REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT OF THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MAVOKO CONSTITUENCY

FOR THE YEAR ENDED 30 JUNE, 2021

MAVOKO CONSTITUENCY

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2021

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

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 as amended in 2016.The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the general policy and strategic direction of the Fund.

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

Core Values

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

Functions of NG-CDF Committee

The Functions of the NG-CDF Committee is as outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Kioko Alex M.
2.	Sub-County Accountant	Dr.Jackson Ndungo,Phd
3.	Chairman NGCDFC	Michael Mulei
4.	Member NGCDFC	Jeremiah Karimi

(d) Fiduciary Oversight Arrangements

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

P.O. Box. 195-00204
Athi-River
Machakos, KENYA

II. NG-CDFC CHAIRMAN'S REPORT

Annual Constituency Allocation

We are pleased to present the unaudited financial statements for Mavoko Constituency for the financial year ended 30th June 2021. During the year, the Constituency was allocated a total of Kshs 137,088,879.31 which was the normal allocation for the Financial Year 2020/2021, Kshs. 3,828,009 as opening balance(C/Bk) and AIA and Previous year outstanding disbursements of Kshs. 69,367,724 totalling to Kshs. 210,284,612 as the final budget for the year.

Before receipt of funds disbursed by the NGCDF Board, the Mavoko Constituencies Development Fund Committee (NGCDFC); pursuant to the provisions of the National Government CDF Act 2015, as amended in 2016, met and allocated funds to various projects with reference to the priorities of the public participation meetings held across the Constituency.

Sector Prioritization

During the financial year under review, a total of Kshs 56,297,354, opening balance(C/Bk) and previous years outstanding disbursements of Kshs. 49,550,000 all totalling to Kshs. 106,347,354 were allocated as transfers to other Government Units which consist of transfers to primary schools, secondary schools and tertiary institutions. Major physical facilities funded are infrastructure such as classrooms, administration blocks, laboratories, dormitories, toilets, lockers and chairs, desks and equipping of laboratories and libraries.

Funds allocated towards other grants and transfers which consists of Bursary, Mocks and CATs, sports, environment and emergency related to an allocation of Kshs 67,133,984, Kshs 800,000 and Kshs.15,592,950 as opening balance and previous years outstanding disbursements respectively bring total final budget to Kshs. 83,526,934. Kshs. 1,727,190.38 was allocated for renovation of 7 offices and board roam office i.e. repainting, plumbing works replacements, external wire brushing, shelf installation and construction of car park shade and compound cabro works. Compensation of employees and use of goods received a total of Kshs; 5,416,001 and Kshs 6,514,349 respectively.

The above allocations have led to more schools having new and renovated permanent structures hence improving the learning environment drastically.

The committee has also ensured that bursary was disbursed in an open and transparent manner as attested by successful stories from beneficiaries who completed secondary schools and proceeded to college thanks to NGCDF bursary scheme. We have received acknowledgement letters and receipts as prove of bursary funds reaching the beneficiaries intended.

Challenges

We have been privileged to witness major exemplary improvements in areas where development was sluggish and poverty rampant; thanks to NGCDFC development goals but we have also experienced various challenges in project implementation and management during the FY 2020/2021. These include, inadequate record keeping by project management committees, failure by some project management committees to comply with the public procurement procedures and regulations as well as delayed submission of the required returns for funds disbursed.

I wish to reiterate that without the undying cooperation and support of the NGCDF Committee, NG-CDFC staff, Project Management Committees and other stakeholders; we would not have been able to achieve the above milestones. Moving forward, the NGCDF Committee will work smarter and strategically to perform much better and achieve excellent performance targets for the Financial Year 2021/2022

Signature

CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

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

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

a) To improve access to education
b) To improve learning environment
c) To improve working conditions of security personnel.
d) To enhance environmental conservation.
e) Enhance the talents of youth through sports.
f) Improve access to ICT infrastructure
To improve organizational performance

Progress on attainment of Strategic development objectives

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

Constituency Program	Objective	Outcome	Indicator	Performance
Education	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 20/21 -we increased number of classrooms from 25… to..40… in the following schools/institutions - Bursary beneficiaries at all levels were as per the attached schedules
Security	To ensure the security personnel have adequate infrastructure for their operation	Improved infrastructure for security entity	-Couple of administration blocks,police report area and cells	-we have built more police stations, cells to enhance more security.

Environment	To conserve the environment.	Enhanced tree planting in schools and other institutions	-number of trees have been planted across the constituency.	-We launched and initiated tree planting wholly.
Sports	To ensure sports fraternity get sports kids.	Increased participation has enabled youths to be active and less engage in other vices.	-Number of athletes benefited from sports kits and facilitation to various competing grounds.	-We increased the number beneficiaries from 1000 to 2500
Disaster Management	To ensure unforeseen calamities are dealt with.	Emergency response has been improved.	-A couple of emergency projects have been implemented and finished.	We managed to respond to disaster stricken entities timely

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

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

1. **Sustainability strategy and profile -**

To ensure sustainability of Mavoko NG CDF, the committee funds the following key sectors with the following sustainable priorities.

a. **Education and Training:** Mavoko NG-CDF focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalised groups including girls and people living with disabilities.

b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.

c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

To attain this level of sustainability, we acknowledge challenges currently arising from the effects of Covid- 19 that have adversely affected the sporting activities and thereby limiting the potential benefits envisaged in using sports as development strategy within the constituency. On macro levels FY 20/21 has been a challenging year with limited funding towards these activities which may hamper the success of priority strategies undertaken.

2. **Environmental performance**

- We got a donor who gave us 10,000 trees and we assisted by transportation and distribution to all our schools
- Youths in the constituency have been sensitized on engaging on criminal activities, drug and substance use and its impacts. More security posts have been constructed to boost area safety to the constituents.
- Sports kits were purchased and distributed to various teams at the constituency. NG-CDF also sponsored the events where winning teams were awarded various accolades.

3. **Employee welfare**

We invest in providing the best working environment for our employees. MAVOKO constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system is based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. Mavoko constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. **Market place practices-**

Mavoko NGCDF Constituency is committed to fair and ethical market practises.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
c) Responsible marketing and advertisement
d) Product stewardship by safeguarding consumer rights and interests

5. **Community Engagements-**

MAVOKO NGCDF has endeavoured to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring

The NG-CDFC deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long term, was submitted to the NG CDF Board in accordance with the Act.

Public participation

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

The NG CDFC during bursary programme, engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community based needs assessments and public awareness campaigns and holding community meetings.

MAVOKO NG-CDF have continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.

V. STATEMENT OF 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-MAVOKO 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, 2021. 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-MAVOKO 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 *constituency 's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2021, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- MAVOKO Constituency further confirms the completeness of the accounting records maintained for the *constituency,* which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NGCDF MAVOKO Constituency confirms that the *constituency* 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 *constituency*'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.

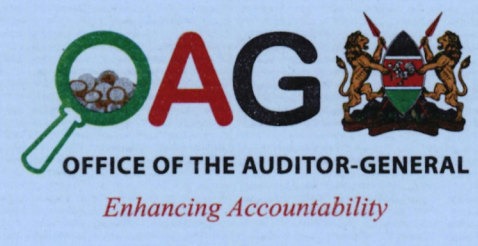
Approval of the financial statements

The NGCDF- MAVOKO Constituency financial statements were approved and signed by the Accounting Officer on _____ 2021.

Chairman NGCDF Committee	**Fund Account Manager**
Name: Michael Mulei	**Name: Kioko Alex M.**

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - MAVOKO CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2021

PREAMBLE

I draw your attention to the contents of my report is in three parts:

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.

B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines, and manuals and whether public resources are applied in a prudent, efficient, economic, transparent, and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.

C. Report on Effectiveness of Internal Controls, Risk Management, and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Mavoko Constituency set out on pages 12 to 48,

which comprise of the statement of assets and liabilities as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the 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 - Mavoko Constituency as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with the 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. Unsupported Sports Expenditure

The statement of receipts and payments reflects other grants and transfers amount of Kshs.48,840,031 and as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.2,247,354 which was incurred in sports activities. However, procurement documents were not provided in support of the expenditure.

In the circumstances, the accuracy and completeness of the sports expenditure of Kshs.2,247,354 could not be confirmed.

2. Inaccuracies in Domestic Travel and Subsistence

The statement of receipts and payments reflects the use of goods and services amount of Kshs.5,309,695 and as disclosed in Note 5 to the financial statements. However, included in the expenditure is domestic travel and subsistence amount of Kshs.91,800 while the general ledger disclosed an amount of Kshs.41,800 resulting to an unreconciled variance of Kshs.50,000.

In the circumstances, the accuracy and completeness of the domestic travel and subsistence amount of Kshs.50,000 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The summary statement of appropriation reflects the final receipts budget and actual on a comparable basis of Kshs.210,284,612 and Kshs.165,195,733 respectively resulting in an underfunding of Kshs.45,088,879 (or 21%) of the budget. Similarly, the statement reflects the final expenditure budget and actual on a comparable basis totaling Kshs.210,284,612 and Kshs.145,800,860 respectively resulting in an under expenditure of Kshs.19,394,873 (or 12%) 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. Failure to Implement Projects

The statement of receipts and payments and as disclosed in Note 6 to the financial statements reflects transfers to other government units of Kshs.86,421,031. However, the review of the Project Implementation Status report revealed that four (4) projects with a combined allocation of Kshs.17,400,000 were not implemented.

In the circumstances, value for money from the allocation of Kshs.17,400,000 was not realised.

2. Poor Workmanship in Projects Implementation

The statement of receipts and payments and Note 6 to the financial statements reflects transfers to other government units of Kshs.86,421,031. However, physical verification

carried out on 11 and 12 April, 2022 revealed poor workmanship resulting from failure to implement projects as per specifications contained in the signed contract agreements for nine (9) projects worth Kshs.36,300,000 as detailed below:

	Project Name	Activity	Cost (Kshs.)	Anomalies Noted
1	Mlolongo Primary School	Purchase of 100pcs desk	350,000	The estimated price of Kshs.1,500 per desk was not supported with quotations from suppliers.
2.	St. Paul Primary School	Construction 4 classrooms and 8 door pit latrine	6,550,000	The project was complete and in use but not branded.
3.	Nzoaini Primary School	Construction of 4 classrooms	4,400,000	The project was complete but 3 classes were not in use because of cracks on the floor.
4.	Katani Primary School	Construction of 3 classrooms	3,300,000	Window panes are missing.
5.	Muthwani Primary School	Construction of 4 classrooms	4,400,000	The project requires minor repairs but in use
6.	Ngelani Ranch Secondary School	Construction of 4 classrooms, admin block, and 8 door pit latrine	8,800,000	The project was complete but the school had not been operationalized since the Principal had not been posted
7.	Kanaani Secondary School	Construction of 2 classrooms	2,200,000	PMC minute dated 22 October, 2019 recommended re-doing of works due to poor workmanship.
8.	Athi River Secondary School	Construction 3 storey 6 classrooms	3,300,000	The floors were under repairs at the time of audit inspection.
9.	Seme Primary School	Construction of 2 classrooms and renovation of 3 classrooms	3,000,000	Painting of the walls was not done, new classrooms had cracked floors, and the project was not branded.
Total			**36,300,000**	

In the circumstances, value for money from the expenditure of Kshs.36,300,000 incurred on the projects has not been realised.

3. Irregularities in Procurement and Implementation of Projects

The statement of receipts and payments and Note 6 to the financial statements reflects transfers to other government units of Kshs.86,421,031. Review of documents and

physical verification of sixteen (16) Projects worth Kshs.45,600,000 revealed irregularities in procurement processes as follows:

i. Some suppliers were not listed in the list of prequalified suppliers;

ii. User requirements, evaluation reports, delivery notes, appointment letters for members of the tender evaluation committee, minutes of the evaluation committee, and inspection certificates were not provided for audit;

iii. Unsuccessful bidders were not notified of the outcome of the procurement process; and

iv. In some instances, professional opinion was not sought during the tendering process.

In the circumstances, the Management was breach of the law and value for money was not realised in the implementation of the projects.

4. Late Remittance of Statutory Deductions

Reported in the statement of receipts and payments and as disclosed in Note 4 to the financial statements is the expenditure of Kshs.5,230,103 being compensation of employees. However, review of documents supporting statutory deductions revealed that remittances to the National Social Security Fund amount of Kshs.62,640 was remitted past the due dates. Late remittance of statutory deductions is a contravention of the provisions of Regulation 18 (4) of the National Government Constituency Development Fund Regulations, 2016 which requires all statutory deduction to be remitted in time.

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

5. Non-Compliance with Law on Ethnic Composition

Review of the payroll and staff documents revealed that the Fund had a workforce of nine (9) employees. Out of the total employees, eight (8) staff members, representing 89% of the workforce, were from the dominant local ethnic community. This is contrary to the provision of Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which stipulates that no public establishment shall have more than one third of its employees from the same ethnic community.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that

govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Risk Management Policy and a Disaster Recovery Plan

The Fund Management had not put in place Risk Management Policy, strategies and risk register to mitigate against risk. It was, therefore, not clear how management manages risk exposures. This is in contravention of the provisions of Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which outlines the role and responsibilities of Accounting Officers in respect to risk management. In addition, the Fund did not have in place a Disaster Recovery and Business Continuity Plan.

In the absence of Risk Management Policy and, a Disaster Recovery and Business Continuity Plan, the Fund lacks a blue print for identifying, preventing and mitigating against risks and disasters to ensure that its operations are not interrupted in case of unforeseen events.

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 controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain services, disclosing, as applicable, matters related to

sustainability of services and using the appropriate basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls 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 controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

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

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

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

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

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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

21 September, 2022

VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2020 – 2021	2019 - 2020
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF Board	1	161,367,724	123,540,876
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	128,000	45,000
TOTAL RECEIPTS		**161,495,724**	**123,585,876**
PAYMENTS			
Compensation of employees	4	5,230,103	5,643,148
Use of goods and services	5	5,309,695	5,383,975
Transfers to Other Government Units	6	86,421,031	82,526,590
Other grants and transfers	7	48,840,031	30,977,385
Acquisition of Assets	8	-	786,793
Other Payments	9	-	-
TOTAL PAYMENTS		**145,800,860**	**125,317,891**
SURPLUS/(DEFICIT)		**15,694,865**	**(1,732,016)**

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

Fund Account Manager **Name: Kioko Alex M**	**National Sub-County Accountant** **Name: Dr. Jackson Ndungo, Phd** **ICPAK M/No:9078**	Chairman NG-CDF Committee **Name: Michael Mulei**

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2020-2021	2019-2020
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	19,394,873	3,700,009
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		**19,394,873**	
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		**19,394,873**	**3,700,009**
FINANCIAL LIABILITIES			
Accounts Payable (Deposits)			
Retention	12A	-	-
Gratuity	12B	2,045,353	2,045,353
TOTAL FINANCIAL LIABILITES		-	
NET FINANCIAL ASSETS		17,349,520	1,654,656
REPRESENTED BY			
Fund balance b/fwd		1,654,656	3,361,330
Prior year adjustments	14	-	25,341
Surplus/Deficit for the year		15,694,865	(1,732,016)
NET FINANCIAL POSITION		17,349,520	1,654,656

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

Fund Account Manager Name: Kioko Alex M	National Sub-County Accountant Name: Dr. Jackson Ndungo, Phd ICPAK M/No:9078	Chairman NG-CDF Committee Name: Michael Mulei

IX. STATEMENT OF CASHFLOW

		2020 - 2021	2019 - 2020
		Kshs	Kshs
Receipts from operating activities			
Transfers from NGCDF Board	1	161,367,724	123,540,876
Other Receipts	3	128,000	45,000
Total receipts		**161,495,724**	**123,585,876**
Payments for operating activities			
Compensation of Employees	4	5,230,103	5,643,148
Use of goods and services	5	5,309,695	5,383,975
Transfers to Other Government Units	6	86,421,031	82,526,590
Other grants and transfers	7	48,840,031	30,977,385
Other Payments	9	-	-
Total payments		**145,800,860**	**124,531,098**
Total Receipts Less Total Payments		-	
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	2,045,353
Prior year adjustments	14	-	25,341
			2,070,694
Net cash flow from operating activities		**15,694,865**	**1,125,472**
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	(786,793)
Net cash flows from Investing Activities		-	**(786,793)**
NET INCREASE IN CASH AND CASH EQUIVALENT		**15,694,865**	**338,679**
Cash and cash equivalent at BEGINNING of the year	10	**3,700,009**	**3,361,330**
Cash and cash equivalent at END of the year		**19,394,873**	**3,700,009**

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

Fund Account Manager Name: Kioko Alex M	National Sub-County Accountant Name: : Dr. Jackson Ndungo, Phd ICPAK M/No:9078	Chairman NG-CDF Committee Name: Michael Mulei

X. SUMMARY STATEMENT OF APPROPRIATION

Receipts/Payments	Original Budget	Adjustments		Final Budget	Actual on comparable basis	Budget utilization difference	% of Utilization
	a	b		c=a+b	d	e=c-d	f=d/c %
RECEIPTS	2020/2021	Opening Balance (C/Bk) and AIA	Previous Years' Outstanding Disbursements	2020/2021	30/06/2021		
	Kshs		Kshs	Kshs	Kshs	Kshs	
Transfers from NGCDF Board	137,088,879	3,700,009	69,367,724	210,156,612	165,067,733	45,088,879	78.5%
Proceeds from Sale of Assets	-	-	-	-	-	-	-
Other Receipts	-	128,000	-	128,000	128,000		-
TOTALS	137,088,879	3,828,009	69,367,724	210,284,612	165,195,733	45,088,879	78.6%
PAYMENTS							
Compensation of Employees	5,416,001	2,045,353	1,167,625	8,628,979	5,230,103	3,398,876	60.6%
Use of goods and services	6,514,349	309,656	3,057,149	9,881,154	5,309,695	4,571,459	53.7&
Transfers to Other Government Units	56,297,354	500,000	49,550,000	106,347,354	86,421,031	19,926,323	81.0%
Other grants and transfers	67,133,984	800,000	15,592,950	83,526,934	48,840,031	34,686,903	59.1%
Acquisition of Assets	1,727,190	-	-	1,727,190	-	1,727,190	0.0%
Other Payments	-	-	-	-	-	-	-
Funds pending approval**	-	173,000	-	173,000	-	173,000	-
TOTALS	137,088,879	3,828,009	69,367,724	210,284,612	145,800,860	64,483,752	69.3%

***Funds pending approval are sums not yet approved by the board for utilisation and include approved allocations and/or AIA not yet allocated for specific projects.*

a) Sale of Tender(AIA) amounted KES.128,000

i. Transfer from the board-78.6%
This will bar project implementation on time since funds are disbursed on phases.

ii. Compensation of employees-60.6%
Its a continuous process and gratuity accruals

iii. Use of goods and services-53.5%

iv. Transfer to other government Units-80.0%
Caused by delayed disbursements.

v. Other grants and transfer-60.1%
Untimely funds disbursements

Vi Acquistion of Assets-0.0%
The assets are yet to be acquired.

Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities	
Description	**Amount**
Budget utilisation difference totals	64,483,752
Less undisbursed funds receivable from the Board as at 30th June 2021	(45,088,879)
	19,394,873
Add Accounts payable	-
Less Accounts Receivable	-
Add/Less Prior Year Adjustments	-
Cash and Cash Equivalents at the end of the FY 2020/2021	**19,394,873**

The NGCDF-MAVOKO Constituency financial statements were approved on _____ 2021 and signed by:

Fund Account Manager **Name: Kioko Alex M**	**National Sub-County Accountant** **Name: Dr. Jackson Ndungo, Phd** **ICPAK M/No:9078**	Chairman NG-CDF Committee **Name:Michael Mulei**

XI. BUDGET EXECUTION BY SECTORS AND PROJECTS

Programme/Sub-programme	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
1.0 Admimistration and Recurrent							
1.1 Compensation of employees	5,416,001	2,045,353	1,167,625	8,628,979	5,230,103	3,398,876	60.6%
1.2 Committee allowances	1,498,269	-	280,645	1,778,914	1,142,000	636,914	64.2%
1.3 Use of goods and services	1,305,472	150,000	205,472	1,660,945	880,545	780,400	53.0%
Sub-Total	**8,219,742**	**2,195,353**	**1,653,742**	**12,068,837**	**7,252,648**	**4,816,190**	
2.0 Monitoring and Evaluation							-
2.1 capacity Building	**1,000,000**	-	**1,100,000**	2,100,000	**1,164,400**	935,600	55.4%
2.2 Committee allowances	1,321,031	-	274,903	1,595,934	832,000	763,934	52.1%
2.3 Use of goods and services	1,389,577	159,656	1,196,129	2,745,361	1,290,750	1,454,611	47.0%
Sub-Total	**3,710,608**	**159,656**	**2,571,032**	**6,441,296**	**3,287,150**	**3,154,146**	
3.0 Emergency		-	-	-	-	-	
3.1 Primary Schools	**1,640,448**			1,640,448		1,640,448	0.0%
3.1.1 Kiasa Primary School	-	-	1,100,000	1,100,000	1,100,000		100.0%
3.1.2 Mitatini Primary School	-		1,200,000	1,200,000	1,200,000		100.0%

Programme/Sub-programme	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
3.1.3 Mavoko SNP Primary School	51,759		598,241	650,000	650,000		100.0%
3.1.4 St. Pauls Primary School	1,100,000			1,100,000	1,100,000		100.0%
3.2 Secondary Schools	**1,000,000**			1,000,000		1,000,000	0.0%
3.2.1 Ndovoini Secondary School	1,100,000			1,100,000	1,100,000		100.0%
3.2.2 Ivovoani Secondary School	1,200,000			1,200,000	1,200,000		100.0%
3.2.3 Ivovoani Secondary School	1,100,000			1,100,000	1,100,000		100.0%
3.3 Tertiary Institutions							
Sub-Total	**7,192,207**		**2,898,241**	**10,090,448**	**7,450,000**	**2,640,448**	
4.0 Bursary and social security							
4.1 Primary school							
4.2 Secondary School	15,000,000	-		15,000,000	13,139,000	1,861,000	87.6%
4.3 Tertiary Institutions	15,000,000	-		15,000,000	10,230,000	4,770,000	68.2%
4.4. Special Schools	5,000,000	-		5,000,000	-	5,000,000	0.0%
4.5 Social Security				-			
Sub-Total	**35,000,000**	**-**	**-**	**35,000,000**	**23,369,000**	**11,631,000**	
5.0 Sports	2,741,778	-	2,247,354	4,989,132	2,247,354	2,741,778	45.0%
Sub-Total	**2,741,778**	**-**	**2,247,354**	**4,989,132**	**2,247,354**	**2,741,778**	

Programme/Sub-programme	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
6.0 Environment							
Sub-Total	-	-					
7.0 Primary Schools Projects				0			
7.1 Athi-River Primary School	1,100,000	-		1,100,000	1,100,000		100.0%
7.2 Githunguri Jetview Primary Sch	400,000	-		400,000	400,000		100.0%
7.3 Kamulu Pri. Sch	1,100,000	-	1,100,000	2,200,000	2,200,000		100.0%
7.4 Kanaani Primary Sch	2,450,000	-		2,450,000	2,450,000		100.0%
7.5 Kasuitu Pri Sch	600,000	-	1,100,000	1,700,000	1,700,000		100.0%
7.6 Katani Primary Sch	3,300,000	-	2,200,000	5,500,000	5,500,000		100.0%
7.7 Kyumbi Pri Sch	1,100,000	-	500,000	1,600,000	1,600,000		100.0%
7.8 Mavoko Pri Sch	1,800,000	-		1,800,000	1,800,000		100.0%
7.9 Mitatini Pri Sch	1,600,000	-		1,600,000	1,600,000		100.0%
7.10 Mlolongo Primary Sch	350,000	-	350,000	700,000	700,000		100.0%

Programme/Sub-programme	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
7.11 Ngwata Pri.Sch	400,000	-		400,000	400,000		100.0%
7.12 Nzoiani Pri. Sch	4,400,000	-		4,400,000	4,400,000		100.0%
7.13 Seme Pri. Sch	3,000,000	-	2,200,000	5,200,000	5,200,000		100.0%
7.14 St.Pauls Primary Sch	6,550,000	500,000.00	0	7,050,000	7,050,000		100.0%
7.15 Kiasa Primary School			1,100,000	1,100,000	1,100,000		100.0%
7.16 Wathia Primary School			2,200,000	2,200,000	2,200,000		100.0%
7.17 Kaiani Primary School			2,200,000	2,200,000	2,200,000		100.0%
7.18 Nthuluni Primary School			2,200,000	2,200,000	2,200,000		100.0%
7.19 Kavomboni Primary School			2,200,000	2,200,000	2,200,000		100.0%
7.20 Muthwani Primary School			4,400,000	4,400,000	4,400,000		100.0%
7.21 Ndovoini Primary School			2,200,000	2,200,000	2,200,000		100.0%
7.22 Kalimani Pri School			1,373,677	1,373,677	1,373,677		100.0%
7.23 Ngalalya Primary School			4,400,000	4,400,000	4,400,000		100.0%
Sub-Total	**28,150,000**	**500,000**	**29,723,677**	**58,373,677**	**58,373,677**		

Programme/Sub-programme	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
8.0 Secondary Schools Projects							
8.1 Athi-River Sec Sch	3,000,000	-	9,600,000	12,600,000	12,600,000		100.0%
8.2 Ivovoani Sec Sch	1,447,354	-		1,447,354	1,447,354		100.0%
8.3 Kanaani sec Sch	2,200,000	-	1,100,000	3,300,000	3,300,000		100.0%
8.4 Katani SEC Sch	7,500,000	-		7,500,000		7,500,000	0.0%
8.5 Kyumbi Pri Sch	7,100,000	-		7,100,000		7,100,000	0.0%
8.6 Mavoko Sec Sch	3,900,000	-	1,100,000	5,000,000	1,100,000	3,900,000	22.0%
8.7Ndovoini Sec Sch	800,000	-		800,000	800,000		100.0%
8.8 Ngalalya Sec Sch	2,200,000	-		2,200,000		2,200,000	0.0%
8.9 St.Augustine Mlolongo High School			1,100,000	1,100,000		1,100,000	0.0%
8.10 Ngelani Sec School			8,800,000	8,800,000	8,800,000		100.0%
Sub-Total	**28,147,354**	**-**	**21,700,000**	**49,847,354**	**28,047,354**	**21,800,000**	
10.0 Security Projects							
10.1 Athi-River Police Station	2,000,000	-		2,000,000		2,000,000	0.0%
10.2 Athi-River DCC's Residence	1,000,000	50,000.00	750,000	1,800,000	800,000	1,000,000	44.4%
10.3 Githunguri Police Post	1,500,000	-	700,000	2,200,000	1,000,000	1,200,000	45.5%
10.4 Joska Police Post	3,000,000	-	3,000,000	6,000,000	6,000,000		100.0%
10.5 Kyumbi Chief Office	1,800,000	-	500,000	2,300,000	2,300,000		100.0%

Programme/Sub-programme	Original Budget		Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
		Opening Balance (C/Bk) and AIA	Previous years Outstanding Disbursements				
10.6 Lukenya Police Post	2,800,000	-		2,800,000	1,300,000	1,500,000	46.4%
10.7 Mlolongo Police Station	3,100,000	-		3,100,000		3,100,000	0.0%
10.8 Mlolongo Phase 3 Police Post	2,000,000	-	2,250,000	4,250,000	2,250,000	2,000,000	52.9%
10.9 Syokimau Chiefs Office	1,100,000	-		1,100,000		1,100,000	0.0%
10.10 Syokimau Police Station	3,900,000	-		3,900,000		3,900,000	0.0%
10.11 Kyumbi Police Post			1,373,677	1,373,677	1,373,677		100.0%
10.12 Kinanie Police Post		750,000.00		750,000	750,000		100.0%
Sub-Total	**22,200,000**	**800,000**	**8,573,677**	**31,573,677**	**15,773,677**	**15,800,000**	
Transfers to Other Government Units							-
Other grants and transfers							
Acquisition of Assets	1,727,190			1,727,190		1,727,190	0.0%
Sub-Total	**1,727,190**			**1,727,190**		**1,727,190**	
Other Payments		-			-		
Funds pending Approval		173,000.00		173,000		173,000	
TOTAL	**137,088,879**	**3,828,009.00**	**69,367,724**	**210,284,612**	**145,800,860**	**64,483,753**	**69.3%**

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

XII. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

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

Transfers from the National Government Constituency Development Fund (NG-CDF)
Transfers from the NG-CDF to the constituency are recognized when cash is received in the Constituency account.

Proceeds from Sale of Assets
Proceeds from disposal of assets are recognized as and when cash is received in the constituency account.

Other receipts
These include Appropriation-in-Aid and relates to receipts such as proceeds from sale of tender documents, rent receipts, interest earned on bank balances, hpire of Plant/Equipment/Facilities, Unutilized funds from PMCs among others.

Unutilized Funds from PMCs.

All unutilized funds of the Project Management Committee (PMC) are returned to the constituency account. Unutilized funds from PMCs are recognised as other receipts upon return to the constituency account.

External Assistance
External assistance refers to grants and loans received from local, multilateral and bilateral development partners. In the year under review there was no external assistance 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 constituency and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

5. In-kind contributions
In-kind contributions are donations that are made to the constituency 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 constituency 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 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 (gratuity 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. Gratuity earned on monthly is held on behalf of the employee and later paid at the end of the contract period. This is an enhancement to the cash accounting policy adopted by National Government Constituencies Development Fund as prescribed by PSASB. 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 are 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 financial 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

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest which is 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 30th June 2020 for the period 1st July 2020 to 30th June 2021 as required by law. Included in the adjustments are Cash book opening balance, AIA generated during the year and constituency allocations not yet disbursed at the beginning of the financial year.
A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

14. Errors

Material prior period errors are 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

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa.

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2020-2021	2019-2020
		Kshs	Kshs
NGCDF Board			
AIE NO B041094	1		53,240,876
AIE NO B041137	2		4,000,000
AIE NO B047615	3		20,000,000
AIE NO B041368	4		500,000
AIE NO B047978	5		6,000,000
AIE NO B049384	6		14,000,000
AIE NO B049213	7		1,800,000
AIE NO B0104408	8		15,000,000
AIE NO B096617	9		9,000,000
AIE NO B096981	1	15,000,000	
AIE NO B104645	2	20,000,000	
AIE NO A823685	3	34,367,724	
AIE NO B124615	4	9,000,000	
AIE NO B119572	5	10,000,000	
AIE NO B119964	6	12,000,000	
AIE NO B128205	7	6,900,000	
AIE NO B129167	8	6,000,000	
AIE NO B132260	9	6,000,000	
AIE NO B138929	10	12,000,000	
AIE NO B126222	11	7,000,000	
AIE NO B105017	12	11,100,000	
AIE NO B140660	13	12,000,000	
TOTAL		**161,367,724**	**123,540,876**

2. PROCEEDS FROM SALE OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	**-**	**-**

3. OTHER RECEPTS

	2020-2021	2019-2020
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from sale of tender documents	128,000	45,000
Hire of plant/equipment/facilities	-	-
Unutilized funds from PMCs	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	**128,000**	**45,000**

4. COMPENSATION OF EMPLOYEES

	2020-2021	2019-2020
	Kshs	Kshs
NG-CDFC Basic staff salaries	3,551,305	3,224,395
Basic wages of casual labour		125,000
Personal allowances paid as part of salary		
House Allowance	-	-
Transport Allowance	-	-
Leave allowance	-	-
Gratuity to contractual employees	1,364,518	2,045,353
Employer Contributions Compulsory national social security schemes	314,280	248,400
Total	**5,230,103**	**5,643,148**

5. USE OF GOODS AND SERVICES

	2020-2021	2019-2020
	Kshs	Kshs
Utilities, supplies and services	420,615	-
Electricity	-	-
Water & sewerage charges	2,000	-
Office Rent	-	-
Communication , supplies & services	18,900	-
Domestic travel and subsistence	91,800	393,400
Printing, advertising and information supplies & services	-	66,000
Rentals of produced assets	-	-
Training expenses	1,164,400	618,800
Hospitality supplies and services	-	-
Other committee expenses	663,900	301,000
Committee allowance	1,964,000	2,812,000
Insurance costs	160,760	168,796
Specialized materials and services	-	-
Office and general supplies and services	150,000	27,086
Fuel, oil & lubricants	50,000	655,414
Other operating expenses	300,000	-
Bank service commission and charges	10,000	21,100
Routine maintenance – vehicles and other transport equipment	313,320	320,379
Routine maintenance – other assets	-	-
Total	**5,309,695**	**5,383,975**

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2020-2021	2019-2020
	Kshs	Kshs
Transfers to primary schools (see attached list)	58,373,677	66,803,750
Transfers to secondary schools (see attached list)	28,047,354	15,722,840
Transfers to tertiary institutions (see attached list)	-	-
TOTAL	**86,421,031**	**82,526,590**

7. OTHER GRANTS AND OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Bursary – secondary schools (see attached list)	13,139,000	10,532,750
Bursary – tertiary institutions (see attached list)	10,230,000	5,531,750
Bursary – special schools (see attached list)	-	5,000,000
Mock & CAT (see attached list)	-	-
Social Security programmes (NHIF)	-	-
Security projects (see attached list)	15,773,677	3,950,000
Sports projects (see attached list)	2,247,354	2,180,817
Environment projects (see attached list)		2,180,817
Emergency projects (see attached list)	7,450,000	3,101,251
Total	**48,840,031**	**30,977,385**

8. ACQUISITION OF ASSETS

	2020-2021	2019-2020
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	-	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	786,793
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	-	**786,793**

9. OTHER PAYMENTS

	2020-2021	2019-2020
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
	-	-

10: CASH BOOK BANK BALANCE

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2020-2021	2019-2020
	Kshs	Kshs
Equity Bank, EPZ Branch, 1490262115144	19,394,873	3,700,009
Total	**19,394,873**	**3,700,009**
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Other Locations (*specify)*	-	-
Total	-	-
[Provide cash count certificates for each]		

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	*Date Imprest Taken*	*Amount Taken*	*Amount Surrendered*	*Balance*
		Kshs	*Kshs*	*Kshs*
Name of Officer	-	-	-	-
Name of Officer	-	-	-	-
Total				-

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

12A. RETENTION

	2020-2021	2019-2020
	KShs	KShs
Retention as at 1st July (A)	-	-
Retention held during the year (B)	-	-
Retention paid during the Year (C)	-	-
Closing Retention as at 30th June D= A+B-C	-	-

[Provide short appropriate explanations as necessary.

12B. GRATUITY

	2020-2021	2019-2020
	KShs	KShs
Gratuity as at 1st July (A)	2,045,353	-
Gratuity held during the year (B)	1,516,131	2,045,353
Gratuity paid during the Year (C)	1,516,131	-
Closing Gratuity as at 30th June D= A+B-C	**2,045,353**	**2,045,353**

[Provide short appropriate explanations as necessary

13. BALANCES BROUGHT FORWARD

	2020-2021 (1st July 2020)	2019-2020 (1st July 2019)
	Kshs	Kshs
Bank accounts	3,700,009	3,361,330
Cash in hand	-	-
Imprest	-	-
Total	3,700,009	3,361,330

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

Description of the error	Balance b/f FY 2019/2020 as per Audited Financial statements	Adjustments	Adjusted Balance** b/f FY 2019/2020
	Kshs	Kshs	Kshs
Bank account Balances	-	-	25,341
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (*specify*)	-	-	-
TOTAL	-	-	**25,341**

** *The adjusted balances are not carried down on the face of the financial statement. (Entity to provide disclosure on the adjusted amounts)*

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTADING IMPREST`

	2020-2021	2019-2020
	KShs	KShs
Outstanding Imprest as at 1st July (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
closing accounts in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2020 – 2021	2019 - 2020
	KShs	KShs
Deposit and Retentions as at 1st July (A)	-	-
Deposit and Retentions held during the year (B)	-	2,045,353
Deposit and Retentions paid during the Year (C)	-	-
closing account payables D= A+B-C	-	2,045,353
Change in A/C Payables E=D-A	-	**2,045,353**

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2020-2021	2019-2020
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2020-2021	2019-2020
	Kshs	Kshs
NGCDFC Staff	1,582,279	2,045,353
Others (*specify*)	-	-
	1,582,279	**2,045,353**

17.3: UNUTILIZED FUND (See Annex 3)

	2020-2021	2019-2020
	Kshs	Kshs
Compensation of employees	3,398,876	2,665,183
Use of goods and services	4,616,459	2,021,974
Amounts due to other Government entities (see attached list)	21,300,000	23,950,000
Amounts due to other grants and other transfers (see attached list)	33,268,226	30,592,950
Acquisition of assets	1,727,190	-
Others (*specify*)	-	-
Funds pending approval	173,000	202,000
	64,483,752	**59,432,107**

17.4: PMC account balances (See Annex 5)

	2020-2021	2019-2020
	Kshs	Kshs
PMC account balances (see attached list)	31,360,912	14,383,092
TOTAL	**31,360,912**	**14,383,092**

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Designation	Date employed	Outstanding Balance 30th June 2021	Comments
NG-CDFC Staff				
1. George Muisu	Project Administrator	March,2017	466,860	Contract not Lapsed
2. Philiph Munyao	Driver	March,2017	74,400	Contract not Lapsed
3. Brigitta Mutwota	Procurement Assistant	March,2017	74,400	Contract not Lapsed
4. Patricia Malia	Clerical Officer	November,2017	70,680	Contract not Lapsed
5. Yvonne Mulei	Administrative Assistant	November,2017	100,440	Contract not Lapsed
6. Vincent Nzioki	Clerk of Works	March,2018	74,400	Contract not Lapsed
7. Damaris Muthoka	Office Secretary	March,2018	40,920	Contract not Lapsed
8. Joseph Kioko	Accounts Assistant	December,2019	81,840	Contract not Lapsed
9. Mohammed Wako	Clerical Officer	March,2018	371,612	Contract not Lapsed
10. Moses Kilonzo	Clerical Officer	March,2018	226,726	Contract not Lapsed
Sub-Total			1,582,279	
Grand Total			**1,582,279**	

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Compensation of employees	Payment of staffs salaries	3,398,876	3,212,978	Waiting funds from the board
Use of goods & services	Payment of committee expenses and other services	4,616,459	3,366,805	Waiting funds from the board
Amounts due to other Government entities				
Mlolongo primary school	Purchase of desks		350,000	Waiting funds from the board
Seme Primary School	Construction of 2no classrooms		2,200,000	Waiting funds from the board
Katani Primary School	Construction of 2no classrooms		2,200,000	Waiting funds from the board
Kamulu Primary School	Construction of 1no classrooms		1,100,000	Waiting funds from the board
Kasuitu Primary School	Construction of 1no classrooms		1,100,000	Waiting funds from the board
Kiasa Primary School	Construction of 1no classrooms		1,100,000	Waiting funds from the board
Wathia primary School	Construction of 2no classrooms		2,200,000	Waiting funds from the board

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Kaiani Primary School	Construction of 2no classrooms		2,200,000	Waiting funds from the board
Nthuluni Primary School	Construction of 4no classrooms		2,200,000	Waiting funds from the board
Kavomboni Primary School	Construction of 2no classrooms		2,200,000	Waiting funds from the board
Muthwani Primary school	Construction of 4no classrooms		4,400,000	Waiting funds from the board
Ndovoini Primary School	Construction of 2no classrooms		2,200,000	Waiting funds from the board
St. Augustine Mlolongo Sec	Completion of 8no door ablution block	600,000	1,100,000	Waiting funds from the board
Kanaani Secondary School	Construction of 1no classrooms		1,100,000	Waiting funds from the board
Athi-River secondary School	Construction of 1no classrooms		9,600,000	Waiting funds from the board
Mavoko Secondary School	Construction of 1no classrooms		1,100,000	Waiting funds from the board
Ngelani Sec School	Construction of 4 classrooms, adm block		8,800,000	Waiting funds from the board
St. Pauls Pri Sch	Renovation of classrooms		500,000	Waiting funds from the board
Ngalalya Primary school	Construction of 4no classrooms		4,400,000	Re-allocation from bursary

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Katani Secondary school	Construction of 200 students dorm	7,500,000		Waiting funds from the board
Kyumbi Primary School	Construction of science lab	7,100,000		Waiting funds from the board
Mavoko Secondary School	Construction of D/headtecher residence	3,900,000		Waiting funds from the board
Ngalalya Secondary School	Construction of 2no classrooms	2,200,000		Cashbook Balance
Sub-Total		**21,300,000**	**50,050,000**	
Amounts due to other grants and other transfers				
Bursary	Bursary for needy students	12,300,000	0	waiting funds from the board
Emergency	To cater for any unforseen occurences	2,126,449	2,898,241	waiting funds from the board
Environment				
Kalimani Primary school	Fencing of 2.5 acres school compound		1,373,677	waiting funds from the board
Kyumbi police Post	Fencing of 2.5 acres police compound		1,373,677	waiting funds from the board
Sports	Carry out tournments	2,741,778	2,247,354	waiting funds from the board
Security Projects				

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Kyumbi police Post	Construction of a 10,000 litreseptic tank		500,000	waiting funds from the board
Githunguri Jetview Police	Construction of a 4 door ablution block	-	700,000	waiting funds from the board
Joska Police Post	Construction of Adm. Block		3,000,000	waiting funds from the board
Mlolongo Phase 3 police	Construction of report office		2,250,000	waiting funds from the board
Kinanie police Post	Completion of police post		750,000	waiting funds from the board
Athi-River DCC Residence	Renovation of DCC Residence	1,000,000	800,000	Cashbook Balance
Kyumbi police Post	Construction of a 10,000 litreseptic tank		500,000	waiting funds from the board
Athi-River Police Station	Fencing of 300 meter police compound	2,000,000		waiting funds from the board
Githunguri Jetview Police	Construction of a 4 door ablution block	1,500,000		waiting funds from the board
Mlolongo Police Station	Fencing of 1 acre police compound with concrete poles	3,100,000		waiting funds from the board
Mlolongo Phase 3 police	Completion of police post	2,000,000		waiting funds from the board

Name	Brief Transaction Description	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Syokimau Police Station	Construction of 2 crime report offices	3,900,000		waiting funds from the board
Syokimau Chief Office	Consruction of ablution block	1,100,000		Cashbook Balance
Lukenya Police Station	Construction of ACC's office	1,500,000		Cashbook Balance
Sub-Total		33,268,226	16,392,950	
Acquisition of assets		1,727,190		
Others (*specify*)				
Sub-Total				
Funds pending approval		173,000	45,000	
Grand Total		64,483,751	73,067,733	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2020/21
Land	-	-	-	-
Buildings and structures	4,000,000	-	-	4,000,000
Transport equipment				
Office equipment, furniture and fittings	1,886,293	-	-	1,886,293
ICT Equipment, Software and Other ICT Assets	-	-	-	-
Other Machinery and Equipment	-	-	-	-
Heritage and cultural assets	-	-	-	-
Intangible assets	-	-	-	-
Total	5,886,293	-	-	5,886,293

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2021

PMC	Bank	Account number	Bank Balance 2020/21	Bank Balance 2019/20
Kyumbi Police Post	EQUITY	1490278951311	175,947	
Kalimani Primary School	EQUITY	1490266492887	33,053	
Kiasa Primary School	EQUITY	1490264436485	32,221	112,291
Mathatani Secondary School	EQUITY	0600262583653	4,020	2,201,890
Ivovoani Secondary School	EQUITY	1490279867308	1,769,718	4,522,327
Mavoko SNP Primary School	EQUITY	1490280803203	539,110	
St. Pauls primary school	EQUITY	1490280627210	5,558,177	
Kiasa Primary School	EQUITY	1490264436485	32,221	
Wathia Primary School	EQUITY	1490263680233	348,779	
Katani Primary School	EQUITY	1490267012935	2,282,544	
Kamulu Primary School	EQUITY	1490263815933	1,106,903	3,221
Kaiani Primary School	EQUITY	1490279980143	3,728	
Kavomboni Primary School	EQUITY	1490279980189	2,411	
Muthwani Primary School	EQUITY	1490268581644	6,364	240
Nthuluni Primary School	EQUITY	1490266493007	28,348	2,201,400
Ngalalya Primary School	EQUITY	1490280193546	428	
Kasuitu Primary School	EQUITY	1490262824814	9,138	1,256
Kyumbi Primary School	EQUITY	1490277510622	113,484	
Mlolongo Primary School	EQUITY	1490275974284	683	
Seme Primary School	EQUITY	1490262581906	1,973,732	0
Kasuitu Primary School	EQUITY	1490262824814	9,138	
Athi-River Primary School	EQUITY	1490280108314	1,302,551	
Mitatini Primary School	EQUITY	1490280803203	539,110	
Ngwata Primary School	EQUITY	1490262168409	400,314	314
Githunguri Jetview Primary School	EQUITY	1490262865736	413,703	933,853
Kanaani Primary School	EQUITY	1490264249106	2,451,256	1,256
Nzoiani Primary School	EQUITY	1490280938748	2,283,035	
Mavoko Primary School	EQUITY	1490263696093	1,800,632	3,095,831
Ngelani ranch Sec School	EQUITY	1490279903755	1,343,849	-
Mavoko Secondary School	EQUITY	1490263706234	5,538	
Ndovoini secondary school	EQUITY	1490281001568	97,038	
Ivovoani secondary school	EQUITY	1490279867308	1,769,718	
Kanaani secondary school	EQUITY	1490281001540	2,200,000	
DCC's Residence-Mavoko Security	EQUITY	1490273207283	91,703	

PMC	Bank	Account number	Bank Balance	Bank Balance
Mlolongo Phase 3 Police post	EQUITY	1490279332731	42,736	3,716
Joska Police Post	EQUITY	1490279905903	14,751	
Kinanie Police Post	EQUITY	1490279332760	1,760	
Githunguri Police Post	EQUITY	1490279332742	4,300	200
Kyumbi Police Post	EQUITY	1490278951311	175,947	177,060
Lukenya Police Post	EQUITY	1490279332712	1,087,785	750,000
Sports	EQUITY	1490263830547	2,487	593
St.Augustine Mlolongo Secondary school	EQUITY	1490262414198		7,749
Kwamboo Primary school	EQUITY	1490262830151		5,535
Ngelani ranch Primary School	EQUITY	1490263294859		5
St. Francis of Asssis Primary School	EQUITY	1490263815863		910
Kyumbi Primary School	EQUITY	1490264436485		3,909
Mountain View Primary School	EQUITY	1490266542192		25,116
Lukenya Girls Centre of Excellence	EQUITY	1490266840330		90
Kinanie Primary School	EQUITY	1490268838895		1,263
Syokimau Police Post	EQUITY	1490279332698		359
DEB KMC Primary School	EQUITY	1490279767762		567,617
Athi-River Secondary School	EQUITY	1490280108314	1,302,552	
TOTALS			**31,360,912**	**14,383,092**

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 and subsequent progress made on the resolution of the issues.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
NG-CDF/MAVOKO/2017/2018(4)(1)	INCONSISTENCY in numbering notes to the financial statements	The notes were correctly numbered and revised the financial statements	resolved	
NG-CDF/MAVOKO/2017/2018(4)(2)	Inaccuracies in the financial statements	The differences in total receipts and cashand cash equivalents were from sale of tender documents	resolved	
NG-CDF/MAVOKO/2017/2018(4)(3)	Stale cheques unreversed or replaced	The stale cheques were replaced on October and bursary allocated to new needy applicants	resolved	
NG-CDF/MAVOKO/2017/2018(4)(4)	Budget performance –budget shortfall	The shortfall was as a result of delay in release of funds from the board	resolved	
NG-CDF/MAVOKO/2017/2018(4)(5)	Lack of risk management policy and disaster recovery plan	The management is adopting boards risk management platform and ensuring backup are installed to guard data loss	resolved	
NG-CDF/MAVOKO/2017/2018(4)(6)	Project implementation Projects implemented but there is evidence of poor workmanship	The projects had just been completed and some defect liability period not over	resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: *(Resolved / Not Resolved)*	Timeframe: *(Put a date when you expect the issue to be resolved)*
		hence chance to compel the contractors to correct the issues while others due to usage of metallic chairs floor screed wear out faster hence future to use terrazzo of tiles		
NG-CDF/MAVOKO/2017/2018(4)(7)	Purchase of school bus for lukenya Girls centre of excellence-The bus having no evidence of handing over	The bus was ready for collection but schools had closed during covid 19 epidemic closure hence the bus could not have been collected to be taken to school when closed later on opening they collected and its in use	resolved	
NG-CDF/MAVOKO/2017/2018(4)(8)	Unapproved reallocation to mlolongo police post	This was an issue of police moving from chief camp when administration police and regular police were merged	resolved	