




Enhancing Accountability

 THE NATIONAL ASSEMBLY PARLIAMENT BUILDING	
REPORT	
DATE: 08 FEB 2022	DAY: Tues
TABLED BY: LDM	
CLERK-AT THE TABLE: B. Inzoti	

THE AUDITOR-GENERAL

PARLIAMENT
OF KENYA
LIBRARY

ON

NATIONAL ASSEMBLY
RECEIVED
16 DEC 2021
DEPUTY CLERK
P. O. Box 41842 - 00100, NAIROBI

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

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



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -THARAKA CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

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



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

Table of Content	Page
I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT	2
II. FORWARD BY THE CHAIRPERSON NG-CDF COMMITTEE	5
III STATEMENT OF PERFORMANCE AGAINST CONDITUENCY PREDETERMINED OBJECTIVES.....	8
IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING..	10
V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES.....	12
VI. REPORT OF THE INDEPENDENT AUDITORS ON THE NGCDF- THARAKA CONSTITUENCY	13
VII. STATEMENT OF RECEIPTS AND PAYMENTS	14
VIII. STATEMENT OF ASSETS AND LIABILITIES	15
IX. STATEMENT OF CASHFLOW.....	16
X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	18
XI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT	19
XII. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT	20
XIII BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES.....	22
XIV. SIGNIFICANT ACCOUNTING POLICIES.....	27
XV NOTES TO THE FINANCIAL STATEMENTS.....	30
XVI PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	42
XVII ANNEXES.....	44

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

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 The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013.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

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.

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

(b) Key Management

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

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

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	Alex Muinde
2.	Sub-County Accountant	Augustus Mulwa
3.	Chairman NGCDFC	Kennedy Kamunyu
4.	Member NGCDFC	Veronica Kajira

(d) Fiduciary Oversight Arrangements

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

P.O. Box 33
Tharaka constituency office
Marimanti
Nairobi,
KENYA

(f) NGCDF THARAKA Constituency Contacts

Telephone: (254) 0711181096
E-mail: cdftharaka@ngcdf.go.ke
Website: www.ngcdf.go.ke

(g) NGCDF THARAKA Constituency Bankers

Cooperative Bank
Chuka branch
A/c Number 01120058205800

(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

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

City Square 00200
Nairobi, Kenya

II. FORWARD BY THE CHAIRPERSON NG-CDF COMMITTEE

▪ PRE AMBLE

Tharaka Constituency being one of the remotest constituencies in the country has indeed witnessed to a great extent the eradication of the marginalization that had dominated the locality for a long period of time through effective management of the NG-CDF.

Thus most of the education institutions like the school, colleges and education offices have a new face unlike in the past when such institutions were characterized by muddy walled and thatch roofed buildings and structures. Likewise the security administration institutions like the chiefs and assistant chiefs offices as well as the police camps and stations have also had their out fashioned appearances refaced. Thus the NG-CDF is one fund that has ensured an equitable distribution of national resources across the Constituencies in the country which is a big boost to the marginalized areas like Tharaka Constituency.

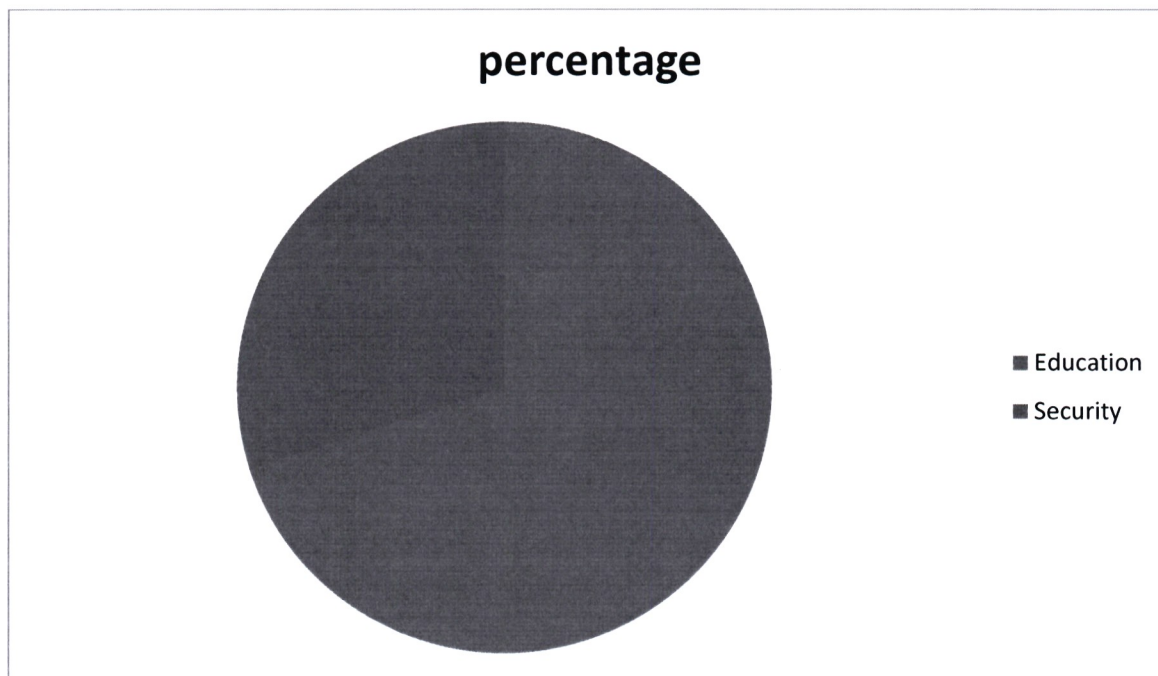
The fund has gone a long way in ensuring that there is no part of the nation that is disadvantaged over the others.

Specifically, it is worth noting that Tharaka NG-CDF has been well utilized in erecting modern buildings and structures such as the classrooms, laboratories, dormitories and administration blocks among other notable projects.

Bursaries to the needy students in both the secondary and tertiary institutions were also awarded which was a great relieve to the particular students and their parents or guardians.

▪ IMPLEMENTATION

The Tharaka CDFC in place during this financial year has ensured that there is 100% implementation of all budgeted projects within the stipulated duration of time frame in the last two financial years. Most of our funding is normally directed towards education which takes about 70% of our budgeting while security based institutions take about 30%.



Nonetheless, we only managed an implementation of 55 % by the closure of the 2019/2020 financial year. This was caused by the delay in release of the funds by the treasury. We however remain optimistic that the remaining bit of the fund shall be released in good time so that we may be able to implement the remaining projects before the end of the calendar year 2020.

▪ **CHALLENGES AND EMERGING ISSUES**

Tharaka being an arid area has many education and security based institutions that lack adequate basic facilities which implies that the fund allocated to the NG-CDF is not quite enough in addressing all the varied needs of the institutions in the constituency.

Nevertheless we thank Government for constantly allocating some funds towards the NG-CDF because the fund has been of great relieve to the community. It is also important to note that even though the fund set towards the NG-CDF is far much less as compared to that allocated to the county Governments, the NG-CDF performs far much better than the county because our fund is wholly channeled to community projects while most of the county funds goes to the recurrent expenditure.

The other challenge particularly this year unlike in the past has been the COVID 19 pandemic which has greatly affected our management programs. The same pandemic also seems to be affecting the disbursement of funds by the treasury hence causing a vicious circle of predicaments. We however remain optimistic that the pandemic shall be managed through collective campaigns in the country and the world at large since it is a worldwide catastrophe.

▪ **RECOMMENDATION AND CONCLUSION**

In order to have a great impact on projects distribution across the Constituencies the NG-CDF allocation needs be significantly increased so as to address the many challenges faced by the community.

In addition, it is of paramount importance that the treasury be releasing the funds on timely basis in order to

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

avert some of the problems faced by both the CDFCs and PMCs during the projects implementation.



KAMUNYU Z. KENNEDY,

CHAIRPERSON NG-CDF-THARAKA CONSTITUENCY.

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

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-THARAKA Constituency's *2018-2022* plan are to:

No	Strategic Theme	Strategic Objective	Strategies
1	Access to quality education	To improve access to quality education	Expansion of schools through rehabilitation/renovation/construction of classrooms in various primary and secondary schools in the constituency
			Construction and equipping laboratories in secondary schools in the constituency
			Completion of day secondary schools
			Construction of permanent classrooms for mud-walled primary schools
			Construction of computer labs/classes (both levels)
			Construction of multipurpose halls in all schools
			Construction of libraries in secondary schools
			Construction of dormitories in secondary schools and selected primary schools
			Construction of toilet blocks in both primary and secondary schools
			Leveling of playing fields in both primary and secondary schools
			Provision of water tanks in schools
Provision of bursary to needy and bright secondary school/tertiary institutions' students			
2	Youth and Sports	To harness youth talent and empower them	Conducting campaigns on drugs and substance abuse and on HIV and AIDS
			Creating awareness among the youth on the establishment of youth groups, and accessing devolved funds
			Funding of youth sporting initiatives (e.g. Marathon activities)
3	Emergency Support	To cater for any unforeseen occurrences in the constituency	Catering for any unforeseen occurrences in the constituency
4	Environment	To promote environmental sustainability in the constituency	Supporting schools and public institution to acquire tree seedlings
			Organizing tree planting days in schools

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

THARAKA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

No	Strategic Theme	Strategic Objective	Strategies
5	Security	To enhance security in the constituency	Construction of ACCs and DCCs offices and residential houses
			Construction/Renovation of offices for chiefs and Ass. Chiefs
			Awareness creation on community policing and sensitization of community members on security matters
			Construction/rehabilitation of Police Stations/Administration Offices
			Construction/rehabilitation of police houses and AP Camps
			Fencing administration offices, AP camps and police stations
6	Tracking of results	To improve tracking of implementation CDF programmes	Monitoring and Capacity Building of NGCDFC's and PMC's
			Organizing regular projects monitoring field visits
			Synthesis of PMC reports into quarterly PIS
7	Institutional Strengthening	To promote performance management and smooth running of the CDF office	Preparation of Constituency Strategic Plan
			Staff training
			Purchase of working tools and equipment

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	<ul style="list-style-type: none"> - number of usable physical infrastructure build in primary, secondary, and tertiary institutions - number of bursary beneficiaries at all levels 	In FY 19/20 we increased number of classrooms, admin blocks, dormitories, laboratories by 30 in the following schools/institutions as per the attached list - Bursary beneficiaries at all levels were as per the attached schedules
Security	To enhance security in the constituency	Reduced incidences of cattle rustling in the constituency Reduced crime rate on the constituency.	Number of usable security infrastructure in the constituency	Increased number of police posts as well as administrative offices by 7 in the following entities as per the attached list

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

Environment	To promote environmental sustainability in the constituency	Improved forest cover in the constituency Protection of water catchment areas	Number of tree seedlings grown in the constituency and protection of water catchment areas	To be implemented once funds are released from State department of planning
Sports	To harness youth talent and empower them	Improved sports amenities in the constituency	Number of sports amenities implemented	Increased the number of sports amenities by levelling of playing ground at Gituri primary school
Disaster Management	To cater for any unforeseen occurrences in the constituency	Improved efficiency in addressing disasters in the constituency	Number of emergency cases addressed in the constituency through the emergency vote head	Addressed disaster issues in the following entities as per the attached entities

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – THARAKA 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 :

Tharaka NG CDF strives to align its activities with goals stipulated on the sustainable development goals. In this regard the entity strives to offer quality education through improving infrastructure in schools as well as provision of bursary to bright and needy students

2. Environmental performance :

The year under review witnessed planting of tree seedlings on 21 institutions and we are on progress towards protection of water catchment areas as well as fencing of earth dams which supply water to our entities

3. Employee welfare:

Tharaka NG CDF has managed to employ five employees under different categories namely

- Clerk of works
- Accounts assistant
- Records manager
- Clerical officer

- Driver

The above mentioned staff were recruited on competitive basis and in a transparent manner. In order to ensure that the staff meet the set out targets, they are engaged under contract terms which are renewable after three years subject to performance. Additionally when recruitment of staff is done issues of gender are considered. Two out of the five staff are females thus meeting the gender threshold as stipulated in the constitution

4. Market place practices-

Tharaka NG CDF deals with public funds and as a result we are obligated to adhere to public procurement and disposal regulations. The entity ensures that procurement of goods and civil works is done in a competitive and transparent manner. Additionally all payments for goods and services delivered are honoured promptly without delays since most of the contractors obtain credit financing so as to implement projects

5. Community Engagements

Tharaka NG CDF organises sports events as well as tree planting when commissioning projects as a way of fighting climate change. We also do offer bursary to bright and needy students as a way of promotion literacy levels in the constituency. We also train our staff as well as our committee yearly

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

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.

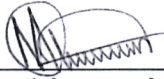
The Accounting Officer in charge of the NGCDF-THARAKA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020.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

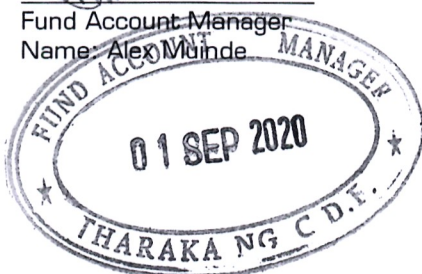
The Accounting Officer in charge of the NGCDF-THARAKA Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-THARAKA 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.

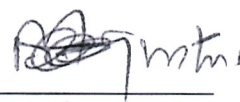
The Accounting Officer in charge of the NGCDF-THARAKA Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible 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-THARAKA Constituency financial statements were approved and signed by the Accounting Officer on 1st September 2020

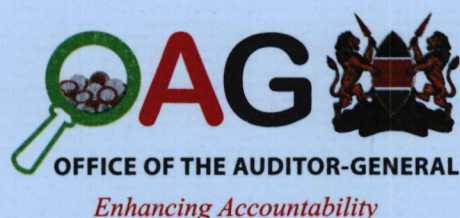

Fund Account Manager
Name: Alex Munde




Sub-County Accountant
Name: Augustus Mulwa
ICPAK Member Number: 20453
THE NATIONAL SUB-COUNTY ACCOUNTANT
THARAKA SOUTH
P. O. Box 36 - 60215,
MARIMANTI

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 - THARAKA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Tharaka Constituency set out on pages 14 to 50, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the 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 National Government Constituencies Development Fund - Tharaka 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 Cash and Cash Equivalents

The statement of assets and liabilities and Note 10A to the financial statements reflect cash and cash equivalents of Kshs.4,591,010 as at 30 June, 2020. However, the June, 2020 bank reconciliation statement reflected unrepresented cheques totalling to Kshs.8,943,259 which included stale cheques amounting to Kshs.2,794,646 and which had not been replaced or reversed in the cashbook as at 30 June, 2020.

In addition, review of the cashbook and the bank statements provided for audit, revealed that Kshs.11,000,000 and Kshs.1,000,000 both totalling to Kshs.12,000,000 received from the National Government Constituencies Development Fund Board were posted in

the cashbook seventy-one (71) and eighty-one (81) days after the same were received from the Board contrary to Section 90(3) of the Public Finance Management (National Government) Regulations, 2015 which stipulates that an accounting officer shall ensure any discrepancies noted during bank reconciliation exercise, are investigated immediately and appropriate action taken including updating the relevant cash books.

In the circumstances, the accuracy of the reported cash and cash equivalents balance of Kshs.4,591,010 as at 30 June, 2020 could not be ascertained. The Fund Management was also in breach of the Law.

2.0 Project Management Committee (PMC) Bank Balances

Note 17.4 to the financial statements and Annex 5 reflect PMC bank balances of Kshs.19,740,720 being the unspent project funds held by PMCs of various institutions. However, the respective cashbooks, bank balance certificates and bank reconciliation statements were not provided for audit review.

In the circumstances, the existence and accuracy of PMC bank balances of Kshs.19,740,720 as at 30 June, 2020 could not be ascertained.

3.0 Unconfirmed Bursaries

The statement of receipts and payments reflects Kshs.47,884,714 with respect to other grants and transfers which as disclosed at Note 7 to the financial statements, includes Kshs.13,647,610 and Kshs.13,276,500 with respect to bursaries to secondary schools and bursaries to tertiary institutions respectively, both totalling to Kshs.26,924,110. However, bursaries totalling to Kshs.10,000,000 or 37% were not acknowledged by the respective beneficiary schools and institutions or accounted for by the Fund.

In addition, the bursaries of Kshs.26,924,110 to various schools and institutions represented twenty-one per-cent (21%) of the total transfers from the Board contrary to Section 21(5) of the National Government Constituencies Development Fund Regulations, 2016 which provides that a Constituency Committee shall allocate not less than twenty-five per-cent (25%) of the funds allocated to the constituency for bursaries.

In the circumstances, the accuracy, validity and value for money for the bursaries amounting to Kshs.10,000,000 could not be ascertained. The Fund Management was also in breach of the Law.

4.0 Progress on Follow-Up of Auditor's Recommendations

The status of the matters raised in the audit report of the prior years has not been disclosed under the progress on follow up of auditor recommendations section of the financial statements as required by the Public Sector Accounting Standards Board.

The financial reporting guidelines issued by the Board have therefore, not been adhered to.

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

Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects a final receipts budget and actual receipts on comparable basis of Kshs.190,874,822 and Kshs.130,077,098 respectively, resulting into an under-funding of Kshs.60,797,724 or 32% of the budget. Similarly, the Fund expended Kshs.125,486,088 against an approved budget of Kshs.190,874,822 resulting into an under-expenditure of Kshs.65,388,734 or 34% of the budget.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Delayed Implementation of Projects

According to the project implementation status report made available for audit, one hundred-and twenty-two (122) projects with a combined allocation of Kshs.176,561,311 were budgeted to be implemented during the year under review. However, seven (7) projects with a combined budget of Kshs.48,814,662 were still ongoing while thirty-five

(35) projects with a combined allocation of Kshs.48,947,354 had not started as at 30 June, 2020.

This is an indication of inappropriate project implementation mechanism. There is need therefore, for the Fund Management to review its project planning mechanism with a view to prioritizing high impact projects resulting into improved service delivery to the residents of Tharaka Constituency.

2.0 Security Projects

Note 7 to the financial statements reflects Kshs.47,884,714 in respect to other grants and transfers which includes Kshs.10,900,000 with respect to security projects of which Kshs.2,000,000 was transferred to Kaboto Administration Police camp for construction of a six (6) roomed house at the Camp. However, audit inspection in December, 2020, revealed that though the complete project was officially opened on 20 January, 2020, the house was not in use - approximately ten (10) months after its completion.

Further, the security projects expenditure of Kshs.10,900,000 included Kshs.2,500,000 transferred to Kirigicha Police Camp for construction to completion of a six (6) roomed house and an ablution block. Audit inspection in December, 2020 revealed that though the house was complete, the ablution block was not complete and no works were on going, the contractor was not on site and the project appeared to have stalled.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the National Government Constituencies Development Fund - Tharaka Constituency's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the going concern 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 Fund's financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion with limited assurance as to whether, in all material

respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

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

02 December, 2021

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

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

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	124,040,876	107,784,483
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	5,000,000	-
TOTAL RECEIPTS		129,040,876	107,784,483
PAYMENTS			
Compensation of employees	4	2,519,560	2,339,002
Use of goods and services	5	11,567,608	12,505,338
Transfers to Other Government Units	6	63,338,706	56,881,035
Other grants and transfers	7	47,884,714	45,022,834
Acquisition of Assets	8	175,500	1,499,500
Other Payments	9	-	-
TOTAL PAYMENTS		125,486,088	118,247,709
SURPLUS/(DEFICIT)		3,554,788	(10,463,226)

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



Fund Account Manager
 Name: Alex Muinde

National Sub-County Accountant
 Name: Augustus Mulwa
 ICPAK Member Number: 20453

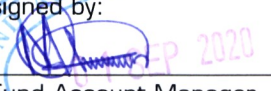
THE NATIONAL SUB-COUNTY ACCOUNTANT
 THARAKA SOUTH
 P. O. Box 36 - 60215,
 MARIMANTI

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

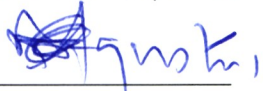
VIII. STATEMENT OF ASSETS AND LIABILITIES FOR THE YEAR ENDED 30 JUNE 2020

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	4,591,010	1,036,222
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		4,591,010	1,036,222
Accounts Receivable		-	-
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		4,591,010	1,036,222
FINANCIAL LIABILITIES			
Accounts Payable		-	-
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
TOTAL FINANCIAL LIABILITES		-	-
NET FINANCIAL ASSETS		4,591,010	1,036,222
REPRESENTED BY			
Fund balance b/fwd	13	1,036,222	11,499,448
Prior year adjustments	14	-	-
Surplus/Deficit for the year		3,554,788	(10,463,226)
NET FINANCIAL POSITION		4,591,010	1,036,222

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


 Fund Account Manager
 Name: Alex Muinde Charles

(Circular stamp: NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - THARAKA NGCDF SEP 2020)


 National Sub-County Accountant
 Name: Augustus Mulwa
 ICPAK Member Number: 20453.


THE NATIONAL SUB-COUNTY ACCOUNTANT
 THARAKA SOUTH
 P. O. Box 36 - 60215,
 MARIMANTI

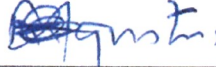
**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
THARAKA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020**

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

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	124,040,876	107,784,483
Other Receipts	3	<u>5,000,000</u>	-
Total receipts		129,040,876	107,784,483
Payments for operating expenses			
Compensation of Employees	4	2519,560	2,339,002
Use of goods and services	5	11,567,608	12,505,338
Transfers to Other Government Units	6	63,338,706	56,881,035
Other grants and transfers	7	47,884,714	45,022,834
Other Payments	9	-	-
Total payments		125,310,588	116,748,209
Total Receipts Less Total Payments		3,730,288	(8,963,726)
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		3,730,288	(8,963,726)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	
Acquisition of Assets	9	(175,500)	(1,499,500)
Net cash flows from Investing Activities		3,554,788	(10,463,226)
NET INCREASE IN CASH AND CASH EQUIVALENT		3,554,788	(10,463,226)
Cash and cash equivalent at BEGINNING of the year	13	1,036,222	11,499,448
Cash and cash equivalent at END of the year		<u>4,591,010</u>	<u>1,036,222</u>

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


Fund Account Manager
Name: Alex Muinde Charles


Sub-County Accountant
Name: Augustus Mulwa
ICPAK Member Number: 20453
THE NATIONAL SUB-COUNTY ACCOUNTANT
THARAKA SOUTH
P. O. Box 36 - 60215,
MARIMANTI

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


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

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

Receipt/Expense Item	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						
Transfers from NGCDF Board	129,797,724	56,077,098	185,874,822	125,077,098	60,797,724	67
Proceeds from Sale of Assets	0	0	0	-		
Other Receipts	5,000,000	0	5,000,000	5,000,000	0	100
TOTALS	134,797,724	56,077,098	190,874,822	130,077,098	60,797,724	68
PAYMENTS						
Compensation of Employees	2,542,453	203,450	2,745,903	2,519,560	226,343	92
Use of goods and services	11,167,968	399,640	11,567,608	11,567,608	0	100
Transfers to Other Government Units	72,361,679	37,977,027	110,338,706	63,338,706	47,000,000	57
Other grants and transfers	48,550,124	17,496,481	66,046,605	47,884,714	18,161,891	73
Acquisition of Assets	175,500	500	176,000	175,500	500	100
Other Payments	0	0	0	0	0	0
TOTALS	134,797,724	56,077,098	190,874,822	125,486,088	65,388,734	66

Late disbursement of funds led to utilization of receipts from board by 68%. Additionally the late disbursement led to utilization of transfer to government entities by 57% ,other grants and transfers by 73%.

The NGCDF-THARAKA Constituency financial statements were approved on 1st September 2020 and signed by:


Fund Account Manager
Name: Alex Muinde Charles



Sub-County Accountant
Name: Augustus Muliwa
ICPAK Member Number: 20453ANT
THARAKA SOUTH
P. O. Box 36 - 60215,
MARIMANTI

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

XI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE YEAR ENDED 30 JUNE 2020

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Transfers from NGCDF Board	13,710,421	603,090	14,313,511	14,087,168	226,343	98
Proceeds from Sale of Assets						
Other Receipts						
TOTALS	13,710,421	603,090	14,313,511	14,087,168	226,343	98
PAYMENTS						
Compensation of Employees	2,542,453	203,450	2,745,903	2,519,560	226,343	92
Use of goods and services	11,167,968	399,640	11,567,608	11,567,608	0	100
TOTALS	13,710,421	603,090	14,313,511	14,087,168	226,343	98

The NGCDF-THARAKA Constituency financial statements were approved on 1st September 2020 and signed by:


Fund Account Manager
Name: Alex Muinde Charles



Sub-County Accountant
Name: Augustus Muliwa
ICPAK Member Number: 20453
THE NATIONAL SUB-COUNTY ACCOUNTANT
THARAKA SOUTH
P. O. Box 36 - 60215,
MARIMANTI


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

XII. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2020

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
RECEIPTS						
Transfers from NGCDF Board	116,087,303	55,474,008	171,561,311	110,989,930	60,571,381	65
Proceeds from Sale of Assets	0	0	0	0	0	
Other Receipts	5,000,000	0	5,000,000	5,000,000	0	100
TOTALS	121,087,303	55,474,008	176,561,311	115,989,930	60,571,381	66
PAYMENTS						
Transfers to Other Government Units	72,361,679	37,977,027	110,338,706	63,338,706	47,000,000	57
Other grants and transfers	48,550,124	17,496,481	66,046,605	47,884,714	18,161,891	73
Acquisition of Assets	175,500	500	176,000	175,500	500	100
Other Payments	0	0	0	0	0	
TOTALS	121,087,303	55,474,008	176,561,311	111,398,920	65,162,391	63

Late disbursement of funds led to utilization of receipts from board by 68%. Additionally the late disbursement led to utilization of transfer to government entities by 57% ,other grants and transfers by 73%.

The NGCDF-THARAKA Constituency financial statements were approved on 1st September 2020 and signed by:


Fund Account Manager
Name: Alex Muinde Charles



Sub-County Accountant
Name: Augustus Muliwa
ICPAK Member Number:20453
THE NATIONAL SUB-COUNTY ACCOUNTANT
THARAKA SOUTH
P. O. Box 35 - 60215,
MARIMANTTI

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

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

XIII. BUDGET EXECUTION BY PROGRAMMES AND SUB PROGRAMMES

Programme/sub-programme	Original budget	Adjustments	Final budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Administration and recurrent					
Compensation of employees					
1.1 Compensation Of Employees	2,542,453	203,450	2,745,903	2,519,560	226,343
Sub Total	2,542,453	203,450	2,745,903	2,519,560	226,343
Use Of Goods And Services					
1.2 Committee Allowances	2,499,091	33,640	2,532,731	2,532,732	-
1.3 Use Of Goods And Services	3,656,806		3,656,806	3,656,806	-
2.0 Monitoring And Evaluation			-		
2.1 Capacity Building	1,283,268	366,000	1,649,268	1,649,268	-
2.2 Committee Allowances	1,624,628	-	1,624,628	1,624,628	-
2.3 Use Of Goods And Services	2,104,175	-	2,104,175	2,104,175	-
Sub Total	11,167,968	399,640	11,567,608	11,567,609	-
Transfer To Other Government Units					
7.0 Primary Schools Projects					
7.1 Gacereni Primary School	900,000	-	900,000	-	900,000
7.2 Gachaine Pimary School	900,000	-	900,000	-	900,000
7.3 Gakame Primary School	900,000	-	900,000	-	900,000
7.4 Gakauni Primary School	1,800,000	-	1,800,000	-	1,800,000
7.5 Gancabi Primary School	900,000	-	900,000	-	900,000
7.6 Gituri Primary School	1,500,000	-	1,500,000	1,500,000	-
7.7 Ibote Primary School	900,000	-	900,000	-	900,000
7.8 Iria Ria Manthuka Primary School	900,000	-	900,000	-	900,000
7.9 Kagurini Primary School	3,500,000	-	3,500,000	3,400,000	100,000
8.0 Kaiga Ka Mbiti Primary School	900,000	-	900,000	-	900,000
8.1 Kamujwa Primary School	900,000	-	900,000	-	900,000
8.2 Karocho Primary School	900,000	-	900,000	-	900,000
8.3 Kathandeni Primary School	900,000	-	900,000	-	900,000
8.4 Kathuura Primary School	900,000	-	900,000	-	900,000
8.5 Kiaruni Primary School	900,000	-	900,000	-	900,000
8.6 Kibuka Primary School	900,000	-	900,000	-	900,000
8.7 Kiigani Primary School	900,000	-	900,000	-	900,000
8.8 Kinyingiri Primary School	900,000	-	900,000	-	900,000
8.9 Kirimbu Primary School	900,000	-	900,000	-	900,000

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

Programme/sub-programme	Original budget	Adjustments	Final budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
9.0 Kiumbe Primary School	3,111,679	-	3,111,679	3,111,679	-
9.0 Tumanya Primary	-	500,000	500,000	500,000	-
9.1 Maranthiu Primary School	900,000	-	900,000	-	900,000
9.2 Meru Boys Home Primary School	1,000,000	-	1,000,000	1,000,000	-
9.3 Mukothima Primary School	1,500,000	-	1,500,000	-	1,500,000
9.4 Mutakiri Primary School	900,000	-	900,000	-	900,000
9.5 Mutonga Primary School	550,000	-	550,000	-	550,000
9.6 Ndiuni Primary	-	500,000	500,000	500,000	-
9.6 Ndiuni Primary School	7,200,000	-	7,200,000	7,200,000	-
9.7 Ndurumoni Primary School	900,000	-	900,000	-	900,000
9.8 Njukini Primary School	2,000,000	-	2,000,000	-	2,000,000
9.9 Nkondi Primary School	900,000	-	900,000	-	900,000
10 Ntoroni Primary School	1,000,000	-	1,000,000	-	1,000,000
10.1 Ntuujia Primary School	900,000	-	900,000	900,000	-
10.2 Riamwanki Primary School	900,000	-	900,000	-	900,000
10.3 Rukurini Primary School	900,000	-	900,000	-	900,000
10.4 Rwakinanga Primary School	1,800,000	-	1,800,000	1,800,000	-
10.5 Rwerigo Primary School	900,000	-	900,000	900,000	-
10.6 Thanantu Primary School	900,000	-	900,000	-	900,000
10.7 Uturini Primary School	1,000,000	-	1,000,000	-	1,000,000
10.8 Kaanyaga Primary School	1,000,000	-	1,000,000	-	1,000,000
Sub Total	49,461,679	1,000,000	50,461,679	20,811,679	29,650,000
8.0 Secondary Schools Projects					
8.1 Gaciongo Secondary School	900,000	-	900,000	-	900,000
8.2 Gaceraka Secondary School	1,500,000	-	1,500,000	1,500,000	-
8.3 Kamarandi Secondary School	300,000	-	300,000	-	300,000
8.4 Karii Kamburi Secondary School	2,500,000	-	2,500,000	-	2,500,000
8.5 Ngonya Secondary School	2,500,000	-	2,500,000	-	2,500,000
8.6 Miomponi Secondary School	600,000	-	600,000	600,000	-
8.7 Tunyai Day Secondary School	600,000	-	600,000	600,000	-
9.0 Tertiary Institutions Projects					

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

Programme/sub-programme	Original budget	Adjustments	Final budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
Kenya Medical Training College	2,000,000	-	2,000,000	2,000,000	-
Kenya Medical Training College	3,000,000	-	3,000,000	1,000,000	2,000,000
Kenya Medical Training College	1,500,000	-	1,500,000	1,500,000	-
Kamurige Primary School		1,800,000	1,800,000	1,800,000	-
Kenya Medical Training College	2,500,000	-	2,500,000	-	2,500,000
Kamwathu Secondary School	1,000,000	-	1,000,000	-	1,000,000
Ndaruni Primary School	1,000,000	-	1,000,000	-	1,000,000
Ndurumoni Primary	1,000,000	-	1,000,000	-	1,000,000
Kithiori Primary School	-	900,000	900,000	900,000	-
Iriani Primary School	1,000,000	-	1,000,000	-	1,000,000
Tonya Secondary	1,000,000	-	1,000,000	-	1,000,000
Tharaka Tti	-	1,500,000	1,500,000	1,500,000	-
Riamuanki Primary School	-	900,000	900,000	900,000	-
Chiakariga Primary School	-	2,227,027	2,227,027	2,227,027	-
Gakuyu Primary School	-	900,000	900,000	900,000	-
Gitugu Primary School	-	900,000	900,000	900,000	-
likumbu Primary	-	900,000	900,000	900,000	-
Iriani Primary School	-	1,000,000	1,000,000	1,000,000	-
Kamatumo Primary School	-	150,000	150,000	-	150,000
Kagucwani Primary School	-	900,000	900,000	900,000	-
Kamutuandu Primary School	-	900,000	900,000	900,000	-
Karethani Special School	-	1,000,000	1,000,000	1,000,000	-
Karuguaru Primary School	-	900,000	900,000	900,000	-
Kibuka Primary School	-	300,000	300,000	300,000	-
Kithioroka Primary School	-	900,000	900,000	900,000	-
Ngaini Primary School	-	900,000	900,000	900,000	-
Nturia Primary School	-	900,000	900,000	900,000	-
Tumanya Primary School	-	1,600,000	1,600,000	1,600,000	-
Kamaguna Sec School	-	2,500,000	2,500,000	2,500,000	-
Kathangacini Secondary School	-	1,500,000	1,500,000	-	1,500,000
Miomponi Secondary School	-	6,600,000	6,600,000	6,600,000	-
Mugui Secondary School	-	800,000	800,000	800,000	-
Mukothima Secondary School	-	2,000,000	2,000,000	2,000,000	-
Nkondi Girls School	-	900,000	900,000	900,000	-

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

Programme/sub-programme	Original budget	Adjustments	Final budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
Turima Secondary School	-	1,200,000	1,200,000	1,200,000	-
Kenya Medical Training College	-	1,522,973	1,522,973	1,522,973	-
Kenya Medical Training College	-	477,027	477,027	477,027	-
Sub Total Transfer To Other Government Entities	72,361,679	37,977,027	110,338,706	63,338,706	47,000,000
Other Grants And Transfers					
Security Projects					
Gaceraka Assistant Chiefs Office	900,000	-	900,000	-	900,000
Kithino Police Camp	-	1,000,000	1,000,000	1,000,000	-
Gakurungu Chiefs Office	-	400,000	400,000	400,000	-
Kaboto Administration Police Camp	-	2,000,000	2,000,000	2,000,000	-
Kithino Assistance Chief	-	500,000	500,000	500,000	-
Riamikuu Administration Police Camp	-	1,000,000	1,000,000	-	1,000,000
Rukenya Assistant Chief	-	500,000	500,000	500,000	-
Turima Administration Police Line	-	2,500,000	2,500,000	2,500,000	-
Karonho Assistant Chiefs Office	900,000	-	900,000	-	900,000
Kirigicha Police Post	2,500,000	-	2,500,000	2,500,000	-
Turima Chiefs Office	900,000	-	900,000	-	900,000
Mwerera Chiefs Office	900,000	-	900,000	-	900,000
Kithino Police Post	1,500,000	-	1,500,000	1,500,000	-
Sub Total	7,600,000	7,900,000	15,500,000	10,900,000	4,600,000
Sports	2,747,354	-	2,747,354	2,747,354	-
Emergency	7,198,242	3,238,993	10,437,235	7,313,250	3,123,985
Bursary And Social Security					
Primary Schools	-				
Secondary Schools	14,454,886	2,127,900	16,582,786	13,647,610	2,935,176
Tertiary Institutions	10,901,144	2,729,588	13,630,732	9,776,500	3,854,232
Universities	2,901,144	1,500,000	4,401,144	3,500,000	901,144
Social Security					
Sub Total	28,257,174	6,357,488	34,614,662	26,924,110	7,690,552
Environment	2,747,354	-	2,747,354	-	2,747,354

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

Programme/sub-programme	Original budget	Adjustments	Final budget	Actual on comparable basis	Budget utilization difference
	Kshs	Kshs	Kshs	Kshs	Kshs
Subtotal Other Grants And Transfers	48,550,124	17,496,481	66,046,605	47,884,714	18,161,891
Acquisition Of Assets					
Purchase Of Laptop	175,500	500	176,000	175,500	500
Sub Total	175,500	500	176,000	175,500	500
Total	134,797,724	56,077,098	190,874,822	125,486,089	65,388,734

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

XIV. 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-THARAKA 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.

External Assistance

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

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

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

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

Other receipts

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

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

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

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

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

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.

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

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.

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

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

12. Comparative Figures

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

13. Subsequent Events

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

14. Errors

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

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

15. Related Party Transactions

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

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

XV. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
B096646	1	11,000,000	
B104493	2	15,000,000	
B104159	3	15,000,000	
B047760	4	5,000,000	
B041344	5	18,000,000	
B041069	6	55,040,876	
B041222	7	4,000,000	
B047160	8	1,000,000	
AIE NO:B030217	9		10,000,000
AIE NO:B42628	10		11,000,000
AIE NO:B007487	11		7,000,000
AIE NO :B005484	12		12,000,000
AIE NO:047056	13		14,000,000
AIE NO005182	14		53,784,483
TOTAL		124,040,876	107,784,483

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	-	-
Total	-	-

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	-	-
Rents	-	-
Receipts from Sale of tender documents	-	-
(PMC cheques reversal)	5,000,000	0

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

Total	5,000,000	0
--------------	------------------	----------

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	1,780,360	1,739,000
Personal allowances paid as part of salary	50,000	50,000
Wages of Casual Labour		31,000
Pension and other social security contributions (Gratuity)	559,600	519,002
Employer Contributions Compulsory national social security schemes	129,600	
Total	2,519,560	2,339,002

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	3,816,000	3,087,500
Utilities, supplies and services	60,000	80,000
Communication, supplies and services		297,000
Domestic travel and subsistence	693,600	956,200
Printing, advertising and information supplies & services	470,677	739,798
Training expenses	1,272,000	1,633,640
Hospitality supplies and services	1,669,670	1,708,330
Office and general supplies and services	579,656	780,060
Other operating expenses	169,700	45,174
Routine maintenance – vehicles and other transport equipment	445,060	1,751,561
Routine maintenance – other assets	757,445	230,735
Fuel oil and lubricants	1,560,000	1,195,340
Bank service charges	73,800	0
Total	11,567,608	12,505,338

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to National Government entities		
Transfers to primary schools	38,638,706	32,800,000
Transfers to secondary schools	16,700,000	23,781,035
Transfers to tertiary institutions	8,000,000	300,000

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

Transfers to health institutions		
TOTAL p	63,338,706	56,881,035

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools	13,647,610	18,303,640
Bursary – tertiary institutions	13,276,500	7,873,352
Bursary – special schools	0	1,998,000
Mock & CAT	0	-
Security projects	10,900,000	9,531,034
Sports projects	2,747,354	2,408,404
Environment projects	0	2,408,404
Emergency projects	7,313,250	2,500,000
Total	47,884,714	45,022,834

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	1,300,000
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	0
Purchase of ICT Equipment, Software and Other ICT Assets	175,500	199,500
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
Total	175,500	1,499,500

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
	0	0

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

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
Name of Bank, Account No. <i>Tharaka NG CDF Account no. 01120058205800</i>	4,591,010	1,036,222
Total	4,591,010	1,036,222
10B: CASH IN HAND		
Location 1	0	0
Location 2	0	0
Location 3	0	0
Other Locations (<i>specify</i>)	0	0
Total	0	0
<i>[Provide cash count certificates for each]</i>		

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
N/A	N/A	0	0	0
Total				0

12A. RETENTION

	2019 - 2020	2018-2019
	Kshs	Kshs
Supplier 1	0	0
Supplier 2	0	0
Supplier 3	0	0
Total	0	0

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	Kshs	Kshs
Name 1	0	
Name 2	0	0
Name 3	0	0
Add as appropriate	0	0
Total	0	0

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	1,036,222	11,499,448
Cash in hand		
Imprest		
Total	1,036,222	11,499,448

14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	0	0	0
Cash in hand	0	0	0
Accounts Payables	0	0	0
Receivables	0	0	0
Others (<i>specify</i>)	0	0	0
	0	0	0

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	0	0
Imprest issued during the year (B)	0	0
Imprest surrendered during the Year (C)	0	0

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

Net changes in account receivables D= A+B-C	0	0
---	---	---

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

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

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	0	0
Construction of civil works	0	0
Supply of goods	0	0
Supply of services	0	0
	0	0

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NGCDFC Staff	0	0
Others (specify)	0	0
	0	0

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	226,343	203,450
Use of goods and services	0	399,640
Amounts due to other Government entities	47,000,000	37,977,027
Amounts due to other grants and other transfers	18,161,891	17,496,481
Acquisition of assets	500	500
Total	65,388,734	56,077,098

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	19,740,720	11,504,101

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

XVI. 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	Status:	Timeframe:
1		The report of the auditor general has not been received			



Fund Account Manager
Name: Alex Mulinde Charles

National Sub-County Accountant
Name: Augustus Mulwa
ICPAK Member Number: 20453.

THE NATIONAL SUB-COUNTY ACCOUNTANT
THARAKA SOUTH
P. O. Box 36 - 60215,
MARIMANTI

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

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

XVII. ANNEXES

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

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

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

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

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

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

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

ANNEX 3 – UNUTILIZED FUND

Name	Brief transaction description	Brief transaction description	Comments
Compensation Of Employees	Compensation of employees	226,343	Funds were received late from NG CDF board
Gacereni Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Gachaine Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Gakame Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Gakauni Primary School	Construction of two classroom	1,800,000	Funds were received late from NG CDF board
Gancabi Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Ibote Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Iria Ria Manthuka Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Kagurini Primary School	supply of water	100,000	Funds were received late from NG CDF board
Kaiga Ka Mbiti Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Kamujwa Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Maranthiu Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Karocho Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Kathandeni Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
8.4 Kathuura Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Kiaruni Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Kibuka Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Kiigani Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Kinyingiri Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Kirimbu Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Mukothima Primary School	Construction of a dorm	1,500,000	Funds were received late from NG CDF board
Mutakiri Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Mutonga Primary School	Construction of a classroom	550,000	Funds were received late from NG CDF board
Ndurumoni Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board

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

Njukini Primary School	Construction of a classroom	2,000,000	Funds were received late from NG CDF board
Nkondi Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Ntoroni Primary School	Construction of a classroom	1,000,000	Funds were received late from NG CDF board
Riamwanki Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Rukurini Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Thanantu Primary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Uturini Primary School	Construction of a classroom	1,000,000	Funds were received late from NG CDF board
Kaanyaga Primary School	Roofing of classrooms	1,000,000	Funds were received late from NG CDF board
Gaciong Secondary School	Construction of a classroom	900,000	Funds were received late from NG CDF board
Kamarandi Secondary School	Construction of a lab	300,000	Funds were received late from NG CDF board
Karii Kamburi Secondary School	Construction of a lab	2,500,000	Funds were received late from NG CDF board
Ngonya Secondary School	Construction of a lab	2,500,000	Funds were received late from NG CDF board
Kenya Medical Training College	Construction of 2 classroom	2,000,000	Funds were received late from NG CDF board
Kenya Medical Training College	Construction of admin block	2,500,000	Funds were received late from NG CDF board
Kamwathu Secondary School	Construction of a classroom	1,000,000	Funds were received late from NG CDF board
Ndaruni Primary School	Construction of a classroom	1,000,000	Funds were received late from NG CDF board
Ndurumoni Primary	Construction of a classroom	1,000,000	Funds were received late from NG CDF board
Iriani Primary School	Construction of a classroom	1,000,000	Funds were received late from NG CDF board
Tonya Secondary	Construction of a classroom	1,000,000	Funds were received late from NG CDF board
Kathangacini Secondary School	Grading of a play ground	1,500,000	Funds were received late from NG CDF board
Kamutumo Primary	Finishing of a classroom	150,000	Funds were received late from NG CDF board
Gaceraka Assistant Chiefs Office	Construction of an office	900,000	Funds were received late from NG CDF board
Riamikuu Administration Police Camp	Construction of admin block	1,000,000	Funds were received late from NG CDF board
Karocho Ass Chief	Construction of an office	900,000	Funds were received late from NG CDF board
Turima Chiefs Office	Construction of a classroom	900,000	Funds were received late from NG CDF board

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

Mwerera Chiefs Office	Construction of a classroom	900,000	Funds were received late from NG CDF board
Emergency	Emergency cases	3,123,985	Funds were received late from NG CDF board
Secondary Schools	Award of bursaries	2,935,176	Funds were received late from NG CDF board
Tertiary Institutions	Award of bursaries	3,854,232	Funds were received late from NG CDF board
Universities	Award of bursaries	901,144	Funds were received late from NG CDF board
Environment	Fencing of a dam	2,747,354	Funds were received late from NG CDF board
Purchase Of Laptop	purchase of laptops	500	Funds were received late from NG CDF board
Total		65,388,734	

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2018/19	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/20
Land				
Buildings and structures	8,610,523			8,610,523
Transport equipment	4,579,250			4,579,250
Office equipment, furniture and fittings	425,000			425,000
ICT Equipment, Software and Other ICT Assets	388,295	175,500		563,795
Other Machinery and Equipment	199,500			199,500
Heritage and cultural assets	-			-
Intangible assets	-			-
Total	14,202,568	175,500		14,378,068

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

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2019

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Rukenya Primary School	Sidian bank	01016030000262	1,475	0
Marimanti Primary School	Sidian bank	01016030000252	87,025	0
Karou Primary School	Sidian bank	01016030000242	3,115	0
Tharaka South AP	Sidian bank	01016030000232	255	0
Gaciongo Primary	Sidian bank	01016030000222	1,155	0
Kiorimba Day	Sidian bank	01016030000212	295	0
Nturia Primary School	Sidian bank	01016030000202	362,363	0
Mutakiri Primary School	Sidian bank	01016030000182	6,115	0
Kirundi Primary	Sidian bank	01016030000102	755	0
Kamutuandu Primary	Sidian bank	01016030000112	418,858	0
Chiakariga Police	Sidian bank	01016030000282	1,375	0
Gatue Sec School	Sidian bank	01016030000151	4,115	0
Rwerigo Primary School	Sidian bank	01016030000262	81,226	0
Kiumbe Primary School	Sidian bank	01016030000422	3,111,678.50	0
Kirigicha Police Post	Sidian bank	01016030000342	2,498,975	0
Rwakinanga Primary	Sidian bank	01016030000333	207,535	0
Gituri Primary School	Sidian bank	01016030000322	4,246,329	0
Ndiuni Primary School	Cooperative bank	01139058247206	7,201,900	0
Gaceraka Secondary School	Cooperative bank	01141207757500	1,506,175	0
Ndaruni Mixed Secondary School	Cooperative	01141058292400	0	900,000
Rancha Road	Cooperative	01141207329400	0	225.50
Mugui Secondary School	Cooperative	01141207399000	0	1,500,000
Mugui Ap Camp	Cooperative	01141207329500	0	1325
Marimanti Prison	Cooperative	01141207329300	0	1775.25
Ntoroni Ap Camp	Cooperative	01141207400200	0	600,000
Mukothima Primary	Cooperative	01141207398300	0	300,000
Turima Tweru AP Camp	Cooperative	01141207331200	0	775.25

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

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Kamachabi Ap Camp	Cooperative	01141207324200	0	1,000,000
Kiamiramba Police Post	Cooperative	01141207323700	0	3,000,000
Njukini Primary	Cooperative	01141207405600	0	900,000
Kijege Primary	Cooperative	01141207405000	0	1,800,000
Matagatani Primary School	Cooperative	01141207402700	0	600,000
Ndaruni Mixed	Cooperative	01141058292400	0	900,000
Total			19,740,720	11,504,101