>(1,735,179)</b>	<b>(24,436,515)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	125,950
<b>Net cash flows from Investing Activities</b>			-
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(1,735,179)</b>	<b>(24,436,515)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>	<b>13</b>	<b>15,811,239</b>	<b>40,247,753</b>
<b>Cash and cash equivalent at END of the year</b>		<b>14,076,060</b>	<b>15,811,238</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)  
MAGARINI CONSTITUENCY**

**Reports and Financial Statements**

**For the year ended June 30, 2020**

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-MAGARINI Constituency financial statements were approved on 18/03 2021 and signed by:



**Fund Account Manager**  
**Name: Yaye Shosi**



**Sub-County Accountant**  
**Name: Justus K. Mboya**  
**ICPAK Member Number: 19820**





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

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
<b>RECEIPTS</b>						
Transfers from NG-CDF Board	137,367,724	65,334,873	202,702,597	120,102,114	82,600,483	59.3%
Proceeds from Sale of Assets	0	0	0	-	-	0.0%
AIA	0	4,000.00	4,000	4,000	-	100.0%
Other Receipts	0	1,036,094	1,036,094	1,021,094	15,000	98.6%
<b>TOTAL RECEIPTS</b>	<b>137,367,724</b>	<b>66,374,967</b>	<b>203,742,691</b>	<b>121,123,208</b>	<b>82,619,483</b>	<b>59.4%</b>
<b>PAYMENTS</b>						
Compensation of Employees	4,562,915	801,438	5,364,353	2,665,657	2,698,696	49.7%
Use of goods and services	7,800,180	913,287	8,713,467	12,545,457	(3,831,990)	144.0%
Transfers to Other Government Units	67,210,672	35,960,383	103,171,055	40,327,027	62,844,028	39.1%
Other grants and transfers	57,793,957	23,480,859	81,274,816	50,528,918	30,745,899	62.2%
Acquisition of Assets	0	0	0	-	-	0.0%
Other Payments	0	5,219,000	5,219,000	999,090	4,219,910	19.1%
<b>TOTAL</b>	<b>137,367,724</b>	<b>66,374,967</b>	<b>203,742,691</b>	<b>107,066,148</b>	<b>96,676,543</b>	<b>52.5%</b>

The Percentage of utilisation of 52.5 % is attributed to the late receipt of AIEs for the financial year. AIEs for the year were received in different dates as follows:

Reports and Financial Statements

For the year ended June 30, 2020

DATE	AIE NUMBER	AMOUNT	FINANCIAL YEAR
03.09.2019	B047221 - 2018/2019/1533	36,290,876	2018/2019
13.11.2019	B041116 - 2019/2020/157	4,000,000	2019/2020
19.12.2019	B047604 - 2019/2020/432	20,000,000	2019/2020
30.01.2020	B047963 - 2019/2020/800	6,000,000	2019/2020
25.02.2020	B049363 - 2019/2020/1031	14,000,000	2019/2020
20.03.2020	B104387 - 2019/2020/1343	15,000,000	2019/2020
01.04.2020	B096602 - 2019/2020/1483	9,000,000	2019/2020

Only Kshs 68,000,000.00 (49.5%) relating to 2019/2020 financial year had been received as at 30<sup>th</sup> June 2019. This has contributed to the overall underutilisation of funds by 30<sup>th</sup> June 2020.

No	Expense Item	% of Utilization	Explanation
1	Compensation of Employees	49.7%	Kshs 2,254,226.00 out of the actual budget of Kshs 4,562,915.32 relating to 2019/2020 financial year had been received as at 30 <sup>th</sup> June 2020 contributing to the overall underutilisation of 49.7 %
2	Use of goods and services	144%	An adjustment of Kshs 913,287 was added to the initial budget of Kshs 7,800,180 for goods & services contributing to the over utilisation
3	Transfers to Other Government Units	39.1%	Kshs 21,000,000.00 out of the actual budget of Kshs 65,210,672.00 relating to 2019/2020 financial year had been received as at 30 <sup>th</sup> June 2020 contributing to the overall underutilisation of 39.1 %
4	Other grants and transfers	62.2%	Kshs 36,945,595.00 out of the actual budget of Kshs 59,793,956.97 relating to 2019/2020 financial year had been received as at 30 <sup>th</sup> June 2020 contributing to the overall underutilisation of 62.2 %

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

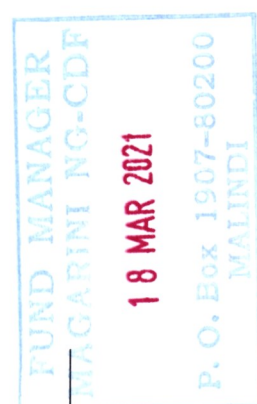
5	Acquisition of Assets	0.0%	No assets were acquired during the financial year
6	Other Payments	19.1%	Kshs 3,004,000 out of the total adjustment of Kshs 5,204,000 had been received as at 30 <sup>th</sup> June 2020 contributing to the overall underutilisation of 19.2%
	<b>Total</b>	<b>52.5%</b>	Overall, Kshs 68,000,000.00 (49.5%) relating to 2019/2020 financial year had been received as at 30 <sup>th</sup> June 2019. This has contributed to the overall underutilisation of funds by 30 <sup>th</sup> June 2020.

The changes between the original and final budget are as a result of adjustments tabulated in column b of the summary statement of appropriation table derived as follows:

Element	Description	Amount (Kshs)
1	Cash book balance as at 30/06/2019	15,811,239.00
2	Total amount owing to the Constituency from the NGCDF Board as at 01/7/19	13,232,759.00
3	AIE No. B047221 – 2018/2019/1533 for financial year 2018/2019 but received on 3 <sup>rd</sup> September, 2019.	36,290,876.00
4	Other Receipts	1,040,093.00
	<b>Total</b>	<b>66,374,967.00</b>

The actual on a comparable basis in the Summary Statement of Appropriation: Recurrent and Development Combined agrees to the amounts reported in the Statement of Receipts and Payments. (Kshs **107,066,148**)

The NGCDF-MAGARINI Constituency financial statements were approved on 18/03 2021 and signed by:

**Fund Account Manager**  
Name: Yaye Shosi



**Sub-County Accountant**  
Name: Justus K. Mboya  
ICPAK Member Number: 19820

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

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2019/2020		2019/2020	30/06/2020		
	Kshs	Kshs	Kshs	Kshs	Kshs	
<b>1.0 Administration and Recurrent</b>						
1.1 Compensation of employees	4,562,915	801,438	5,364,353	2,665,657	2,698,696	50
1.2 Committee allowances	1,742,000	100,500	1,842,500	1,862,350	(19,850)	101
1.3 Use of goods and services	1,937,148	616,787	2,553,935	4,007,757	(1,453,822)	157
1.4 Acquisition of assets	-	-	-	-	-	-
<b>2.0 Monitoring and evaluation</b>						
2.1 Capacity building	1,581,032	-	1,581,032	1,756,900	(175,868)	111
2.2 Committee allowances	1,340,000	200,000	1,540,000	1,325,000	215,000	86
2.3 Use of goods and services	1,200,000	-	1,200,000	729,450	470,550	61
<b>3.0 Emergency</b>						
3.1 Primary Schools	7,198,241	-	7,198,241	5,140,000	2,058,241	71
3.2 Secondary schools						

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2019/2020		2019/2020	30/06/2020		
	Kshs	Kshs	Kshs	Kshs	Kshs	
3.3 Tertiary institutions	-	-	-	-	-	-
3.4 Security projects	-	-	-	-	-	-
3.5 Unutilised	-	-	-	-	-	-
<b>4.0 Bursary and Social Security</b>						
4.1 Secondary Schools	27,328,361	7,736,465	35,064,826	20,163,300	14,901,526	58
4.2 Tertiary Institutions	16,520,000	4,500,000	21,020,000	16,466,000	4,554,000	78
4.3 Social Security	-	-	-	-	-	-
4.4 Special Needs	4,000,000	-	4,000,000	215,000	3,785,000	5
<b>5.0 Sports</b>						
5.1	2,747,354	1,780,818	4,528,172	4,477,800	50,372	99
<b>6.0 Environment</b>						
6.1	2,000,000	1,630,818	3,630,818	3,130,818	500,000	86
<b>7.0 Primary Schools Projects</b>						
Fundisa primary School	750,000	-	750,000	750,000	-	100
Kadzuhoi primary School	2,000,000	2,000,000.00	4,000,000	1,200,000	2,800,000	30



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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2019/2020		2019/2020	30/06/2020		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Kata primary school	2,200,000	-	2,200,000	1,100,000	1,100,000	50
Ulaya Primary School	2,200,000	-	2,200,000	1,100,000	1,100,000	50
Kaya primary school	2,200,000	-	2,200,000	1,100,000	1,100,000	50
Mwangani Primary School	2,200,000	-	2,200,000	1,000,000	1,200,000	45
Kaoyeni Primary School	2,200,000	-	2,200,000	1,100,000	1,100,000	50
Kadzifitseni primary school	2,200,000	-	2,200,000	1,100,000	1,100,000	50
Galukani primary School	2,200,000	-	2,200,000	1,100,000	1,100,000	50
Mwangatini primary School	2,200,000	-	2,200,000	1,100,000	1,100,000	50
Kibaoni primary School	2,200,000	-	2,200,000	1,100,000	1,100,000	50
Midodoni central primary School	1,100,000	-	1,100,000	1,000,000	100,000	91
Tangini pry school	2,200,000	-	2,200,000	1,100,000	1,100,000	50
Katsangani primary School	2,200,000	-	2,200,000	1,100,000	1,100,000	50
Mapimo Primary School		4,677,027.20	4,677,027	6,677,027	(2,000,000)	143
Mwaeba primary school		1,500,000.00	1,500,000	1,500,000.00	-	100
Sabaki primary school		1,500,000.00	1,500,000	1,500,000.00	-	100

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2019/2020 Kshs	Kshs	2019/2020 Kshs	30/06/2020 Kshs	Kshs	
Nyamala Sinene primary school		1,500,000.00	1,500,000	1,000,000.00	500,000	67
Midodoni central primary School		1,500,000.00	1,500,000	1,100,000.00	400,000	73
Mambrui Primary School	285,723.00	285,723		285,723	-	
Mapimo Boys Secondary School	354,141.25	354,141		354,141	-	
Bate Primary School	3,496.00	3,496		3,496	-	
Bora Bora Primary School	61,742.40	61,742		61,742	-	
Kipanga Ajeni Primary School	91,300.00	91,300		91,300	-	
Galana Girls Secondary School	224,691.00	224,691		224,691	-	
<b>8.0 Secondary Schools Projects</b>						
Kibokoni secondary school	400,000	1,900,000	2,300,000	1,300,000	1,000,000	57
Shomela Secondary School	3,500,000	3,824,000	7,324,000	3,000,000	4,324,000	41
Mapimo Girls Sec School	410,672	-	410,672	-	410,672	-
Magarini Girls Sec school	1,900,000	-	1,900,000	-	1,900,000	-
Baricho Secondary School	4,000,000	-	4,000,000	-	4,000,000	-

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2019/2020		2019/2020	30/06/2020		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Chakama Sec School	4,000,000	-	4,000,000	-	4,000,000	-
Kaembeni Sec School	4,000,000	-	4,000,000	-	4,000,000	-
Mjanaheri Sec School	4,000,000	-	4,000,000	-	4,000,000	-
Adu Secondary school	4,250,000	-	4,250,000	-	4,250,000	-
Ngomeni Sec School	5,200,000	-	5,200,000	-	5,200,000	-
Ramada Secondary School	1,100,000	-	1,100,000	-	1,100,000	-
Wakala Girls' secondary school	2,200,000	3,000,000	5,200,000	3,000,000	2,200,000	58
Sabaki Sec School	2,200,000	500,000	2,700,000	500,000	2,200,000	19
Magarini Girls Secondary School (Dormitory)		5,000,000	5,000,000	-	5,000,000	-
Mapimo Girls Secondary School (Staff House)		1,000,000	1,000,000	-	1,000,000	-
Burangji Secondary School		1,500,000	1,500,000	1,500,000	-	100
Majenjeji Secondary School		800,000	800,000	800,000	-	100
Dagamra Secondary School		2,238,263	2,238,263	1,000,000	1,238,263	45
<b>9.0 Tertiary institutions Projects</b>						

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2019/2020		2019/2020	30/06/2020		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Galana TCC	-	2,500,000	2,500,000	2,500,000	-	100
<b>10.0 Security Projects</b>						
Garashi Police Post	-	800,000	800,000	800,000	-	100
Magarini AP Line		550,000	550,000		550,000	-
Marereni Police Post		2,000,000	2,000,000	2,000,000	-	100
<b>11.0 Acquisition of assets</b>						
11.1 Motor Vehicles	-	-	-	-	-	-
11.2 Construction of CDF office	-	-	-	-	-	-
11.3 Purchase of furniture and equipment	-	-	-	-	-	-
11.4 Purchase of computers	-	-	-	-	-	-
<b>12.0 Other payments</b>						
Magarini Constituency strategic plan	-	2,200,000	2,200,000	-	2,200,000	-
Kavunyalalo Dispensary		4,482,759	4,482,759		4,482,759	-
Magarini NGCDF office		2,000,000	2,000,000	1,999,090	910	100
Constituency desk project	-	1,000,000	1,000,000		1,000,000	-

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

Programme/Sub-programme	Original Budget(a)	Adjustments(b)	Final Budget c = (a+b)	Actual on comparable basis(d)	Budget utilization difference(e = c-d)	% of Utilisation (f=d/c %)
	2019/2020		2019/2020	30/06/2020		
	Kshs	Kshs	Kshs	Kshs	Kshs	
	137,367,724	66,374,967	203,742,691	90,441,385	113,301,307	

## **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-MAGARINI Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

### **3. Reporting Currency**

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

### **4. Significant Accounting Policies**

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

#### **a) Recognition of Receipts**

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

#### **Tax Receipts**

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

#### **Transfers from the Exchequer**

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

## **SIGNIFICANT ACCOUNTING POLICIES**

### **External Assistance**

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

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

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

During the year ended 30<sup>th</sup> 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.

**Reports and Financial Statements**

**For the year ended June 30, 2020**

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**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.



**Reports and Financial Statements**

**For the year ended June 30, 2020**

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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 1<sup>st</sup> July 2019 to 30<sup>th</sup> 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 30<sup>th</sup> 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) –  
MAGARINI CONSTITUENCY**

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

**XIII. NOTES TO THE FINANCIAL STATEMENTS**

**1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

Description		2019 - 2020	2018 - 2019
Normal NGCDF Board Allocation	AIE NO	Kshs	Kshs
	B003283-2017/2018/867		<b>11,379,310</b>
	B005384 - 2017/2018/888		1,636,207
	B030270 - 2018/2019/218		10,000,000
	B030488 - 2018/2019/408		12,000,000
	B006435 - 2018/2019/730		8,000,000
	A724466 -2018/2019/931		11,000,000
	B042933 - 2018/2019/1228		13,000,000
	B047221 -2018/2019/1533	36,290,876	
	B041116 - 2019/2020/157	4,000,000	
	B047604 - 2019/2020/432	20,000,000	
	B047963 - 2019/2020/800	6,000,000	
	B049363 - 2019/2020/1031	14,000,000	
	B104387 - 2019/2020/1343	15,000,000	
	B096602 - 2019/2020/1483	9,000,000	
		<b>104,290,876</b>	<b>67,015,517.00</b>

**2. PROCEEDS FROM SALE OF ASSETS**

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

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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**3. OTHER RECEIPTS**

<b>Description</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Interest Received		-
Rents		-
Sale of Tender Documents	15,000	362,200
Online PMC Account Closure	1,021,094	217,270
Other Receipts Not Classified Elsewhere (Sale of tender)	4,000	
<b>Total</b>	<b>1,040,094</b>	<b>579,470</b>

**4. COMPENSATION OF EMPLOYEES**

<b>Description</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic wages of temporary employees	2,443,028	2,590,417
Basic wages of casual labour	-	
Personal allowances paid as part of salary		
House allowance	-	
Transport allowance	-	
Leave allowance	-	
Other personnel payments	-	
Employer contribution to NSSF	222,629	256,441
Gratuity-contractual employees	-	130,623
<b>Total</b>	<b>2,665,657</b>	<b>2,977,481</b>

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

**Reports and Financial Statements  
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*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**5. USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	133,907	64,645
Electricity	33,748	107,297
Water & sewerage charges	-	-
Office rent	-	-
Communication, supplies and services	70,100	36,475
Domestic travel and subsistence	325,380	686,350
Printing, advertising and information supplies & services	5,000	155,436
Rentals of produced assets	-	-
Training expenses	1,756,900	465,000
Hospitality supplies and services	468,500	315,454
Other committee expenses	617,000	-
Committee allowance	2,155,500	2,378,089
Insurance costs	-	-
Specialised materials and services	18,475	1,237,322
Office and general supplies and services	1,725,513	1,696,961
Fuel , oil & lubricants	2,448,350	1,304,610
Other operating expenses	1,308,987	1,910,311
Bank service commission and charges	61,152	106,019
Other Operating Expenses	2,100	-
Security operations	-	-
Routine maintenance - vehicles and other transport equipment	1,172,535	17,550
Routine maintenance- other assets	242,310	321,115
<b>TOTAL</b>	<b>12,545,457</b>	<b>10,802,634</b>

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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**6. TRANSFER TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Transfers to Primary Schools (see attached list)	26,727,027	10,800,000
Transfers to Secondary Schools (see attached list)	11,100,000	23,995,386
Transfers to Tertiary Institutions (see attached list)	2,500,000	5,575,862
<b>TOTAL</b>	<b>40,327,027</b>	<b>40,371,248</b>

**7. OTHER GRANTS AND OTHER PAYMENTS**

<b>Description</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Bursary – Secondary	20,163,300	16,268,100
Bursary –Tertiary	16,466,000	10,826,803
Bursary- Special Schools	215,000	
Mocks & CAT	-	-
Water	-	-
Food Security	-	-
Electricity	-	-
Security	2,800,000	2,000,000
Roads and Bridges	-	-
Sports	4,477,800	945,000
Environment	3,130,818	-
Cultural Projects	-	-
Agriculture	-	-
<b>Emergency Projects</b>	<b>3,276,000</b>	<b>3,478,079</b>
<b>Other Capital grants and transfers</b>		<b>1,736,207</b>
<b>TOTAL</b>	<b>50,528,918</b>	<b>35,254,189</b>

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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**8. ACQUISITION OF ASSETS**

<b>Non Financial Assets</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles	-	-
Purchase of Bicycles & Motorcycles	-	-
Overhaul of Vehicles	-	-
Purchase of office furniture and fittings	-	-
Purchase of computers ,printers and other IT equipments	-	125,950
Purchase of photocopier	-	-
Purchase of other office equipments	-	-
Purchase of soft ware	-	-
Acquisition of Land	-	-
<b>TOTAL</b>	<b>0</b>	<b>125,950</b>

**9. OTHER PAYMENTS**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
Magarini NGCDF Office	999,090	
Constituency Strategic Plan		2,500,000
<b>Total</b>	<b>999,090</b>	<b>2,500,000</b>

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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>Kshs (30/6/2020)</b>	<b>Kshs (30/6/2019)</b>
<i>Kenya Commercial Bank, Malindi Branch – A/C No. 1108017754</i>	14,061,060	15,811,239
<b>Total</b>	<b>14,061,060</b>	<b>15,811,239</b>

**10B. CASH IN HAND**

<b>Name of Bank, Account No. &amp; currency</b>	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>Kshs (30/6/2020)</b>	<b>Kshs (30/6/2019)</b>
Office	15,000	-
<b>Total</b>	<b>15,000</b>	<b>-</b>

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

**Reports and Financial Statements**

**For the year ended June 30, 2020**

*NOTES TO THE FINANCIAL STATEMENTS (Continued)*

**11: OUTSTANDING IMPRESTS**

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
-	-	-	-	-
<b>Total</b>				-

**12A. RETENTION**

	<b>2019 - 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
	-	-
<b>Total</b>	-	-

**12B. GRATUITY DEPOSITS**

	<b>2019 - 2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
	-	-
Name	-	-
<b>Total</b>	-	-

**13. BALANCES BROUGHT FORWARD**

	<b>2019 - 2020</b>	<b>2018 - 2019</b>
	<b>Kshs (1/7/2019)</b>	<b>Kshs (1/7/2018)</b>
Bank accounts	15,811,239	40,247,753
Cash in hand	-	-
Imprest	-	-
<b>TOTAL</b>	<b>15,811,239</b>	<b>40,247,753</b>



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –  
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**14. PRIOR YEAR ADJUSTMENTS**

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

**15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST**

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

**16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS**

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 <sup>st</sup> 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	0	0

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**17. OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)**

	2018-2019	2017-2018
	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 on Contract	1,770,835.32	~
Total	<b>1,770,835.32</b>	~

**17.3: UNUTILIZED FUND (See Annex 3)**

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	3,698,696	0
Use of goods and services	57,103	0
Amounts due to other Government entities (see attached list)	59,822,934	46,052,865
Amounts due to other grants and other transfers (see attached list)	25,400,051	25,202,537
Acquisition of assets	0	2,000,000
Others (see attached list)	7,682,759	2,079,470
	<b>96,661,543</b>	<b>75,334,872</b>

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**17.4: PMC account balances (See Annex 5)**

	<b>2019-2020</b>	<b>2018-2019</b>
	<b>Kshs</b>	<b>Kshs</b>
PMC account Balances (see attached list)	19,851,571.71	3,946,108.65
	<b>19,851,571.71</b>	<b>3,946,108.65</b>

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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	
<b>Construction of buildings</b>					
1.	-			-	
2.	-			-	
3.	-			-	
<b>Sub-Total</b>	-			-	
<b>Construction of civil works</b>					
4.	-			-	
5.	-			-	
6.	-			-	
<b>Sub-Total</b>	-			-	
<b>Supply of goods</b>					
7.	-			-	
8.	-			-	
9.	-			-	
<b>Sub-Total</b>	-			-	
<b>Supply of services</b>					
10.	-			-	
11.	-			-	
12.	-			-	
<b>Sub-Total</b>	-			-	
<b>Grand Total</b>	-			-	

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**ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES**

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		a	b	c	d=a-c	
1.Felix Ngumbao Charo		266,924.88		0	266,924.88	Amount inclusive of PAYE
2.Gerald Jira Muuruu		266,924.88		0	266,924.88	Amount inclusive of PAYE
3.David Charo Kaingu		266,924.88		0	266,924.88	Amount inclusive of PAYE
4.Johnson Iha Kasuku		223,200.00		0	223,200.00	Amount inclusive of PAYE
5.Patience Sidhani Katoj		219,427.92		0	219,427.92	Amount inclusive of PAYE
6.Janet Changawa		178,939.44		0	178,939.44	Amount inclusive of PAYE
7.Roseline Nyevu Karisa		116,164.44		0	116,164.44	Amount inclusive of PAYE
8.Kashuru M. Kashuru		116,164.44		0	116,164.44	Amount inclusive of PAYE
9.Maurice M. Karisa		116,164.44		0	116,164.44	Amount inclusive of PAYE
<b>Grand Total</b>					<b>1,770,835.32</b>	

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**ANNEX 3 – UNUTILIZED FUND**

Name	Brief Transaction Description	Outstanding Balance	Outstanding Balance	Comments
		2019/20	2018/19	
<b>Administration &amp; Recurrent Expenditure</b>				
Compensation of employees	Payment of staff salaries and gratuity	3,698,696.32	-	
Use of goods & services	Purchase of fuel, repairs and maintenance, printing, stationery, airtime, travel and subsistence	17,271.88	-	
Committee Expenses	payment of NGCDF committee expenses	150.00	-	
Sub-Total		<b>3,716,118.20</b>	-	
<b>Monitoring &amp; Evaluation</b>				
Use of goods & services	Purchase of fuel, printing, stationery, Airtime, travel vehicle insurance and subsistence	550.00	-	
NG-CDFC/PMC Capacity Building	Undertake Training of the PMCs/NG-CDFCs on NG-CDF related issues	4,131.00	-	
Committee Expenses	Payment of Committee sitting allowances, transport, conferences.	35,000.00	-	
Sub-Total		<b>39,681.00</b>	-	
<b>Amounts due to other Government entities</b>				
Marereni Sec School	Construction of a science laboratory		5,000,000	

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance</b>	<b>Outstanding Balance</b>	<b>Comments</b>
Magarini Girls' Sec School	Construction of a dormitory	5,000,000.00	2,500,000	
Mapimo Girls' Sec School	Construction of 1 staff house	1,410,672.00	1,000,000	
Marafa Sec School	Construction of a library	-	2,500,000	
Kibokoni Sec School	Construction of a dormitory	-	300,000	
Mapimo Primary School	Renovation 6No. Classrooms	-	6,677,027	
Burangeni Sec School	Construction of 1No classroom	-	480,817	
Magarini Pry School	Construction of 1No 2door toilet	-	550,000	
Kotayo Pry School	Construction of 1No 2door toilet	-	600,000	
Mwaeba Primary School	Construction of 1No classroom	-	1,500,000	
Sabaki Pry School	Construction of 4 No classrooms	-	1,500,000	
Midodoni Primary School	Construction 1No classroom	-	1,500,000	
Nyamala Sinene Pry School	Construction 1No classroom	-	1,500,000	
Sabaki Secondary School	Construction of a science laboratory	-	500,000	
Galana Teachers' Training College	Completion of 1No Girls' hostel	-	2,500,000	
Kibokoni Sec School	Construction of 1No staff house	1,000,000.00	1,600,000	
Burangeni Sec School	Construction of 1No classroom	-	1,500,000	
Wakala Girls' Sec School	Construction of 2No classrooms	-	3,000,000	
Shomela Sec School	Construction of 1No twin laboratory	-	3,824,000	
Majenje Sec School	Completion of 1No. twin laboratory	-	800,000	
Dagamra Secondary School	Completion of 2No classrooms	1,238,262.00	2,238,262	
Kurawa Secondary School		-	4,482,759	
Kata primary school	Construction of 2No classrooms to completion	1,100,000.00	-	
Ulaya Primary School	Construction of 2No classrooms to completion	1,100,000.00	-	
Kaya Primary school	Construction of 2No classrooms to completion	1,100,000.00	-	
Mwangani Primary School	Construction of 2No classrooms to completion	1,200,000.00	-	

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance</b>	<b>Outstanding Balance</b>	<b>Comments</b>
Kaoyeni Primary School	Construction of 2No classrooms to completion	1,100,000.00	-	
Kadzifitseni Primary School	Construction of 2No classrooms to completion	1,100,000.00	-	
Galukani Primary School	Construction of 2No classrooms to completion	1,100,000.00	-	
Mwangatini Primary School	Construction of 2No classrooms to completion	1,100,000.00	-	
Kibaoni Primary School	Construction of 2No classrooms to completion	1,100,000.00	-	
Tangini Primary school	Construction of 2No classrooms to completion	1,100,000.00	-	
Katsangani Primary school	Construction of 2No classrooms to completion	1,100,000.00	-	
Shomela Secondary School	Completion of 1No twin laboratory (Flooring, plastering, roofing fittings and gas chamber with a capacity of 90 students per siting.	4,324,000.00	-	
Magarini Girls Sec school	Purchase of school bus (co-funding with parents and Deputy President)	1,900,000.00	-	
Baricho Secondary School	Construction of 1No twin laboratory (Foundation, slabbing, supper walling up to gabble level with a sitting capacity of 90 students per siting.	4,000,000.00	-	
Chakama Sec School	Construction of 1No twin laboratory (Foundation, slabbing, supper walling up to gabble level with a capacity of 90 students per siting.	4,000,000.00	-	
Kaembeni Sec School	Construction of 1No twin laboratory (Foundation, slabbing, supper walling up to gabble level with a capacity of 90 students per siting.	4,000,000.00	-	



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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance</b>	<b>Outstanding Balance</b>	<b>Comments</b>
Mjanaheri Sec School	Construction of 1No twin laboratory (Foundation, slabbing, supper walling up to gabble level with a capacity of 90 students per siting.	4,000,000.00	-	
Adu Secondary school	Construction of 1No twin laboratory (Foundation, slabbing to super walling up to gabble level with a capacity of 90 students per siting.	4,250,000.00	-	
Ngomeni Sec School	Construction of 1No dormitory (Foundation, walling, up to truss level for 150 students.	5,200,000.00	-	
Sabaki Secondary School	Construction of 2No classrooms to completion	2,200,000.00	-	
Wakala Girls' Secondary School	Construction of 2No classrooms to completion	2,200,000.00	-	
Ramada Secondary school	Construction of 1No classroom to completion	1,100,000.00	-	
Nyamala Sinene Primary School	Construction of 1No classroom to completion	500,000.00	-	
Midodoni Primary School	Construction of 1No classroom to completion	500,000.00	-	
Kadzuhoni Primary School	Completion of 3No classrooms (Flooring, plastering, painting, fitting doors & windows and roofing) to completion	800,000.00	-	
<b>Sub Total</b>		<b>59,822,934.00</b>	<b>46,052,865</b>	
<b>Amounts due to other grants and other transfers</b>				
NHIF Social Support Program	Payment of NHIF for 500 elderly and vulnerable people in the constituency.	-	2,000,000	

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance</b>	<b>Outstanding Balance</b>	<b>Comments</b>
Emergency	Catering for any Unforeseen occurrences in the constituency during the financial year.	1,448,241.00	4,882,381	
Magarini Constituency Desk Project	Purchase and delivery of 200 pieces of desks@Kshs5000 per desk and distributed to mwangani, Kibaoni, Mamburi, Makumba and Magole primary school(40 pieces each)	-	1,000,000	
Sports	To carry out constituency sports tournament where winning teams /schools are rewarded with branded trophies, balls and games kits	50,371.50	1,000,000	
Environment (Wakala Girls Secondary)	Construction of 1 No. 2 Door toilet block	500,000.00	-	
Magarini NGCDF office		910.00	-	
Bursary	Payment of Bursary to needy and bright students	-	10,970,156	
Adu Police Station	Construction of 1No. 5units staff house	-	2,000,000	
Marereni Police Station	Construction of 1No. 5 units staff house	-	2,000,000	
Garashi AP Post	Completion of 1 No. staff house and 1 door toilet	-	800,000	
Magarini AP Line	Renovation of one 4 door toilet	550,000	550,000	
Bursary Secondary Schools	Payment of Bursary to needy and bright students	2,330,528.02	-	
Bursary Tertiary/ University	Payment of Bursary to needy and bright students	16,520,000.00	-	
Bursary Special Needs	Payment of Bursary to needy and bright students	4,000,000.00	-	

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<b>Name</b>	<b>Brief Transaction Description</b>	<b>Outstanding Balance</b>	<b>Outstanding Balance</b>	<b>Comments</b>
<b>Sub-Total</b>		<b>25,400,050.52</b>	<b>25,202,537</b>	
<b>Acquisition of assets</b>		-	2,000,000	
<b>Sub-Total</b>			<b>2,000,000</b>	
<b>Others</b>				
Unallocated Funds		-	579,470	
Magarini Constituency Strategic Plan	Development of a 5 year strategic plan	2,200,000	1,500,000	
Kavunyalalo Dispensary	Construction of pre fabricated staff houses	4,482,759.00	-	
Constituency Desk Project	Supply of 200 desks to 5 primary schools	1,000,000.00	-	
<b>Sub-Total</b>		<b>7,682,759</b>	<b>2,079,470</b>	
<b>Grand Total</b>		<b>96,661,542</b>	<b>75,334,872</b>	

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**ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost Kshs 2018/2019</b>	<b>Additions during the year</b>	<b>Disposals during the year</b>	<b>Historical Cost Kshs 2019/2020</b>
Land	-	-	-	-
Buildings and structures	14,948,395	-	-	14,948,395
Transport equipment	29,338,653	-	-	29,338,653
Office equipment, furniture and fittings	809,895	-	-	809,895
ICT Equipment, Software and Other ICT Assets	659,182	-	-	659,182
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
<b>Total</b>	<b>45,756,125</b>	<b>0</b>	<b>0</b>	<b>45,756,125</b>

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**ANNEX 5 –PMC BANK BALANCES AS AT 30<sup>TH</sup> JUNE 2020**

NO	PMC	BANK	ACCOUNT NUMBER	BANK BALANCE 2019/20	BANK BALANCE 2018/19
1	Marereni Police station	KCB Malindi	11669090176	1,012,275.50	256,125.50
2	Kibokoni Secondary School	KCB Malindi	1179025466	466,309.80	24,352.80
3	Marafa Secondary School	KCB Malindi	1236338278	20,834.13	324,534.13
4	Shomela Secondary School	KCB Malindi	1268268798	428,710.00	0
5	Midodoni Central Primary School	KCB Malindi	1260685854	65,075.00	0
6	Galana TTC	KCB Malindi	1236372360	913,206.08	275.08
7	Kadzuhoni Primary School	KCB Malindi	1227128509	206,951.50	126,043.50
8	Dagamra Secondary School	KCB Malindi	1252548559	86,766.00	0
9	Garashi AP Post	KCB Malindi	1205712046	0	0
10	Wakala Girls Secondary School	KCB Malindi	1254447512	1,730,774.00	0
11	Fundisa Primary School	KCB Malindi	1228705321		446,644.00
12	Burangi Secondary School	KCB Malindi	1251242847	599,467.50	0
13	Mapimo Girls Secondary School	KCB Malindi	1109634463	88,771.60	89,023.60
14	Magarini Girls Secondary School	KCB Malindi	1236093976	243,717.68	634,618.68
15	Nyamala Sinene Primary School	KCB Malindi	1268810215	63,975.00	0
16	Marereni Secondary School	KCB Malindi	1237777062	5,866.04	0
17	Kotayo Primary School	KCB Malindi	1267970332	75,636.00	0
18	Magarini Primary School	KCB Malindi	1267090162	1,564.00	0
20	Mapimo Primary School	KCB Malindi	1261773845	859,646.20	0
21	Kayadagamra Primary School	KCB Malindi	1275283217	1,100,000.00	0
22	Waresa Primary School	KCB Malindi	1275283195	500,000.00	0

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23	Tangini Primary School	KCB Malindi	1275283381	1,100,000.00	0
24	Kadzifitseni Primary School	KCB Malindi	1275283330	1,100,000.00	0
25	Kakuhani Primary School	KCB Malindi	1275283322	500,000.00	0
26	Kaoyeni Primary School	KCB Malindi	1275283438	1,100,000.00	0
27	Kibaoni Primary School	KCB Malindi	1275283446	1,100,000.00	0
28	Katsangani Primary School	KCB Malindi	1275283276	1,100,000.00	0
29	Ulaya Primary School	KCB Malindi	1275283306	1,100,000.00	0
30	Majengo Primary School	KCB Malindi	1275276342	500,000	0
31	Mwangatini Primary School	KCB Malindi	1275283268	1,100,000.00	0
32	Mwangani Primary School	KCB Malindi	1108017754	0	0
33	Kata Primary School	KCB Malindi	1275326722	1,100,000.00	0
34	Midodoni Central Primary School	KCB Malindi	1108017754	1,100,000.00	0
35	Ramada Secondary School	KCB Malindi	1275283152	0	0
36	Ngomeni Secondary School	KCB Malindi	1275283179	0	0
37	Chakama Secondary School	KCB Malindi	1275283233	0	0
38	Kaembeni Secondary School	KCB Malindi	1275283349	0	0
39	Magarini Girls Secondary School	KCB Malindi	1275283357	243,717.68	0
40	Sabaki Secondary School	KCB Malindi	1275283373	238,308.00	0
41	Mjanaheri Secondary School	KCB Malindi	1275298575	0	0
42	Wakala Girls Secondary School 1	KCB Malindi	1275283403	0	0
43	Wakala Girls Secondary School 2	KCB Malindi	1275298850	0	0
44	Baricho Secondary School	KCB Malindi	1275283292	0	0
45	Adu Secondary School	KCB Malindi		0	0

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47	Magarini Environmental Committee		1153307847		4,895.00
48	Sabaki Secondary School	KCB Malindi	113919834		18,306.00
49	Bate Primary School NGCDF Project	KCB Malindi	1236893174		210,835.00
50	Borabora primary school	KCB Malindi	1236446364		61,868.40
51	Galana Girls CDF Project Management	KCB Malindi	1253298432		448,988.00
52	Hawe Wanje Primary School	KCB Malindi	1236064739		37,998.90
53	Kibaoni Assistant Chief's Office	KCB Malindi	1236221869		178,260.26
54	Kipanga Ajeni Primary School	KCB Malindi	1237289459		91,300.00
55	Mambrui Primary School	KCB Malindi	1236968794		285,975.00
56	Mapimo Boys Secondary School	KCB Malindi	1155502906		354,141.25
57	Mawazo Primary School	KCB Malindi	1236754263		294,774.35
58	Mwaeba Primary School	KCB Malindi	1235957357		38,843.20
59	Sabaki Secondary School	KCB Malindi	1153919834		18,306.00
	<b>TOTAL</b>			<b>19,851,571.71</b>	<b>3,946,108.65</b>

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MAGARINI 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)
3.1 Bank Reconciliation Statements	<p>The statement of assets as at 30 June 2019 reflects bank balances of Kshs. 15,811,239. However, analysis of bank reconciliation statement for month of June availed for audit revealed Payments in cashbook not yet recorded in bank statement (Unpresented cheques) of Kshs. 2,791,435. Details of when the cheques were eventually presented were not available. Consequently, the accuracy and completeness of bank balance of Kshs. 15,811,239 as at 30 June 2019 could not be confirmed.</p>	<p>The unpresented cheques were consisted of bursary ward cheques issued to students in various institutions/schools. Included in the unpresented cheques are projects grants such as Mapimo primary school which had been given a grant of Kshs 6,677,027.20. These cheques are cleared at different times depending on when the respective students present them to the schools/institutions and when the institutions themselves present the cheques to their bankers. By September the amount of unpresented cheques had gone down to Kshs 1,640,681 <b>See appendix 3.1: Bank</b></p>	Fund Account Manager	Resolved	



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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)
3.2 Stale Cheques	<p>The bank reconciliation statement for the month of December 2018 included stale cheques amounting to Kshs 875,799 which would form part of stale cheques as at 30<sup>th</sup> June 2019 if not presented. Out of this figure, cheques amounting to Kshs 580,000 had become stale. Although the June reconciliation did not include the said cheques, there was no evidence to show when they were reversed in the cash book or presented as per the bank statements. The bank reconciliations as at June 2019 could be misrepresenting the correct cash and bank position. As a result, the accuracy and completeness of bank balance of Kshs. 15,811,239 as at 30 June 2019 could not be confirmed.</p>	<p><b>Reconciliation for September 2019.</b></p> <p>It is true that Kshs 875,799 cheques amounting to Kshs 580,000 had become stale. The stale cheques were reversed as evidenced by the cash book. These stale cheques reversed on various dates within the months of May and June but before 30<sup>th</sup> June 2109. Hence they were not included in the June reconciliation. These stale cheques were reversed on in the cash book on 14<sup>th</sup> May 2019 as hereby attached copy of cashbook. See appendix 3.2 Copy of reversed stale cheques.</p>	Fund Account Manager	Resolved	
4.0 Fully Funded Projects not in use	Note 6 to the financial statements for the year ended 30 June 2019 revealed Transfers to Other	The project, a staff house unit at Mapimo Girls' Secondary School is incomplete. The	Fund Account Manager	Not resolved	30 <sup>th</sup> November 2020

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – MAGARINI 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)
	<p>Government Entities of Kshs 41,471,248. Review of payment voucher revealed a transfer of Kshs 2 million to Mapimo Girls Secondary vide cheque number 8750 dated 2 August 2018 for Construction of one staff house. However, review of project file revealed payment of Kshs 400,672.00 to M/s Kenuel Construction being balance outstanding for Completion of Mapimo Girls Hostel on 22 August 2018. project file revealed a contract of Kshs 1,490,000 was awarded to M/s Bibi Martins Tours and Travel Ltd P.O. Box 199 Malindi on 14 September 2018. Project verification revealed the house was complete and not in use.</p>	<p>contractor is yet to construct a septic tank. Once the septic tank is constructed the house shall be put into use.</p>			

