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REPORT

OF

THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
KANGEMA CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2019**

30th June 2019

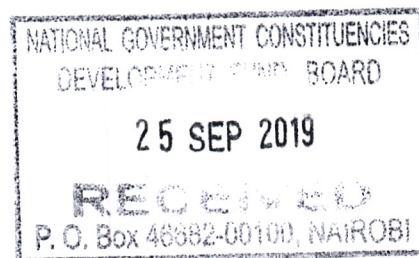
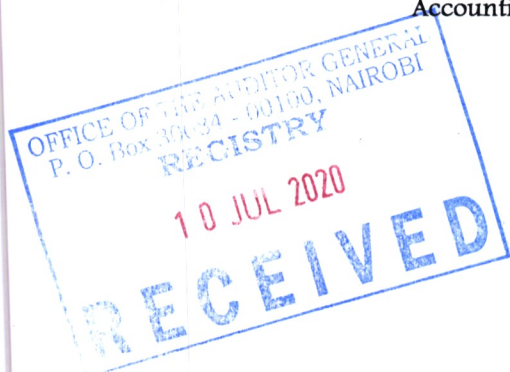


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -KANGEMA
CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2019

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



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

Table of Content	Page
KEY CONSTITUENCY INFORMATION AND MANAGEMENT	1
FORWARD BY THE CHAIRMAN NGCDF COMMITTEE.....	4
STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES.....	7
STATEMENT OF RECEIPTS AND PAYMENTS.....	8
STATEMENT OF ASSETS AND LIABILITIES	9
STATEMENT OF CASHFLOW	10
SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED	11
VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES	13
SIGNIFICANT ACCOUNTING POLICIES	17
NOTES TO THE FINANCIAL STATEMENTS.....	21
TRANSFERS FROM OTHER GOVERNMENT ENTITIES.....	21
PROCEEDS FROM SALE OF ASSETS	21
COMPENSATION OF EMPLOYEES	22
USE OF GOODS AND SERVICES.....	22
TRANSFER TO OTHER GOVERNMENT ENTITIES	24
OTHER GRANTS AND OTHER PAYMENTS.....	24
ACQUISITION OF ASSETS.....	24
OTHER PAYMENTS	25
10A: Bank Accounts (cash book bank balance)	26
11: OUTSTANDING IMPRESTS.....	27
12A. RETENTION	27
12B. STAFF GRATUITY OUTSTANDING.....	27
13. BALANCES BROUGHT FORWARD	28
14. PRIOR YEAR ADJUSTMENTS	28
15. OTHER IMPORTANT DISCLOSURES	29
15.1: PENDING ACCOUNTS PAYABLE (See Annex 1).....	29
15.2: PENDING STAFF PAYABLES (See Annex 2).....	29
15.3: UNUTILIZED FUND (See Annex 3).....	29

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

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

Mandate

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

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

Vision

Equitable Socio-economic development countrywide

Mission

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

15.4: PMC account balances (See Annex 5)	30
ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE	31
ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES	32
ANNEX 3 – UNUTILIZED FUNDS	33
ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER	34
ANNEX 4 –PMC BANK BALANCES AS AT 30 TH JUNE 2018.....	35
PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	40

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

KANGEMA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Core Values

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

(b) Key Management

The NGCDF KANGEMA 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 2018 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	John Munyau
2.	Sub-County Accountant	David Nyotu
3.	Chairman NGCDFC	Samuel Muchunu
4.	Member NGCDFC	Emma Irungu

(d) Fiduciary Oversight Arrangements

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

P.O. Box 22-10202
Kangema NGCDF Office
Kangema DCC's Compound
Kangema, KENYA

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

(f) NGCDF KANGEMA Constituency Contacts

P.O. Box 22-10202
Kangema NGCDF Office
Kangema DCC's Compound
Kangema, KENYA
E-mail: cdfkangema@ngcdf.go.ke

(g) NGCDF KANGEMA Constituency Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Equity Bank
Kangema Branch
Po Box Private bag
Kangema, Kenya

(h) Independent Auditors

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

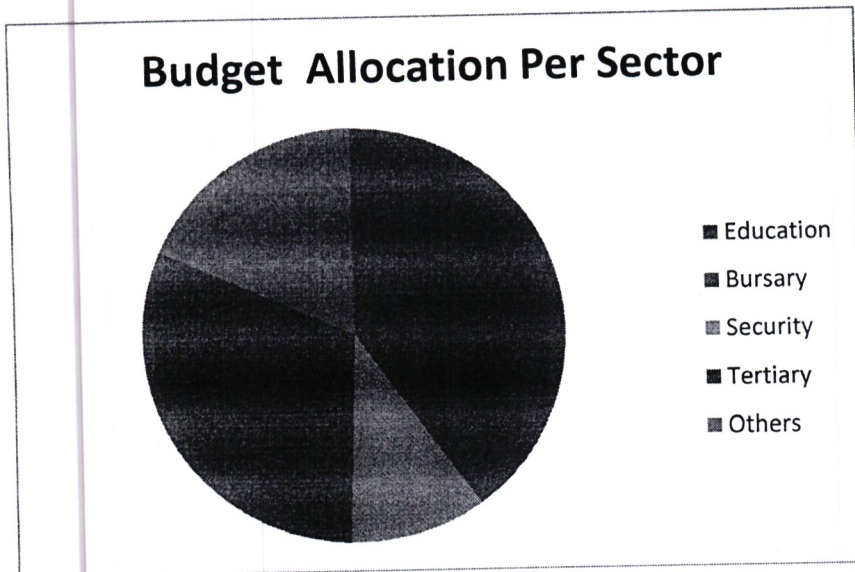
(i) Principal Legal Adviser

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

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

Kangema NGCDF Committee has embraced the Big Four Agenda to the extent that the law permits. In line with this realise and appreciate that “Education is a human right for all throughout life and that access must be matched by quality”. This is according to the United Nations Educational, Scientific and Cultural Organization (UNESCO). In view of this Kangema NGCDF Committee, in the Financial year 2018/2019, allocated % of its annual budget to Education infrastructure development projects and % of the annual budget to Education Bursary so as to be a key enabler in the transition from primary to secondary Schools. Building of classrooms and other learning facilities has gone a long way in providing a conducive environment for the learners. A conducive learning Environment cannot be complete without proper Security. In this regard Kangema NGCDF has allocated % of its annual budget to construction of ACCs, Chiefs, Assistant Chiefs Offices as well as Police posts to enhance security throughout the constituency.



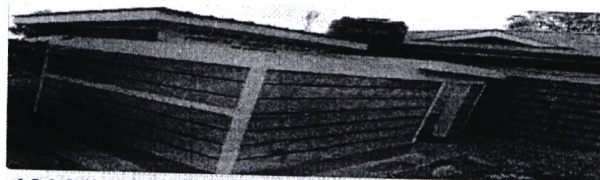
Budget Performance for 2018/2019 Financial Year

Receipt/Expense Item	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	$c=a+b$	d	$e=c-d$	$f=d/c \%$
RECEIPTS				
Transfers from CDF Board	176,216,300	118,637,493	57,578,807	67.3%
TOTAL RECEIPTS	176,216,300	118,637,493	57,578,807	67.3%
PAYMENTS				
Compensation of Employees	4,778,233	2,863,420	1,914,813	59.9%

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

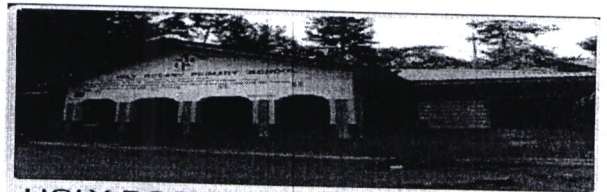
Use of goods and services	15,310,608	10,684,264	4,626,344	69.8%
Transfers to Other Government Units	46,090,856	41,042,582	5,048,274	89.0%
Other grants and transfers	110,036,603	51,033,818	59,002,785	46.4%
TOTAL	176,216,300	105,624,084	70,592,216	59.9%

Through Kangema NGCDF Funding the following among other projects have been achieved in the Constituency



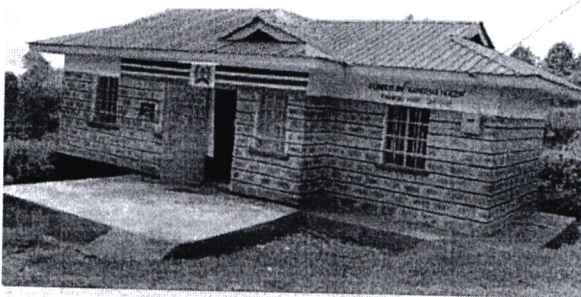
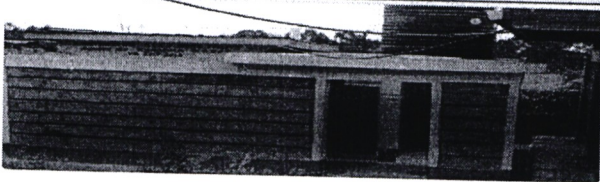
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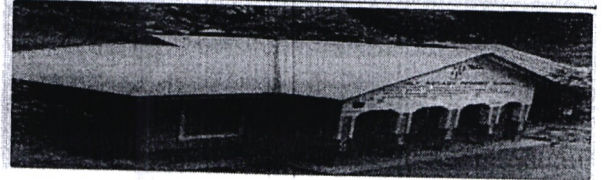
HOLY ROSARY PRIMARY MODERN STAFFROOM

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WANJERERE CHIEF & ASS. CHIEF'S OFFICES

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NYAGATUGU PRIMARY SCH. MODERN STAFFROOM

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KIAWAMBOGO POLICE PATROL BASE


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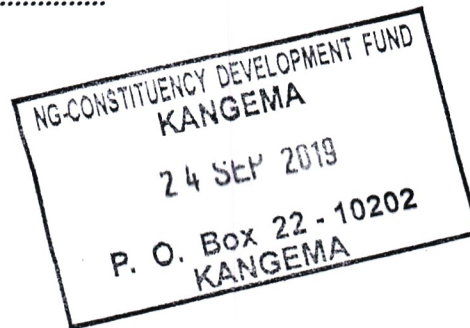
KANGURU ASS. CHIEF'S OFFICE

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

In our Endeavour to implement projects, we have been faced with the challenge of delayed disbursement of funds from the NGCDF board. However we have resolved to be among the first constituency to submit project proposal so as to be among the first beneficiaries of disbursement.

Sign.....

Samuel Muchunu Muraguri
CHAIRMAN NGCDF COMMITTEE



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

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.

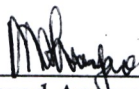
The Accounting Officer in charge of the NGCDF-KANGEMA Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 20XX. 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-KANGEMA 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, 20XX, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-KANGEMA 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-KANGEMA 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-KANGEMA Constituency financial statements were approved and signed by the Accounting Officer on 24.09.2019.


Fund Account Manager
Name: JOHN MUNYAU

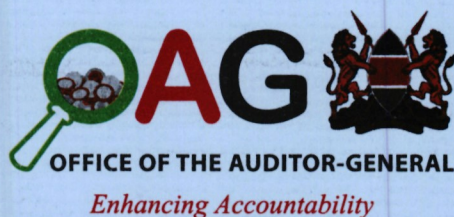
**FUND ACCOUNT MANAGER
NG - CDF KANGEMA
P. O. Box 22 - 10202
KANGEMA**


Sub-County Accountant
Name: DAVID NYOTU
ICPAK Member Number: 8321

**DISTRICT ACCOUNTANT
MURANGA WEST
P.O. Box 372-016202
KANGEMA**

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 – KANGEMA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund – Kangema Constituency set out on pages 8 to 44, which comprise of the statement of assets and liabilities as at 30 June, 2019, statement of receipts and payments, statement of cash flows and the summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund – Kangema Constituency as at 30 June, 2019, 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

Inaccuracies in the Statement of Assets and Liabilities

The statement of assets and liabilities reflects total financial assets balance of Kshs. 13,013,409 and nil liabilities. However, the net financial position of Kshs. 13,013,409 has instead been presented as net liabilities at the bottom of the statement contrary to the guidelines issued by the Public Sector Accounting Standards Board.

Consequently, the accuracy and validity of the statement of assets and liabilities as at 30 June, 2019 could not be confirmed.

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

Development Fund – Kangema Constituency Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

The summary statement of appropriation: recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.176,216,300 and Kshs.108,784,483 respectively resulting to an underfunding of Kshs. 67,431,817 or 38% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.176,216,300 and Kshs.105,624,084 respectively resulting to an under expenditure of Kshs.70,592,216 or 40% of the budget.

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

2.0 Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular Ref: PSASB/1/12 Vol.1(44) of 25 June, 2019.

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 Irregular Maintenance of Project Committees Bank Accounts

Disclosed under Annex 4 to the financial statements are unutilized balances totalling to Kshs.6,611,937 in respect of one hundred and one (101) Project Management Committee (PMC) bank accounts as at 30 June, 2019. However, no explanation was given for failure to close the accounts and transfer the balances to the Fund bank account. This is contrary

to Section 12(8) of the NGCDF Act, 2015, which requires that all unutilized funds of the project management committee shall be returned to the Constituency account.

Consequently, the Management is in breach of the law.

2.0 Lack of Projects Status

As disclosed in Note 6 and 7 to the financial statements, the statement of receipts and payments reflects transfer to other government units amounting to Kshs.41,042,582 and other grants and transfers amounting to Kshs.51,033,818. Included in these balances are funds meant for various budgeted projects. However, the Management did not provide implementation status of the budgeted projects.

In the circumstances, I am unable to confirm whether funds meant for projects were utilized for the intended purposes.

3.0 Irregular Issue of Bursaries

Disclosed in Note 7 to the financial statements, under other grants and transfers, are bursaries payments totalling to Kshs.26,510,000. However, the Management did not provide supporting documents showing that the Fund had established a Bursary Sub-Committee to manage the scheme. This is contrary the NGCDF Board circular of 13 September, 2010 that requires the Fund to establish a Bursary Sub-committee.

Consequently, the Management is in breach of the Circular.

4.0 Unutilized Security Project

The Management disbursed an amount of Kshs.7,720,400, under other grants and transfers, to Gakira Administration Police Camp for construction of AP houses, construction of gabions and retaining wall. However, progress on implementation of the approved projects of February, 2020 revealed that the project remained unutilized even though it was complete without explanation.

In the circumstances, I am unable to confirm whether the public obtained value for money for the expenditure totalling to Kshs.7,720,400 for the year ended 30 June, 2019.

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

Responsibilities of Management and those charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless 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 financial reporting process, reviewing the effectiveness of how the Fund monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229 (7) of the Constitution. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

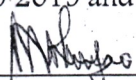
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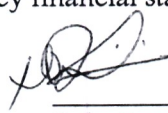
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

STATEMENT OF RECEIPTS AND PAYMENTS

RECEIPTS	Note	2018-2019 Kshs	2017-2018 Kshs
Transfers from NGCDF board	1	108,784,483	43,405,172.00
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	-	-
TOTAL RECEIPTS		108,784,483	43,405,172.00
PAYMENTS			
Compensation of employees	4	2,863,420	1,257,359
Use of goods and services	5	10,684,264	4,620,064
Transfers to Other Government Units	6	41,042,582	13,937,689
Other grants and transfers	7	51,033,818	28,879,737
Acquisition of Assets	8	-	5,299,995
Other Payments	9	-	-
TOTAL PAYMENTS		105,624,084	53,994,845
SURPLUS/DEFICIT		3,160,399	(10,589,673)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KANGEMA Constituency financial statements were approved on 24.09.2019 and signed by:

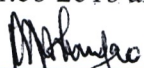

Fund Account Manager
Name: John Mwangi
FUND ACCOUNT MANAGER
NG - CDF KANGEMA
P. O. Box 22 - 10202
KANGEMA


Sub-County Accountant
Name: David Mwangi
DISTRICT ACCOUNTANT
MURANGA WEST
P.O. Box 372-010202
KANGEMA
ICPAK Member Number: 8321


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019
STATEMENT OF ASSETS AND LIABILITIES

	Note	2018-2019	2017 - 2018
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	13,013,410	9,853,010
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		13,013,410	9,853,010
Current Receivables			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		13,013,410	9,853,010
FINANCIAL LIABILITES			
Accounts Payable			
Retention	12A	-	-
Gratuity	12B	-	-
Total Financial Liabilities		-	-
NET FINANCIAL ASSETS		13,013,410	9,853,010
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	9,853,010	20,442,683
Surplus/Defict for the year		3,160,399	(10,589,673)
Prior year adjustments	14	-	-
NET LIABILITIES		13,013,409	9,853,010

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KANGEMA Constituency financial statements were approved on 24.09 2019 and signed by:


Fund Account Manager
Name: JOHN MUNYAU


FUND ACCOUNT MANAGER
NG - CDF KANGEMA
P. O. Box 22 - 10202
KANGEMA

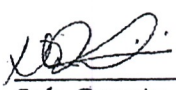

DISTRICT ACCOUNTANT
MURANGA WEST
P.O. Box 372-010202
Sub-County Accountant KANGEMA
Name: DAVID NYOTU
ICPAK Member Number: 8321

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES		2018 - 2019	2017 - 2018
Receipts			
Transfers from CDF Board	1	108,784,483	43,405,172
Other Receipts	3	-	-
Total Receipts		108,784,483	43,405,172
Payments			
Compensation of Employees	4	2,863,420	1,257,359
Use of goods and services	5	10,684,264	4,620,064
Transfers to Other Government Units	6	41,042,582	13,937,689
Other grants and transfers	7	51,033,818	28,879,737
Other Payments	9	-	-
Total Payments		105,624,084	48,694,850
Total Receipts Less Total Payments		3,160,399	(5,289,678)
Adjusted for:			
Outstanding Imprest	11	-	-
Retention	12A	-	-
Gratuity Payable	12B	-	-
Prior Year adjustment	14	-	-
Net Adjustments		-	-
Net cash flow from operating activities		3,160,399	(5,289,678)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	8	-	5,299,995
Net cash flows from Investing Activities		-	(5,299,995)
NET INCREASE IN CASH AND CASH EQUIVALENT		3,160,399	(10,589,673)
Cash and cash equivalent at BEGINNING of the year	13	9,853,010	20,442,683
Cash and cash equivalent at END of the year		13,013,409	9,853,010

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-KANGEMA Constituency financial statements were approved on 24.09.2019 2019 and signed by:


Fund Account Manager
Name: JOHN NGUNYIRI


DISTRICT ACCOUNTANT
MURANGA WEST
P.O. Box 372-010202
Sub-County Accountant KANGEMA
Name: David Kijana
ICPAK Member Number: 8321


FUND ACCOUNT MANAGER
NG - CDF KANGEMA
P. O. Box 22 - 10202
KANGEMA


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KANGEMA CONSTITUENCY
Receipts and Financial Statements
For the year ended June 30, 2019

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from CDF Board	109,040,876	67,175,424	176,216,300	108,784,483	57,578,807	67.3%
Proceeds from Sale of Assets					-	
Other Receipts						
TOTAL RECEIPTS	109,040,876	67,175,424	176,216,300	108,784,483	57,578,807	67.3%
PAYMENTS						
Compensation of Employees	2,247,840	2,530,393	4,778,233	2,863,420	1,914,813	59.9%
Use of goods and services	7,565,839	7,744,769	15,310,608	10,684,264	4,626,344	69.8%
Transfers to Other Government Units	16,440,876	29,649,980	46,090,856	41,042,582	5,048,274	89.0%
Other grants and transfers	82,786,321	27,250,282.67	110,036,603	51,033,818	59,002,785	46.4%
Acquisition of Assets						
Other Payments				-		
TOTAL	109,040,876	67,175,424	176,216,300	105,624,084	70,592,216	59.9%

- (a) *The revenue items do not include any AIA item.*
- (b) *In all the items of expenditure the utilization is below 90% because Kshs 57,578,807 out of the total of Kshs 176,216,300 had not yet been disbursed by the NGCDF Board as at 30th June 2019 and could therefore not be utilized*

The NGCDF-KANGEMA Constituency financial statements were approved on 24.09.2019 and signed by

Fund Account Manager
Name: JOHN MUNYAU


Sub-County Accountant
Name: DAVID NYOTU
ICPAK Member Number:

DISTRICT ACCOUNTANT
MURANGA WEST
P.O. Box 372-010202
KANGEMA

FUND ACCOUNT MANAGER
NG - CDF KANGEMA
P. O. Box 22 - 10202
KANGEMA

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019

VIII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget		Adjustments	Final Budget		Actual on comparable basis		Budget utilization difference
	2018/2019 Kshs			2018/2019 Kshs		30/06/2019 Kshs		
1.0 Administration and Recurrent								
1.1 Compensation of employees	2,247,840.00		2,530,393	4,778,233.00		2,863,420.00		60
1.2 Committee allowances	1,877,845.20		5,310,000.00	7,187,845.20		3,880,000.00		54
1.3 Use of goods and services	2,416,767.80		4,000,608.00	6,417,375.80		2,608,000.00		41
1.4 Acquisition of assets				-				
2.0 Monitoring and evaluation								
2.1 Capacity building	1,000,000.00		1,000,000.00	2,000,000.00		1,656,092.00		83
2.2 Committee allowances	1,362,735.60		2,000,000.00	3,362,735.60		1,500,000.00		45
2.3 Use of goods and services	908,490.40		3,000,000.00	3,908,490.40		1,040,172.00		27
3.0 Emergency	5,738,993.45		568,965.51	6,307,958.96		3,664,120.00		58
3.1 Primary Schools				-				
3.2 Secondary schools				-				
3.3 Tertiary institutions				-				
3.4 Security projects				-				
4.0 Bursary and Social Security								
4.1 Primary Schools			270,000.00	270,000.00		270,000.00		100
4.2 Secondary Schools	20,000,000.00		5,013,000.00	25,013,000.00		17,940,725.73		72
4.3 Tertiary Institutions	7,260,218.07		777,344.81	8,037,562.88		8,021,000.00		100
4.4 Universities				-				
4.5 Social Security				-				
5.0 Sports	2,180,818.00		1,872,413.79	4,053,231.79		1,872,413.79		46
6.0 Environment	2,180,818.00		227,586.20	2,408,404.20		2,180,818.00		91
7.0 Primary Schools Projects								
Gachogi Primary school			120,000.00	120,000.00		120,000.00		100
Gachogi Primary School			824,979.66	824,979.66		824,979.66		100
Githiga Primary school			750,000.00	750,000.00		750,000.00		100
Githiga Primary school			1,800,000.00	1,800,000.00		1,800,000.00		100
Githima Primary school road	1,500,000.00			1,500,000.00				0
Holy Rosary Primary school			350,000.00	350,000.00		350,000.00		100
Ichichi Primary School	600,000.00		100,000.00	700,000.00		700,000.00		100
Kahiti Primary school	500,000.00		750,000.00	1,250,000.00		1,250,000.00		100

TCG RN Financial Statements
Reports and Financial Statements
For the year ended June 30, 2019

Kanguru Primary school		180,000.00	180,000.00	180,000.00	100
Karuri Primary school	500,000.00	1,000,000.00	1,500,000.00	1,000,000.00	67
Kenya-Njeru Primary School		800,000.00	800,000.00	800,000.00	100
Kiangunyi Primary school		300,000.00	300,000.00	300,000.00	100
Kiawairegi primary school	150,000.00		150,000.00		0
Kiawambogo Primary School		350,000.00	350,000.00	350,000.00	100
Kibutha Primary School	450,000.00	950,000.00	1,400,000.00	950,000.00	68
Kihoya Primary school	250,000.00	250,000.00	500,000.00	250,000.00	50
MugechiKaboro Primary School		250,000.00	250,000.00	250,000.00	100
Ngooro Primary school		125,000.00	125,000.00	125,000.00	100
Njii-Ithatu Primary school		250,000.00	250,000.00	250,000.00	100
Njii-Ithatu Primary School		150,000.00	150,000.00	150,000.00	100
Nyagatugu Primary School		350,000.00	350,000.00	350,000.00	100
Nyagatugu Primary School		1,500,000.00	1,500,000.00	1,500,000.00	100
Nyakahura Primary School		250,000.00	250,000.00	250,000.00	100
Rwathia Primary School		850,000.00	850,000.00	850,000.00	100
St. John's Kiruri Primary School		750,000.00	750,000.00	750,000.00	100
Wanjerere Primary school	1,100,000.00		1,100,000.00	1,100,000.00	100
			-		
			-		
			-		
8.0 Secondary Schools Projects					
Dr.Kiano Secondary school.	200,000.00	500,000.00	700,000.00		0
Gakira Secondary School		1,400,000.00	1,400,000.00	1,400,000.00	100
Gatunduini Sec School	750,000.00	750,000.00	1,500,000.00	750,000.00	50
Ihiga Sec School	800,000.00		800,000.00	800,000.00	100
Ihiga Secondary school		2,500,000.00	2,500,000.00	2,500,000.00	100
Iyego Sec School	2,450,000.00	4,200,000.00	6,650,000.00	4,200,000.00	63
kanorero Secondary School		150,000.00	150,000.00	150,000.00	100
kanorero Secondary School		450,000.00	450,000.00	450,000.00	100
Kanyenya-Ini Sec School	1,300,000.00		1,300,000.00		0
Kiairathe Secondary School		750,000.00	750,000.00	750,000.00	100
Kibutha Girls' Sec school	500,000.00		500,000.00		0
Kiruri Secondary School		800,000.00	800,000.00	800,000.00	100
Muguru Secondary School	3,470,876.00		3,470,876.00	3,470,876.00	100
Njii-Ithatu Secondary school		600,000.00	600,000.00	600,000.00	100
Nyagatugu Secondary school		350,000.00	350,000.00	350,000.00	100
Nyagatugu Secondary school		2,400,000.00	2,400,000.00	2,400,000.00	100

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – KANGEMA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

Rwathia Mixed Secondary School	220,000.00	300,000.00	520,000.00	300,000.00	58
Wanjerere Secondary School	600,000.00		600,000.00	600,000.00	100
Watuha Sec School	1,100,000.00	1,500,000.00	2,600,000.00	2,600,000.00	100
			-		
			-		
			-		
9.0 Tertiary institutions Projects					
Proposed Kenya Medical Training College Kangema	13,000,000.00		13,000,000.00		0
Proposed Kenya Medical Training College Kangema	12,000,000.00		12,000,000.00		0
Proposed Kenya Medical Training College Kangema	5,000,000.00		5,000,000.00		0
			-		
			-		
			-		
10.0 Security Projects					
Gakira AP Camp-		3,000,000.00	3,000,000.00	3,000,000.00	100
Gatang'ara AP Camp and A/chief's Office -	300,000.00	1,000,000.00	1,300,000.00	1,300,000.00	100
Gikui Chief's Office		1,574,979.67	1,574,979.67	1,574,979.67	100
Gikui Chief's Office		150,000.00	150,000.00	150,000.00	100
Githunguri A/ chief's Office		250,000.00	250,000.00	250,000.00	100
Ihiga-ini As/ chief's Office		150,000.00	150,000.00	150,000.00	100
Kangema ACC's House		600,000.00	600,000.00	600,000.00	100
Kangema Ranet FM Station		600,000.00	600,000.00	600,000.00	100
Kanguru Ass/ chief's Office		750,000.00	750,000.00	750,000.00	100
Kanyenya-ini ACC's Office		200,000.00	200,000.00	200,000.00	100
Kanyenya-Ini Chief's Office	2,000,000.00		2,000,000.00		0
Karura A/ Chief's Office	600,000.00		600,000.00		0
Kiamara Chief's Office		400,000.00	400,000.00	400,000.00	100
Kiamara Police Post		831,034.49	831,034.49	831,034.49	100
Kiamara Police Post		300,000.00	300,000.00	300,000.00	100
Kiawambogo Police Post	2,350,000.00		2,350,000.00		0
Kiawambogo Police Post	2,000,000.00		2,000,000.00		0
Kibutha Ass.Chief's Office	500,000.00	1,524,979.66	2,024,979.66	2,024,979.66	100
Kihoya ACC's Office	2,400,000.00		2,400,000.00	2,400,000.00	100
Kihoya Chief's Office		400,000.00	400,000.00	400,000.00	100
Njii-Ithatu AP Camp		150,000.00	150,000.00	150,000.00	100
Thirikwa AP Camp-		450,000.00	450,000.00	450,000.00	100

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

Reports and Financial Statements

For the year ended June 30, 2019

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

3. Reporting Currency

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

4. Significant Accounting Policies

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

a) Recognition of Receipts

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

Tax Receipts

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

Transfers from the Exchequer

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

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

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

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

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

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

b) Recognition of payments

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

Compensation of Employees

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

Use of Goods and Services

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

Acquisition of Fixed Assets

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

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

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2015.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law. 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 2018.

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) –
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

NOTES TO THE FINANCIAL STATEMENTS

1: TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2018-2019	2017-2018
		Kshs	Kshs
NGCDF Board			
AIE NO B051623	1	54,556,896.95	
AIE No B030066	2	10,000,000.00	
AIE NO B030311	3	227,586.20	
AIE No B006364	4	8,000,000.00	
AIE No B005499	5	12,000,000.00	
AIE No A699120	6	11,000,000.00	
AIE No B042900		13,000,000.00	
AIE No A855841	1		5,500,000.00
AIE No A892949	2		37,905,172.00
TOTAL		108,784,483	43,405,172

2: PROCEEDS FROM SALE OF ASSETS

	2018-2019	2017-2018
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment	0	0
Receipts from sale of office and general equipment	0	0
Receipts from the Sale Plant Machinery and Equipment	0	0
	0	0
Total	0	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 OTHER RECEIPTS

	2018-2019	2017-2018
	Kshs	Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

4: COMPENSATION OF EMPLOYEES

GFS CODES	Description	2018-2019	2017 - 2018
		Kshs	Kshs
2110201	Basic wages of contractual employees	1,610,680.00	988,175.00
2110202	Basic wages of casual labour	120,000.00	
	Personal allowances paid as part of salary		
2110301	House allowance		
2110314	Transport allowance		
2110320	Leave allowance	56,000.00	
2110326	Other personnel payments	465,200.00	
2120101	Employer contribution to NSSF	52,920.00	16,800.00
2710120	Gratuity-Paid	558,620.00	252,384.00
	Gratuity-Accrued		
	TOTAL	2,863,420	1,257,359

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5: USE OF GOODS AND SERVICES

GFS CODES	Description	2018-2019	2017 - 2018
		Kshs	Kshs
2210100	Utilities, supplies and services	266,192.00	181,144.00
2210101	Electricity		
2210102	Water & sewerage charges		
2210104	Office rent		
2210200	Communication, supplies and services		
2210300	Domestic travel and subsistence		
2210500	Printing, advertising and information supplies & services		
2210600	Rentals of produced assets		
2210700	Training expenses	637,000.00	
2210800	Hospitality supplies and services	1,019,092.00	
2210802	Other committee expenses		
2210809	Committee allowance	5,380,000.00	1,918,000.00
2210900	Insurance costs		
2211000	Specialised materials and services		
2211100	Office and general supplies and services	1,846,123.00	1,733,970.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

2211200	Fuel , oil & lubricants		1,000,000.00	650,000.00
2211300	Other operating expenses			
2211301	Bank service commission and charges			
2211313	Security operations			
2220100	Routine maintenance - vehicles and other transport equipment		386,892.00	85,950.00
2220200	Routine maintenance- other assets		148,965.00	
	Strategic Plan			51,000.00
	TOTAL		10,684,264	4,620,064

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6: TRANSFER TO OTHER GOVERNMENT ENTITIES

GFS CODES	Description	2018-2019	2017 - 2018
		Kshs	Kshs
2630204	Transfers to Primary schools	18,921,705.91	4,637,689.49
2630205	Transfers to Secondary schools	22,120,876.00	9,300,000.00
2630206	Transfers to Tertiary institutions		
	TIVET		
	TOTAL	41,042,582	13,937,689

7: OTHER GRANTS AND OTHER PAYMENTS

GFS CODES	Description	2018-2019	2017 - 2018
		Kshs	Kshs
2640101	Bursary -Secondary	18,219,000.00	10,062,000.00
2640102	Bursary -Tertiary	8,021,000.00	4,329,000.00
2640104	Bursary-Special schools	270,000.00	127,000.00
2640105	Mocks & CAT		
2640507	Security	16,806,466.78	9,799,979.66
2640509	Sports	1,872,413.00	
2640510	Environment	2,180,818.00	1,819,827.59
2640200	Emergency Projects	3,664,120.00	2,741,930.00
	TOTAL	51,033,818	28,879,737

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8: ACQUISITION OF ASSETS

GFS CODES	Description	2018-2019	2017 - 2018
		Kshs	Kshs
3110102	Purchase of Buildings	-	5,000,000.00
3110202	Construction of Buildings	-	-
3110302	Refurbishment of Buildings	-	-
3110701	Purchase of Vehicles		-
3110704	Purchase of Bicycles & Motorcycles	-	-
3110801	Overhaul of Vehicles	-	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

3111001	Purchase of office furniture and fittings		-	
3111002	Purchase of computers ,printers and other IT equipments		-	
3111005	Purchase of photocopier		-	-
3111009	Purchase of other office equipments		-	299,995.00
3111112	Purchase of soft ware		-	-
3130101	Acquisition of Land		-	-
	TOTAL		-	5,299,995

9: OTHER PAYMENTS

	2018-2019	2017-2018
	Kshs	Kshs
Strategic plan	0	0
ICT Hub	0	0
TIVET	0	0
	0	0

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

Reports and Financial Statements

For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency		2018-2019	2017-2018
		Kshs	Kshs
Equity Bank K,angema Branch	0030294329608	13,013,409.75	9,853,010.01
Total		13,013,409.75	9,853,010.01
10B: CASH IN HAND			
		0	0
		0	0
		0	0
Total		0	0
<i>[Provide cash count certificates for each]</i>			

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
<i>Total</i>				<u>0</u>

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

12A. RETENTION

	2018 - 2019 Kshs	2017-2018 Kshs
	0	0
	0	0
	0	0
<i>Total</i>	<u>0</u>	<u>0</u>

[Provide short appropriate explanations as necessary]

12B. STAFF GRATUITY OUTSTANDING

	2018 - 2019 Kshs	2017-2018 Kshs
	0	0
<i>Add as appropriate</i>		
<i>Total</i>	<u>0</u>	<u>0</u>

[Provide short appropriate explanations as necessary]

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

13. BALANCES BROUGHT FORWARD

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	9,853,010.01	20,442,683.05
Cash in hand		-
Imprest		-
Total	9,853,010.01	20,442,683.05

[Provide short appropriate explanations as necessary]

14. PRIOR YEAR ADJUSTMENTS

	2018-2019 Kshs	2017-2018 Kshs
Bank accounts	0	0
Cash in hand	0	0
Imprest	0	0
Total	0	0

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA CONSTITUENCY**
Reports and Financial Statements
For the year ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2018-2019	2017-2018
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
	-	-

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	-	-
Middle management	-	-
Unionisable employees	-	-
Others (<i>specify</i>)	-	-
	-	-

15.3: UNUTILIZED FUND (See Annex 3)

	Kshs	Kshs
Compensation of employees	1,914,813	4,603,403
Use of goods and services	4,626,344	5,832,550
Amounts due to other Government entities (see attached list)	5,048,274	25,599,980
Amounts due to other grants and other transfers (see attached list)	59,002,785	31,146,387
Acquisition of assets		-
Others (<i>specify</i>)		-
	70,592,216	67,182,320

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2018-2019	2017-2018
	Kshs	Kshs
PMC account Balances (see attached list)	6,611,937.07	10,575,035.00
	6,611,937.07	10,575,035.00

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs'000)

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 2019 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- KANGEMA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2019 (Kshs'000)

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2019	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 – KANGEMA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Costb/f (Kshs) 2017/18	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Land				
Buildings and structures	74,685,064.45	0.00	0.00	74,685,064.45
Transport equipment	6,526,757.00	0.00	0.00	6,526,757.00
Office equipment, furniture and fittings	1,217,750.00	0.00	0.00	1,217,750.00
ICT Equipment, Software and Other ICT Assets	90,016.00	0.00	0.00	90,016.00
Other Machinery and Equipment	299,995.00	0.00	0.00	299,995.00
Heritage and cultural assets		0.00	0.00	
Intangible assets				
Total	82,819,582.45	0.00	0.00	82,819,582.45

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KANGEMA
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2019**

ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2019

NAME OF THE PMC	BANK	ACCOUNT NUMBER	Bank Balance As at 30th June 2019	Bank Balance As at 1st July 2018
Wanjerere Secondary School Pmc	EQUITY	30262063801	2,476.00	5,200,000.00
Kiawairegi Primary School Pmc	EQUITY	30299794045	1,946.90	1,946.00
NyakahuraAp.CampPmc	EQUITY	30270076811	550.00	550.00
Kangema Market & Shoe Shiner sheds pmc	EQUITY	30166899011	3,870.00	3,870.00
Kiruri Boys Sec. School Pmc	EQUITY	30296818175	250,565.00	279.00
Karura Primary School Pmc	EQUITY	30299796654	929.00	929.00
Kangema Adult Education Pmc	EQUITY	30169908805	299.60	299.60
Githima Primary School pmc	EQUITY	30299973358	1,589.60	1,589.60
Muguru Primary School pmc	EQUITY	30260521854	10,657.00	5,221.00
KiawambogoSecondary School Pmc	EQUITY	30260487616	285.00	285.00
Gikui Primary Sch.Pmc	EQUITY	30299971143	-	799,830.00
Ngoeini Primary School Pmc	EQUITY	30264352670	1,650.00	1,650.00
Nyagatugu Primary School Pmc	EQUITY	30269044599	8,459.49	839,744.49
Rwathia Primary School pmc	EQUITY	30270074204	867,385.00	17,385.00
NyagatuguAss.chief's Office Pmc	EQUITY	30260510253	3,925.00	128,405.00
Nduini Primary School Pmc	EQUITY	30292551699	5,685.00	5,685.00
Kenya-NjeruAss.chief's Office Pmc	EQUITY	30299789126	913.00	913.00
KanguruAss.chief's Office Pmc	EQUITY	30299789110	7,413.00	2,903.00
Kayu Primary School Pmc	EQUITY	30264380371	425.00	425.00
KayuAss.chief's office pmc	EQUITY	30299943578	138.00	138.00
Githiga Dispensary pmc	EQUITY	30263724018	234.50	234.59

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KANGEMA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs'000)

			234.50	234.59
Holy Rosary primary School pmc	EQUITY	30299932007	597.00	1,072.00
Kanorero Secondary school pmc	EQUITY	30299797351	1,366.00	91.00
Iyego Primary School Pmc	EQUITY	30260476490	110.00	110.00
Gitugu Secondary Sch. Pmc	EQUITY	30299858709	375.50	375.50
Kanyenyaini Secondary School pmc	EQUITY	30260424839	2,340.00	2,340.00
Kibutha Primary School pmc	EQUITY	30299903747	950,569.00	569.00
Rwathia Girls secondary School pmc	EQUITY	30261597477	2,103.00	2,103.00
Rwathia Mixed Sec.Sch pmc	EQUITY	30260378894	229.70	791,617.00
Ichichi Primary School pmc	EQUITY	30299796655	701,082.50	1,000,100.00
Kangema Priamry School pmc	EQUITY	30260444000	66.00	66.00
Kiangunyi Primary School pmc	EQUITY	30261706532	40.00	1,205.00
Kiairathe secondary School pmc	EQUITY	30299824939	17,504.75	5,484.75
Nyagatugu Sec.sch.pmc	EQUITY	30101551487	364,628.60	13,458.60
Githiga Primary School pmc	EQUITY	30299915412	89,873.50	708.50
Mununga Dispensary Pmc	EQUITY	30271856119	1,273.00	1,273.00
Kiruri Chief's offic pmc	EQUITY	30273107648	439.00	439.00
Karurumo Dispensary Pmc	EQUITY	30271856503	6,196.00	6,196.00
Nyagatugu Dispensary Pmc	EQUITY	30271855889	49,920.00	49,920.00
Kayu Dispensary Pmc	EQUITY	30271855452	4,033.00	4,033.00
Kanyenyaini Chief's Office Pmc	EQUITY	30279011037	-	-
Muguru Secondary School pmc	EQUITY	30260521677	8,961.00	-
Rwathia Chief's Office Pmc	EQUITY	30299789784	87,484.00	-
Kihoya Acc's Office Pmc	EQUITY	30278833449	767.50	-
Tuthu Ass.Chief"s Office Pmc	EQUITY	30278850959	753.00	-

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KANGEMA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs'000)

Kibutha Ass.Chief's Office Pmc	EQUITY	30277436610	30,892.16	-
Tuthu chief's Office Pmc	EQUITY	30278347279	280.00	-
Kangema Acc's House Pmc	EQUITY	30278259556	11.00	-
Kangema Ranet Fm Pmc	EQUITY	30277112636	1,647.50	-
Gitugu Primary School Pmc	FAMILY BANK	9000015747	179.45	179.45
Kibutha Girls Sec.School pmc	FAMILY BANK	9000014339	237.00	237.00
St.John's Kiruri Primary Sch.Pmc	FAMILY BANK	9000012076	3,391.00	1,724.20
Mugechi Kaboro Pry Sch.Pmc	FAMILY BANK	9000017891	97.00	115.00
Mukarara Primary School Pmc	FAMILY BANK	9000018475	15.00	15.00
Watuha Primary School Pmc	FAMILY BANK	9000018469	8.00	8.00
Ngoeini Ass.chief's Office Pmc	FAMILY BANK	9000011973	139.19	7,029.00
Ihigaini Ass.chief's office pmc	FAMILY BANK	9000018471	16,674.19	323.00
Nyakahura Primary School pmc	FAMILY BANK	9000015957	60.10	(181.12)
Gatunduini Secondary School Pmc	FAMILY BANK	9000014340	783,987.00	36,257.00
Kiairathe Ass.chiefs' office pmc	FAMILY BANK	9000012256	28.00	28.00
Nyakahura Police Post Pmc	FAMILY BANK	9000015772	598.00	598.00
Githunguri Ass.chief's Office pmc	FAMILY BANK	9000012106	350.53	(607.85)
Njii-Ithatu Pry.Sch pmc	FAMILY BANK	9000012095	102.80	175.20
Kiangunyi Ass.chief's office pmc	FAMILY BANK	9000016107	167.00	167.00
Nyakahura Ass.chief's office pmc	FAMILY BANK	9000014334	182.00	182.00
Kahiti Primary School pmc	FAMILY BANK	9000012014	170,510.80	363.60
Kanguru Primary School pmc	FAMILY BANK	9000015771	96,345.83	314.08
Watuha Secondary School pmc	FAMILY BANK	9000014365	35,866.83	4,986.00
Njii-Ithatu Secondary School pmc	FAMILY BANK	9000018488	55.00	273.00
Ihiga Secondary School pmc	FAMILY BANK	9000014342		

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KANGEMA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs'000)

			39,402.30	505.86
Nyakahura Sec School Pmc	FAMILY BANK	9000020062	29.00	-
Kihoya Chief's Office Pmc	FAMILY BANK	9000020289	88.00	
Mununga Ap Post pmc	KCB	1171470851	582.50	252.50
Dr.Kiano Sec.School pmc	KCB	1171431848	690.00	690.00
Thirikwa Primary School pmc	KCB	1172936234	40,777.50	40,777.50
Ngooro Primary School Pmc	KCB	1137612304	152,786.50	27,786.50
Gakira Day Sec.Sch. Pmc	KCB	1137812753	7,539.90	3,559.90
Gatang'ara Ap Camp Pmc	KCB	1205182098	6,910.00	9,500.00
Gataguago Water Project pmc	KCB	1164422626	307.15	307.15
Kiamara Chief's Office Pmc	KCB	1138000787	7,187.15	3,062.15
Thirikwa Ap post pmc	KCB	1159582777	-	(17.50)
Gachogi Primary School pmc	KCB	1150087714	15,044.65	1,182.00
Karurumo Ass.chief's office pmc	KCB	1137787171	9,350.75	9,350.75
Kihoya Heath Centre pmc	KCB	1139043099	642.75	642.75
Githiga Ass. Chief's office pmc	KCB	1197930213	131.00	131.00
Kiawambogo Police post Pmc	KCB	1178223523	1,323.00	1,323.00
Marimira Ap camp pmc	KCB	1172823154	1,368,650.00	1,368,650.00
Tuthu Ap camp pmc	KCB	1173035346	245.00	245.00
Kenya-Njeru Primary Sch.pmc	KCB	1171603231	1,228.00	428.00
Tuthu Primary School pmc	KCB	1171695020	21,030.00	21,030.00
Ichichi Secondary School pmc	KCB	1138088439	26,051.20	63,751.20
Karurumo Primary School pmc	KCB	1171426321	-	(2,137.50)
Gacharaigu Primary School pmc	KCB	1138879517	5,275.05	5,275.05

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KANGEMA
CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2019 (Kshs'000)**

Kihoya Primary School pmc	KCB	1171514298	259,187.00	9,439.00
Ihigaini Dispensary Pmc	KCB	1138365092	322.50	21,372.50
Kiruri PrimarySchool pmc	KCB	1167658825	6,830.00	6,830.00
Kiamara Health Centre pmc	KCB	1139434640	3,137.10	3,263.10
Muringaini chief's office pmc	KCB	1137885688	15,159.40	15,159.40
Mununga Ass.chief's office pmc	KCB	1210828081	(25.00)	8,588.00
Gakira Ap camp pmc	KCB	1178150933	593.50	593.50
Gacharaigu Secondary Pmc	KCB	1177901218	2,821.00	2,821.00
Njii-Ithatu Ap line Pmc	KCB	1172844135	2,306.00	652.00
Gatangara Dispensary pmc	KCB	1171692331	4,392.00	4,392.00
Kiawambogo Police post Pmc	KCB	1234788411	6,892.00	-
Gikui Chief's Office Pmc	COOPERATIVE	1141822089000	1,509.65	-
Gikui AP Camp PMC	COOPERATIVE	1141822089100	782.00	-
Kanyenyaini Acc's Office Pmc	COOPERATIVE	1141822090200	825.00	-
			6,611,937	10,575,035.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KANGEMA
CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs'000)

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
CEN/HUB/MRG. C/KANGEMA CDF/24/16	<p>1.0 Incomplete Installation of Generator at Kangema Ranet FM</p> <p>Note 7 to the financial statements for the year ended 30 June 2018 reflects other grants and other payments balance of Kshs.28,879,737, which includes expenditure of Kshs. 9,799,979 in respect of security projects, out of which an amount of Kshs. 1,000,000 was spent on purchase, installation and commissioning of a standby generator at Kangema Ranet FM. However, physical verification of the project revealed that the standby generator has not been commissioned due the incompatible electricity</p>	It is true that the automatic switch mode installed in the generator require a three phase electricity supply connection but in the premises the supply is single phase. Kangema Ranet FM has applied for upgrading of power supply to three phase	Fund Manager	Not Resolved	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KANGEMA
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs'000)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
	<p>connection in the premises. Available information showed that the automatic switch mode installed in the generator require a three phase electricity supply connection in the premises was of a single phase. No effort appears to have taken by the CDF management to have the generator operational and commissioned to serve the intended purpose. Consequently, it has not been possible to ascertain the effectiveness of the expenditure of Kshs 1,000,000 incurred during the year ended 30 June 2018 on purchase of the standby generator.</p>				
CEN/HUB/MRG. C/KANGEMA CDF/24/16	<p>2.0 Construction of Kiawambogo Police Post Disclosed under note 7 to the financial statements under other grants and</p>	The police lines/ patrol base is not functional/ operational since there are no security personnel because the building meant to be the administration block is	Fund Manager	Not Resolved	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KANGEMA
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs'000)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
	<p>other payments of Kshs. 28,879,737 is an expenditure of Kshs 9,799,979 in respect of security projects, out of which of Kshs 5,000,000 was for construction of Kiawambogo police post/patrol base. The contract was awarded to M/s Marstep Limited at a contract sum of Kshs 4,897,000. Although the police lines/patrol base was indicated to be complete, the project was not operational. A review of correspondences between the CDF office and Kenya Police revealed that the armoury constructed within the building did not conform with the Kenya police the guidelines, an indication of lack of consultation between the CDF office and user department. Further, physical inspection of the project revealed leaking</p>	<p>inhabitable and requires modification to make it usable as a police line. In order to ensure functionality the NGCDF committee has allocated this project Ksh 2,350,000 for construction two(2) housing units and further Ksh 2,000,000 for renovation of the administration block to the standards of Kenya police, in the 2018/2019 Financial year</p>			

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KANGEMA
CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs'000)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
	<p>roof due to poor workmanship by the contractor. As a result, the regularity of the expenditure of Kshs 5,000,000 incurred on the project during the year ended 30 June 2018 could not be confirmed.</p>				
CEN/HUB/MRG. C/KANGEMA CDF/24/16	<p>1. Bursary Management Note 7 to the financial statements reflects other grants and other payments of Kshs 28,879,737 which includes bursary to secondary schools, tertiary institutions and special schools totaling to Kshs. 14,518,000. Records indicate that the beneficiaries were each awarded bursary amount ranging between Kshs.5,000 and Kshs.7,000. However, the CDF management do not have documented bursary policy to guide and streamline the</p>	<p>The identification of bursary beneficiaries is done by the Project management committees (PMCs) at the sublocation level which is mandated to do so. The NGCDFC actually acts on the recommendations of the PMC members who are better placed to understand the needs of the people on the ground. Kangema NGCDFC is closely working with the PMCs to ensure equitable awarding of bursary funds.</p>	Fund Manager	Not Resolved	

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND – KANGEMA
 CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2019 (Kshs'000)

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
	management of the funds. Therefore, it was not confirmed on the criteria used in setting the minimum and maximum amount of bursary to be awarded to the intended beneficiaries in various institutions of learning.				

TRIAL BALANCE AS AT 30TH JUNE 2016

		DR	CR
Cash and Cash equivalents			
	Bank Balances	13,013,410	
	Cash Balances	-	
	Outstanding Imprest	-	
Payments			
	Compensation of Employees	2,863,420	
	Use of goods and services	10,684,264	
	Transfers to Other Government Units	41,042,582	
	Other grants and transfers	51,033,818	
	Acquisition of Assets	-	
	Other Payments	-	
Receipts			
	Transfers from the Board		108,784,483
	Proceeds from sale of assets		-
	Others receipts		-
Prior Year Adjustment			-
Receivables			-
Payables			
Fund Balance b/f			9,853,010
TOTAL		118,637,493	118,637,493